The Ontario Securities Commission

OSC Bulletin

March 28, 2013

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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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March 28, 2013

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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SCHEDULED OSC HEARINGS

April 2, 2013 10:00 a.m.	**Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)** s. 127 M. Vaillancourt in attendance for Staff Panel: VK
April 3, 2013 2:00 p.m.	**Onix International Inc. and Tyrone Constantine Phipps** s. 127 C. Rossi in attendance for Staff Panel: JDC
April 3, 2013 3:00 p.m.	**New Futures Trading International Corporation and Fernando Honorate Fagundes also known as Henry Roche** s. 127 S. Schumacher in attendance for Staff Panel: JDC
April 3-5, 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

April 4, 2013 10:00 a.m.	**Sandy Winick, Andrea Lee McCarthy, Kolt Curry, Laura Mateyak, Gregory J. Curry, American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Liquid Gold International Corp., (aka Liquid Gold International Inc.) and Nanotech Industries Inc.** s. 127 J. Feasby in attendance for Staff Panel: JDC
April 8, 2013 9:00 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 J. Feasby in attendance for Staff Panel: MGC
April 8, 2013 9:00 a.m.	**Ground Wealth Inc., Michelle Dunk, Adrion Smith, Joel Webster, Douglas DeBoer, Armadillo Energy Inc., Armadillo Energy, Inc., and Armadillo Energy LLC** s. 127 J. Feasby in attendance for Staff Panel: MGC
April 8, 2013 1:00 p.m. 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: AJL
April 9, 2013 3:00 p.m.	**New Hudson Television LLC & Dmitry James Salganov** s. 127 C. Watson in attendance for Staff Panel: MGC
April 10, 2013 10:00 a.m.	**Blackwood & Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay)** s. 37, 127 and 127.1 C. Rossi in attendance for Staff Panel: JEAT
April 12, 2013 10:00 a.m.	**Myron Sullivan II formerly known as Fred Myron George Sullivan, Global Response Group (GRG) Corp., and IMC – International Marketing Of Canada Corp.** S. Schumacher in attendance for Staff Panel: TBA
April 12, 2013 11:00 a.m.	**Michael Robert Shantz and Canada Pacific Consulting Inc.** s. 127 S. Schumacher in attendance for Staff Panel: TBA
April 15, 2013 9:00 a.m.	**JV Raleigh Superior Holdings Inc., Maisie Smith (also known as Maizie Smith) and Ingram Jeffrey Eshun** s. 127 S. Schumacher in attendance for Staff Panel: AJL

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: JDC
April 17, 2013 10:00 a.m.	**Portfolio Capital Inc., David Rogerson and Amy Hanna-Rogerson** s. 127 S. Horgan in attendance for Staff Panel: AJL
April 18, 2013 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 C. Price in attendance for Staff Panel: CP
April 25, 2013 10:00 a.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 C. Rossi in attendance for Staff Panel: CP
April 25, 26 and May 13, 2013 10:00 a.m.	**Matthew Robert White and White Capital Corporation** s. 8 S. Horgan/C. Weiler in attendance for Staff Panel: JEAT
April 26, 2013 11:00 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
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: JDC
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

May 10, 2013 10:00 a.m.	**Children's Education Funds Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
May 14, 2013 10:00 a.m.	**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: VK/EPK
May 22-31, 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
May 27, 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: JEAT
June 3, June 5-17 and June 19-25, 2013 10:00 a.m.	**David Charles Phillips and John Russell Wilson** s. 127 Y. Chisholm in attendance for Staff Panel: JDC
June 3, 5-6, 10-12, 14-17, 19-20 and July 22-26, 2013 10:00 AM	**Jowdat Waheed and Bruce Walter** s. 127 J. Lynch in attendance for Staff Panel: CP/SBK/PLK
June 6, 2013 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
June 19, 2013 11:00 a.m.	**Knowledge First Financial Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
July 31, 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: MGC
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 U. Sheikh in attendance for Staff Panel: JDC

October 15-21, October 23-29, 2013 10:00 a.m.	**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
November 4 and November 6-18, 2013 10:00 a.m.	**Systematech Solutions Inc., April Vuong and Hao Quach** s. 127 D. Ferris in attendance for Staff Panel: TBA
January 13, January 15-27, January 29 – February 10, February 12-14 and February 18-21, 2014 10:00 a.m.	**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
May 5-16 and May 20 – June 20, 2014 10:00 a.m.	**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
In writing	**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
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 and Sandra Gale** s. 127 C. Johnson 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

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

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

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

Beryl Henderson

s. 127

S. Schumacher 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

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: TBA

TBA

Ernst & Young LLP

s. 127 and 127.1

A. Clark in attendance for Staff

Panel: TBA

TBA

Newer Technologies Limited, Ryan Pickering and Rodger Frey

s. 127 and 127.1

B. Shulman in attendance for staff

Panel: TBA

TBA

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

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: TBA

TBA

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

TBA

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

TBA

Fawad Ul Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus

s. 60 and 60.1 of the *Commodity Futures Act*

T. Center in attendance for Staff

Panel: TBA

TBA

Global RESP Corporation and Global Growth Assets Inc.

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA

Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh

s. 127 and 127.1

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA **Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith**

s. 127(1) and (5)

A. Heydon/Y. Chisholm in attendance for Staff

Panel : TBA

TBA. **Moncasa Capital Corporation and John Frederick Collins**

s. 127

T. Center in attendance for Staff

Panel: EPK

TBA **Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein**

s. 127

A. Clark/J. Friedman in attendance for Staff

Panel: TBA

TBA **Heritage Education Funds Inc.**

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA **Quadrexx Asset Management Inc., Quadrexx Secured Assets Inc., Offshore Oil Vessel Supply Services LP, Quibik Income Fund and Quibik Opportunity Fund**

s. 127

D. Ferris in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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 New Futures Trading International Corporation and Fernando Honorate Fagundes also known as Henry Roche – 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
NEW FUTURES TRADING INTERNATIONAL CORPORATION
and FERNANDO HONORATE FAGUNDES also known as HENRY ROCHE

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 offices of the Commission located at 20 Queen Street West, 17th Floor, commencing on April 3, 2013 at 3:00 p.m., or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to paragraphs 1, 2 and/or 3 of subsection 127(10), it is in the public interest for the Commission to make an order:

(i) pursuant to paragraph 2 of subsection 127(1) of the Act that trading in any securities or derivatives by New Futures Trading International Corporation ("New Futures") and Fernando Honorate Fagundes also known as Henry Roche ("Fagundes") (together, the "Respondents") cease permanently;

(ii) pursuant to paragraph 2 of subsection 127(1) of the Act that trading in any securities of the Respondents cease permanently;

(iii) pursuant to paragraph 2.1 of subsection 127(1) of the Act that the acquisition of any securities by the Respondents is prohibited permanently;

(iv) pursuant to paragraph 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

(v) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act that Fagundes resign all positions that he holds as a director or officer of any issuer, registrant, or investment fund manager;

(vi) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act that Fagundes be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(vii) pursuant to paragraph 8.5 of subsection 127(1) of the Act that Fagundes be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

(viii) such further order as the Commission considers appropriate in the public interest.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 18, 2013 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 18th day of March, 2013.

"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
NEW FUTURES TRADING INTERNATIONAL CORPORATION
and FERNANDO HONORATE FAGUNDES also known as HENRY ROCHE

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. New Futures Trading International Corporation ("New Futures") and Fernando Honorate Fagundes also known as Henry Roche ("Fagundes") (together, the "Respondents") have been convicted by the United States District Court, District of New Hampshire (the "New Hampshire District Court") of offences under the laws of the jurisdiction respecting the buying or selling of securities further to the Complaint dated November 15, 2011 (the "Complaint") filed with the New Hampshire District Court by the United States Securities and Exchange Commission (the "SEC").

2. In the Complaint, the SEC alleged that, between December 1, 2010 and May 11, 2011, the Respondents raised at least $1.3 million from the offer and sale of high-yielding promissory notes in the name of New Futures to at least fourteen investors in the United States and Canada.

3. The SEC further alleged that Fagundes represented to some investors that their funds would be invested in bonds, treasury notes and/or 10 year Treasury note futures contracts, while representing to others that the funds would be invested directly in New Futures. Instead, Fagundes used approximately $937,000 of investors' money to make "interest" payments to prior investors in the scheme. In addition, Fagundes misappropriated another $359,000 to support his lifestyle and to operate a horse breeding ranch in Kendal, Ontario.

4. In a Final Judgment dated May 24, 2012 (the "Final Judgment"), the New Hampshire District Court accepted as true the factual allegations in the Complaint and found the Respondents guilty of engaging in fraud in the offer or sale of securities, and of engaging in the offer and sale of unregistered securities.

5. Staff are seeking an inter-jurisdictional enforcement order reciprocating the Final Judgment pursuant to paragraphs 1, 2, and/or 3 of subsection 127(10) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act").

II. THE NEW HAMPSHIRE PROCEEDINGS

A. The Respondents

6. New Futures is a New Hampshire corporation formed in November 2010 with a principal place of business in Bedford, New Hampshire.

7. Fagundes was a resident of Kendal, Ontario at the time of the impugned conduct. Although not listed as an officer of New Futures, the New Hampshire District Court accepted as true that Fagundes controlled the business.

8. Staff allege that "Henry Roche" is an alias used by Fernando Honorate Fagundes, who has also used the aliases Shane Silver, Shane Silverman, Shane Silva, Fernando Silva and Fernando Fagender.

B. The Findings of the New Hampshire District Court

9. Since at least 2008, Fagundes operated an internet-based stock and futures day trading business. Between 2009 and 2011, Fagundes offered day-trading training modules over the internet via websites, internet advertising, and by posting promotional video recordings of the training sessions on websites such as YouTube.

10. Fagundes operated the online training program using at least three different company names. Beginning in 2009, the program was offered through Masters Palace, Inc. ("Masters Palace"). Some time in 2010, Fagundes changed the name of the entity or otherwise created a successor entity called Third Realm, Inc. ("Third Realm"). Third Realm is also referred to online as the "Third Realm Institute." In the fall of 2010, Fagundes created New Futures.

11. While Fagundes was not listed as an officer or director in New Futures' incorporation documents, Fagundes directed that the corporation be formed and that his wife, Emilia Elnasin (also known as Emilia Elnasin Roche or Lian Roche) ("Elnasin") be named as a shareholder and officer. Fagundes retained *de facto* control over the operation.

Illegal Distribution of Securities

12. Certain students who participated in Fagundes' training seminars were subsequently contacted by Fagundes and solicited to make additional investments in either the online stock and futures day-trading business or were solicited by Fagundes to invest additional money with him.

13. In return for the investment, in many instances Fagundes had promissory notes drafted, executed and issued to the investors. For the time period of 2009 to August 2011, promissory notes were issued in the names of the following Fagundes-affiliated entities: Masters Palace, Third Realm and New Futures. In some limited instances, additional promissory notes were issued in the name of Majestic Horses International Inc. ("Majestic Horses"), a horse breeding venture that Fagundes owned and/or operated in Kendal, Ontario.

14. The promissory notes usually contained the purported signature of Elnasin, an officer of New Futures, although in at least three instances, Fagundes electronically signed the original promissory note.

15. Between December 1, 2010 and May 11, 2011, Fagundes and New Futures issued at least eighteen promissory notes to fourteen investors in the amount of $1.3 million. The promissory notes were similar to one another and typically included an interest or return provision that would pay investors a return of between 5-10% per month. The promissory notes also included a provision whereby the investor could demand the principal and/or any accrued interest be returned within 45 days. In some but not all of the promissory notes, there was an additional provision whereby the investors could choose to leave the investment in place for a defined period of time (usually fourteen months) and the investor would then be awarded a 200% return in addition to the original investment amount.

Fraudulent Conduct

16. Much of New Futures' investors' money was used for two primary purposes: payments to persons who were likely investors in one of Fagundes' prior schemes (Masters Palace and/or Third Realm) or Fagundes' equestrian related expenses. In total, from November 2010 to June 2011, at least $884,000 was paid out to individuals who were prior investors in Fagundes-related entities, while at least another $350,000 was used to pay the costs of Majestic Horses.

17. New Futures earned no revenue other than what it obtained through new investors and "tuition" for the trading training program. Contrary to Fagundes' representations to investors, monies raised from investors were not used to grow the trading futures business or invest in bonds and treasury notes. Because tuition fees alone were insufficient, New Futures had no way of paying its promissory note holders' interest payments without seeking out additional investors.

C. The Order of the New Hampshire District Court

18. In the Final Judgment, the New Hampshire District Court convicted the Respondents of employing the means or instrumentalities of interstate commerce, the mails, or facilities of national securities exchanges to engage in the conduct alleged in the Complaint.

19. In the Final Judgment, the New Hampshire District Court ordered that the Respondents are permanently restrained and enjoined from:

    a. violating, directly or indirectly, Section 10(b) of the *Securities Exchange Act of 1934* (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

        i. to employ any device, scheme or artifice to defraud;

        ii. to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

        iii. to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; and

b. violating Section 17(a) of the *Securities Act of 1933* (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

i. to employ any device, scheme, or artifice to defraud;

ii. to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

iii. to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser; and

c. violating Section 5 of the *Securities Act* [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

i. unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

ii. unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

iii. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the SEC as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the *Securities Act* [15 U.S.C. § 77h].

20. The New Hampshire District Court further ordered that each of Fagundes and New Futures:

a. is liable for disgorgement of $1,242,972;

b. prejudgment interest thereon in the amount of $40,917.47; and

c. a civil penalty in the amount of $150,000.

21. The Final Judgment also ordered that the asset freeze entered by the New Hampshire District Court on December 7, 2011 shall remain in full force and effect.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

22. The Respondents have been convicted by the New Hampshire District Court of offences under the laws of the jurisdiction respecting the buying or selling of securities, which are circumstances which permit an order to be made pursuant to paragraphs 1, 2, and/or 3 of subsection 127(10) of the Act.

23. By engaging in the conduct described above, the Respondents acted in a manner contrary to the public interest, and an order is warranted pursuant to subsection 127(1) of the Act.

24. 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.

DATED at Toronto, this 18th day of March, 2013.

1.2.2 Bernard Boily – ss. 127, 127.1

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

AND

IN THE MATTER OF
BERNARD BOILY

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON, commencing on March 27, 2013 at 10:00 a.m., or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement between Staff of the Commission ("Staff") and Bernard Boily;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated March 29, 2011;

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

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

DATED at Toronto this 25th day of March, 2013.

"John Stevenson"
Secretary to the Commission

1.2.3 Myron Sullivan II formerly known as Fred Myron George Sullivan et al. – 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
MYRON SULLIVAN II formerly known as
FRED MYRON GEORGE SULLIVAN,
GLOBAL RESPONSE GROUP (GRG) CORP., and
IMC – INTERNATIONAL MARKETING OF CANADA CORP.

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 offices of the Commission, 20 Queen Street West, 17th Floor, commencing on April 12, 2013 at 10:00 a.m.;

TO CONSIDER whether, pursuant to paragraph 4 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Myron Sullivan II formerly known as Fred Myron George Sullivan ("Sullivan") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities and derivatives by Sullivan cease permanently;

    b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Sullivan cease permanently;

    c. pursuant to paragraph 7 of subsection 127(1) of the Act, Sullivan resign any positions that he holds as director or officer of an issuer;

    d. pursuant to paragraph 8 of subsection 127(1) of the Act, Sullivan be prohibited permanently from becoming or acting as an officer or director of an issuer;

    e. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Sullivan resign any positions that he holds as director or officer of a registrant;

    f. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Sullivan be prohibited permanently from becoming or acting as an officer or director of a registrant;

    g. pursuant to paragraph 8.3 of subsection 127(1) of the Act, Sullivan resign any positions that he holds as director or officer of an investment fund manager;

    h. pursuant to paragraph 8.4 of subsection 127(1) of the Act, Sullivan be prohibited permanently from becoming or acting as an officer or director of an investment fund manager;

    i. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Sullivan be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

2. against Global Response Group (GRG) Corp. ("GRG") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in securities of GRG cease permanently;

    b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in securities or derivatives by GRG cease permanently; and

    c. pursuant to paragraph 8.5 of subsection 127(1) of the Act, GRG be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

3. against IMC – International Marketing of Canada Corp. ("IMC") that:

   a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in securities of IMC cease permanently;

   b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in securities or derivatives by IMC cease permanently; and

   c. pursuant to paragraph 8.5 of subsection 127(1) of the Act, IMC be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter; and

4. 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 of the Commission dated March 21, 2013 and by reason of an order of the British Columbia Securities Commission dated December 13, 2012, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on April 12, 2013 at 10:00 a.m., 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 OSCB 10071 and section 5.1 of the *Statutory Powers Procedure A*ct, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

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 22nd day of March, 2013.

"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
MYRON SULLIVAN II formerly known as
FRED MYRON GEORGE SULLIVAN,
GLOBAL RESPONSE GROUP (GRG) CORP., and
IMC – INTERNATIONAL MARKETING OF CANADA CORP.

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. Myron Sullivan II formerly known as Fred Myron George Sullivan ("Sullivan"), Global Response Group (GRG) Corp. ("GRG") and IMC – International Marketing of Canada Corp. ("IMC") (together, the "Respondents") are subject to an order made by the British Columbia Securities Commission (the "BCSC") dated December 13, 2012 (the "BCSC Order") that imposes sanctions, conditions, restrictions or requirements on them.

2. In its findings on liability dated December 13, 2012 (the "Findings"), a panel of the BCSC (the "BCSC Panel") found that the Respondents engaged in an illegal distribution of securities contrary to section 61 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the "BC Act"). The BCSC Panel further found that Sullivan made misrepresentations, contrary to subsection 50(1)(d) of the BC Act, and that Sullivan and GRG perpetrated a fraud, contrary to section 57 of the BC Act.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

4. The conduct for which the Respondents were sanctioned took place between 2008 and 2011 (the "Material Time").

5. During the Material Time, Sullivan was a resident of British Columbia. Both GRG and IMC were incorporated in British Columbia.

II. THE BCSC PROCEEDINGS

The BCSC Findings

6. In its Findings, a panel of the BCSC found the following:

   a. the Respondents distributed securities without filing a prospectus, contrary to section 61 of the BC Act;

   b. Sullivan made misrepresentations with the intention of effecting a trade in a security, contrary to subsection 50(1)(d) of the BC Act; and

   c. Sullivan and GRG perpetrated a fraud, contrary to section 57 of the BC Act.

The BCSC Order

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:

   a. upon Sullivan:

      i. pursuant to subsection 161(1)(b) of the BC Act, that Sullivan cease trading permanently, and is permanently prohibited from purchasing, securities or exchange contracts;

      ii. pursuant to subsections 161(1)(d)(i) and (ii) of the BC Act, that Sullivan resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer, registrant, or investment fund manager;

iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that Sullivan is permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;

iv. pursuant to subsection 161(1)(d)(iv) of the BC Act, that Sullivan is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;

v. pursuant to subsection 161(1)(d)(v) of the BC Act, that Sullivan is permanently prohibited from engaging in investor relations activities;

vi. pursuant to subsection 161(1)(g) of the BC Act, that Sullivan pay to the BCSC the funds he obtained as a result of his contraventions of the Act, which the BCSC Panel found to be not less than $1,739,225; and

vii. pursuant to section 162 of the BC Act, that Sullivan pay an administrative penalty of $700,000;

b. upon GRG:

i. pursuant to subsection 161(1)(b) of the BC Act, that all persons cease trading permanently, and are prohibited permanently from purchasing, any securities of GRG;

ii. pursuant to subsection 161(1)(b) of the BC Act, that GRG permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts;

iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that GRG is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

iv. pursuant to subsection 161(1)(d)(v) of the BC Act, that GRG is prohibited permanently from engaging in investor relations activities; and

v. pursuant to subsection 161(1)(g) of the BC Act, that GRG pay to the BCSC the funds obtained as a result of its contraventions of the Act, which the BCSC Panel found to be not less than $1,739,225;

c. upon IMC:

i. pursuant to subsection 161(1)(b) of the BC Act, that all persons cease trading permanently, and are prohibited permanently from purchasing, any securities of IMC;

ii. pursuant to subsection 161(1)(b) of the BC Act, that IMC permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts;

iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that IMC is prohibited permanently from becoming or acting as a registrant, investment fund manager or promoter;

iv. pursuant to subsection 161(1)(d)(v) of the BC Act, that IMC is prohibited permanently from engaging in investor relations activities; and

v. pursuant to subsection 161(1)(g) of the BC Act, that IMC pay to the BCSC the funds obtained as a result of its contraventions of the Act, which the BCSC Panel found to be not less than $1,739,225;

d. Maximum disgorgement:

i. the aggregate amount paid to the BCSC under paragraphs 6(a)(vi), 6(b)(v) and 6(c)(v) above shall not exceed, in the aggregate, the amount obtained by the Respondents' contraventions of the BC Act;

e. Joint and several liability:

i. Sullivan, GRG and IMC be jointly and severally liable for the amount in paragraph 6(a)(vii).

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

8. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements on them.

9. Pursuant to paragraph 4 of subsection 127(10) of 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 may form the basis for an order in the public interest made under subsection 127(1) of the Act.

10. Staff allege that it is in the public interest to make an order against the Respondents.

11. 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.

12. 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 21st day of March, 2013.

1.2.4 Michael Robert Shantz and Canada Pacific Consulting Inc. – 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
MICHAEL ROBERT SHANTZ and
CANADA PACIFIC CONSULTING INC.

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 offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on April 12, 2013 at 11:00 a.m.;

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

1. to make an order against Michael Robert Shantz ("Shantz") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities and derivatives by Shantz cease permanently;

    b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Shantz cease permanently;

    c. pursuant to paragraph 7 of subsection 127(1) of the Act, Shantz resign any positions that he holds as director or officer of an issuer;

    d. pursuant to paragraph 8 of subsection 127(1) of the Act, Shantz be prohibited permanently from becoming or acting as an officer or director of an issuer;

    e. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Shantz resign any positions that he holds as director or officer of a registrant;

    f. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Shantz be prohibited permanently from becoming or acting as an officer or director of a registrant; and

    g. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Shantz be prohibited permanently from becoming or acting as a registrant or as a promoter;

2. to make an order against Canada Pacific Consulting Inc. ("Canada Pacific") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in securities of Canada Pacific cease permanently; and

    b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Canada Pacific cease permanently; and

3. 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 of the Commission dated March 21, 2013 and by reason of an order of the British Columbia Securities Commission dated May 22, 2012, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on April 12, 2013 at 11:00 a.m., 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 OSCB 10071 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

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 22nd day of March, 2013.

"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
MICHAEL ROBERT SHANTZ and
CANADA PACIFIC CONSULTING INC.

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. Michael Robert Shantz ("Shantz") and Canada Pacific Consulting Inc. ("Canada Pacific") (together, the "Respondents") are subject to an order made by the British Columbia Securities Commission (the "BCSC") dated May 22, 2012 (the "BCSC Order") that imposes sanctions, conditions, restrictions or requirements on them.

2. In its findings on liability dated March 13, 2012 (the "Findings"), a panel of the BCSC (the "BCSC Panel") found that Canada Pacific engaged in unregistered trading, Shantz, as sole director and officer of Canada Pacific, was deemed to have engaged in unregistered trading, and the Respondents perpetrated a fraud on investors.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

4. The conduct for which the Respondents were sanctioned took place between June 2009 and September 2010 (the "Material Time").

5. During the Material Time, Shantz was a resident of British Columbia. Canada Pacific rented virtual office space in British Columbia from which it purported to conduct business.

II. THE BCSC PROCEEDINGS

The BCSC Findings

6. In its Findings, the BCSC Panel found the following:

   a. Canada Pacific engaged in unregistered trading contrary to subsection 34(1) of the *Securities Act*, R.S.B.C. 1996, c. 418 (the "BC Act");

   b. Shantz, as sole director and officer of Canada Pacific, contravened subsection 34(1) by operation of subsection 168.2(1) of the BC Act; and

   c. the Respondents perpetrated a fraud, contrary to section 57 of the BC Act.

The BCSC Order

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:

   a. upon Shantz:

      i. pursuant to subsection 161(1)(b) of the BC Act, that Shantz cease trading in, and is prohibited from purchasing, securities and exchange contracts, permanently;

      ii. pursuant to subsections 161(1)(d)(i) and (ii) of the BC Act, that Shantz resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;

      iii. pursuant to subsection 161(1)(d)(iii) of the BC Act, that Shantz is permanently prohibited from becoming or acting as a registrant or promoter;

iv. pursuant to subsection 161(1)(d)(iv) of the BC Act, that Shantz is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;

v. pursuant to subsection 161(1)(d)(v) of the BC Act, that Shantz is permanently prohibited from engaging in investor relations activities;

vi. pursuant to subsection 161(1)(g) of the BC Act, that Shantz pay to the BCSC any amount obtained, or payment or loss avoided, directly or indirectly as a result of the Respondents' contraventions of the BC Act, which the BCSC Panel found to be not less than $1,530,004; and

vii. pursuant to section 162 of the BC Act, that Shantz pay an administrative penalty of $630,000;

b. upon Canada Pacific:

i. pursuant to subsection 161(1)(b) of the BC Act, that all persons permanently cease trading in, and are prohibited from purchasing, securities of Canada Pacific;

ii. pursuant to subsection 161(1)(b) of the BC Act, that Canada Pacific cease trading in, and is prohibited from purchasing, securities and exchange contracts, permanently; and

iii. pursuant to section 161(1)(g) of the BC Act, that Canada Pacific pay to the BCSC any amount obtained, or payment or loss avoided, directly or indirectly as a result of the Respondents' contraventions of the BC Act, which the BCSC Panel found to be not less than $1,530,004;

c. Maximum disgorgement:

i. the aggregate amount paid to the BCSC under paragraphs 6(a)(vi) and 6(b)(iii) not exceed the greater of $1,530,004 and the actual amount obtained, or payment or loss avoided, directly or indirectly as a result of the Respondents' contraventions of the BC Act.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

8. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements on them.

9. Pursuant to paragraph 4 of subsection 127(10) of 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 may form the basis for an order in the public interest made under subsection 127(1) of the Act.

10. Staff allege that it is in the public interest to make an order against the Respondents.

11. 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.

12. 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 21st day of March, 2013.

1.2.5 HEIR Home Equity Investment Rewards Inc. et al. – s. 127 of the Act and Rule 12 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
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.

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION and
CANYON ACQUISITIONS, LLC; CANYON ACQUISITIONS INTERNATIONAL, LLC; BRENT BORLAND;
WAYNE D. ROBBINS; MARCO CARUSO; PLACENCIA ESTATES DEVELOPMENT, LLC;
COPAL RESORT DEVELOPMENT GROUP, LLC; RENDEZVOUS ISLAND, LTD.;
THE PLACENCIA MARINA, LTD.; AND THE PLACENCIA HOTEL AND RESIDENCES LTD.

NOTICE OF HEARING
(Section 127 of the Act and Rule 12 of the Commission's Rules of Procedure)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the temporary offices of the Commission, at ASAP Reporting Services, 333 Bay Street, Suite 900, Toronto, ON, M5H 2T4 on March 28, 2013 at 3:00 p.m., or as soon thereafter as the hearing can be held:

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement between Staff of the Commission and Canyon Acquisitions, LLC, Canyon Acquisitions International, LLC, Brent Borland, Wayne D. Robbins, Marco Caruso, the Placencia Estates Development LLC also referred to as Placencia Estates Development, Ltd., Copal Resort Development Group, LLC, Rendezvous Island, Ltd., The Placencia Marina, Ltd., and The Placencia Hotel and Residences Ltd.;

BY REASON OF the allegations set out in the Amended Statement of Allegations of Staff of the Commission dated February 14, 2012, and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 25th day of March, 2013.

"John Stevenson"
Secretary to the Commission

1.2.6 HEIR Home Equity Investment Rewards Inc. et al. – s. 127 of the Act and Rule 12 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
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.

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION and
HEIR HOME EQUITY INVESTMENT REWARDS INC.; FFI FIRST FRUITS INVESTMENTS INC.;
WEALTH BUILDING MORTGAGES INC.; AND ARCHIBALD ROBERTSON

NOTICE OF HEARING
(Section 127 of the Act and Rule 12 of the Commission's Rules of Procedure)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the temporary offices of the Commission, at ASAP Reporting Services, 333 Bay Street, Suite 900, Toronto, ON, M5H 2T4 on March 28, 2013 at 2:30 p.m., or as soon thereafter as the hearing can be held:

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the Settlement Agreement between Staff of the Commission and HEIR Home Equity Investment Rewards Inc., FFI First Fruits Investments Inc., Wealth Building Mortgages Inc., and Archibald Robertson;

BY REASON OF the allegations set out in the Amended Statement of Allegations of Staff of the Commission dated February 14, 2012, and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 25th day of March, 2013.

"John Stevenson"
Secretary to the Commission

1.2.7 Portfolio Capital Inc. et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

NOTICE OF HEARING
Sections 127 and 127.1

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission located at 20 Queen Street West, 17th Floor, on April 17, 2013 at 10:00 a.m., or as soon thereafter as the hearing can be held.

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of the hearing, to make an order:

(i) pursuant to clause 2 of section 127(1) of the Act that trading in any securities by Portfolio Capital Inc. ("Portfolio Capital"), David Rogerson ("Rogerson") and Amy Hanna-Rogerson ("Hanna-Rogerson") (collectively, the "Respondents") cease permanently or for such period as is specified by the Commission;

(ii) pursuant to clause 2.1 of section 127(1) of the Act the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

(iii) pursuant to clause 3 of section 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

(iv) pursuant to clause 6 of section 127(1) of the Act that the Respondents be reprimanded;

(v) pursuant to clauses 7, 8.1 and 8.3 of section 127(1) of the Act that Rogerson and Hanna-Rogerson resign all positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(vi) pursuant to clauses 8, 8.2 and 8.4 of section 127(1) of the Act that Rogerson and Hanna-Rogerson be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(vii) pursuant to clause 8.5 of section 127(1) of the Act that the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(viii) pursuant to clause 9 of section 127(1) of the Act that the Respondents each pay an administrative penalty of not more than $1 million for each failure by that Respondent to comply with Ontario securities law;

(ix) pursuant to clause 10 of section 127(1) of the Act that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law;

(x) pursuant to section 127.1 of the Act that the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and

(xi) such further order as the Commission considers appropriate in the public interest.

BY REASON OF the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 25, 2013 and such additional allegations as counsel may advise and the Commission may permit;

A**ND TAKE FURTHER NOTICE** that any party to the proceedings may be represented by counsel at the hearing;

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

DATED at Toronto this 25th day of March, 2013.

"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
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. OVERVIEW

1. This proceeding involves an investment scheme that was created and carried out by Portfolio Capital Inc. ("Portfolio Capital"), David Rogerson ("Rogerson") and Amy Hanna-Rogerson ("Hanna-Rogerson") during the period of May 2007 to March 2012 (the "Material Time"), in which the Respondents solicited and sold shares of PlusPetro Inc. (Panama) ("PlusPetro Panama") to investors in Ontario. The Respondents engaged in fraudulent conduct by making untrue or misleading statements to investors regarding the business of PlusPetro Panama, the use of investor funds and the future value of the PlusPetro Panama shares.

II. THE RESPONDENTS

2. Portfolio Capital is a corporation which was incorporated pursuant to the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16 on May 23, 2007. Its registered address is 110 Cumberland Street, Suite 317, Toronto, which is a United Parcel Services mailbox. Portfolio Capital purports to be an investment banking firm. Portfolio Capital has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity.

3. Rogerson was a resident of Bala, Ontario during the Material Time. He has never been registered with the Commission in any capacity. Throughout the Material Time, he was the President and directing mind of Portfolio Capital.

4. Hanna-Rogerson was a resident of Bala, Ontario during the period of May 2007 to November 2010. She is the spouse of Rogerson. She is the sole director of Portfolio Capital. She has never been registered with the Commission in any capacity. Hanna-Rogerson controlled and is the sole signatory on Portfolio Capital's two bank accounts, which received all investor funds.

III. PARTICULARS OF THE ALLEGATIONS

A. Unregistered Trading

5. During the Material Time, Portfolio Capital offered Share Purchase Agreements ("SPA") to residents of Ontario and to residents of other jurisdictions for the purchase of PlusPetro Panama shares. The SPAs are investment contracts within the definition of security in section 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

6. During the Material Time, PlusPetro Panama shares were sold to more than 200 investors and potential investors raising approximately USD 980,000.00 and CAD 544,000.00.

7. Rogerson met with and told investors that PlusPetro Panama was a start up company that had the opportunity to purchase the rights to a break-through technology known as Crude Oil Additive Technology Solution ("COATS"), which is an alleged oil additive. According to the representations made to investors by Rogerson, the COATS technology has the ability to lower viscosity in crude oil to make it easier to transport.

8. Investors were told by Rogerson that their funds would be used for the start-up operations of PlusPetro Panama, including securing financing to acquire COATS and testing of the technology. Rogerson created and provided investors with promotional materials regarding the COATS technology and the PlusPetro Panama investment.

9. Hanna-Rogerson also met with and provided information to several investors regarding purchasing PlusPetro Panama shares.

10. After agreeing to invest, investors executed SPAs with Portfolio Capital for the purchase of PlusPetro Panama shares, which were signed by Rogerson as President of Portfolio Capital. Investors purchased PlusPetro Panama shares for prices ranging from $0.25 to $0.50 per share. Investors, however, never received share certificates for the PlusPetro Panama shares they purchased as they were told that the printing of such share certificates was expensive and environmentally wasteful.

11. Investors were directed to pay for their investment by way of cheque or bank draft made payable to Portfolio Capital or by wire transfer to a Portfolio Capital bank account located at a Toronto Dominion bank located in Bala, Ontario. Each of Rogerson and Hanna-Rogerson accepted funds from investors on behalf of Portfolio Capital and deposited the investor funds into Portfolio Capital's bank accounts.

12. Rogerson and Hanna-Rogerson sold shares of PlusPetro Panama to Ontario residents in circumstances where there were no exemptions available to them under the Act.

B. Illegal Distribution

13. The sale of PlusPetro Panama shares was a trade in securities not previously issued and was therefore a distribution.

14. Portfolio Capital has never filed a preliminary prospectus or a prospectus with the Commission and no receipts have been issued by the Director in relation to PlusPetro Panama securities. No exemption from the prospectus and registration requirements under the Act was available to Portfolio Capital in the circumstances.

C. Fraudulent Conduct

15. Rogerson told investors that their funds would be used for the start-up operations of PlusPetro Panama. Investors received multiple Shareholder Update Letters from Rogerson during the Material Time which stated that PlusPetro Panama was very close to securing financing and would imminently purchase the COATS technology and then commence marketing and selling the technology to large oil companies. The Shareholder Update Letters were also used to solicit further funds from investors.

16. These representations were untrue and misleading and perpetrated a fraud on investors. Staff allege that PlusPetro Panama has not carried on any legitimate business operations and that there is no evidence that the COATS technology exists.

17. Contrary to the representations set out above in paragraph 15, the Respondents personally profited by using investor funds for personal expenditures, including, among other things, food and alcohol, pet care and property expenses, including mortgage payments.

18. The Respondents engaged in a course of conduct relating to securities of PlusPetro Panama that they knew or reasonably ought to have known would result in a fraud on persons or companies.

D. Representations Regarding Listing The PlusPetro Panama Shares On The Toronto Stock Exchange ("TSX")

19. Rogerson told potential investors that once PlusPetro Panama purchased COATS, it would apply to have the PlusPetro Panama shares listed on the TSX. Potential investors were further told by Rogerson that their shares would increase in value from $0.50 a share to prices ranging from $5.00 to $10.00 per share once the PlusPetro Panama shares were listed on the TSX. These representations were made by Rogerson with the intention of effecting trades in PlusPetro Panama shares.

20. During the Material Time, Rogerson, as President of Portfolio Capital, also drafted and sent Shareholder Update Letters to investors which stated that PlusPetro Panama would be listing its shares on the TSX in the coming months.

21. Neither Rogerson nor PlusPetro Panama have ever made an application to have the PlusPetro Panama shares listed on the TSX. Neither Rogerson nor PlusPetro Panama have ever sought permission of the Director to make representations to investors regarding listing PlusPetro Panama shares on the TSX.

IV. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. The specific allegations advanced by Staff are:

    a) During the Material Time, the Respondents traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so and without an exemption from the dealer registration requirement, contrary to section 25(1)(a) of the Act as that section existed at the time the conduct

at issue commenced in May 2007, and contrary to section 25(1) of the Act as subsequently amended on September 28, 2009;

b) During the Material Time, the Respondents traded in securities of PlusPetro Panama when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53(1) of the Act;

c) During the Material Time, the Respondents engaged in or participated in acts, practices or courses of conduct relating to securities of PlusPetro Panama that they knew or ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act;

d) During the Material Time, Rogerson made misleading representations to investors regarding the future listing and future value of PlusPetro Panama shares with the intention of effecting a trade in those shares, contrary to section 38(3) of the Act;

e) During the Material Time, Hanna-Rogerson authorized, permitted or acquiesced in Portfolio Capital's non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and

f) The Respondents' conduct was contrary to the public interest and harmful to the integrity of the capital markets in Ontario.

23. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, March 25, 2013

1.3 News Releases

1.3.1 Court Dismisses Appeals by Geoffrey Cornish and Dean Tai

FOR IMMEDIATE RELEASE
March 21, 2013

COURT DISMISSES APPEALS BY
GEOFFREY CORNISH AND DEAN TAI

TORONTO – On March 19, 2013 the Superior Court of Justice (Divisional Court) upheld the Ontario Securities Commission's Reasons for Decision on the Merits dated September 28, 2011 and the Commission's order on Sanctions and Costs dated November 8, 2011 in the matter of Coventree Inc, Geoffrey Cornish and Dean Tai.

The Court dismissed the appeals brought by Geoffrey Cornish and Dean Tai (the Appellants) to set aside the Commission's orders, and in their place, to dismiss Staff's Statement of Allegations dated December 7, 2009.

The Court dismissed the Appellants' appeals on the grounds that the Commission's conclusions reached in support of the orders were reasonable.

For information about the appeal, contact the Court, referencing the Appellants and the Court file number 33/12. Appeals are heard by the courts, and any information relating to them is only available from the courts. Documents relating to the OSC proceeding in this matter, including the Reasons for Decision on the Merits and the Reasons for Decision on Sanctions and Costs, can be found at www.osc.gov.on.ca. Copies of the Reasons of the Superior Court of Justice (Divisional Court) are available through the Court.

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1.3.2 OSC and IIROC Announce Disbursement of ABCP Settlement Funds to Investors

OSC AND IIROC ANNOUNCE DISBURSEMENT OF ABCP SETTLEMENT FUNDS TO INVESTORS

March 21, 2013 (Toronto, ON) – The Ontario Securities Commission (OSC) and Investment Industry Regulatory Organization of Canada (IIROC) announced today that eligible investors who purchased third-party Asset-Backed Commercial Paper (ABCP) will be sent cheques for their pro rata shares of settlement funds by the end of March.

This disbursement is part of the ABCP settlement distribution plan announced in 2012.

Ernst & Young Inc., the Administrator appointed to administer the distribution, began notifying investors this week that their cheques will be sent later this month.

A total of $59.875 million, plus net interest earned on these funds, will be disbursed to eligible investors who purchased ABCP from the following five investment dealers during specified time periods:

- Canadian Imperial Bank of Commerce/CIBC World Markets Inc. and HSBC Bank of Canada, which paid $21.7 million and $5.925 million, respectively, to the OSC.
- Scotia Capital Inc., Canaccord Financial Ltd. and Credential Securities Inc., which paid $28.95 million, $3.1 million and $200,000, respectively, to IIROC.

The monies were collected in enforcement settlements agreed to by these investment dealers.

Any investor questions should be addressed directly to the Administrator at:

ERNST & YOUNG INC.

Phone (in Toronto): 416-943-3077
Phone (toll-free): 1-888-990-1636
Email: OSCIIROC-ABCP@ca.ey.com

***

The OSC is the regulatory body responsible for overseeing Ontario's capital markets. The OSC administers and enforces Ontario's securities and commodity futures laws. Its mandate 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.

IIROC is the national self-regulatory organization which oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. IIROC sets high quality regulatory and investment industry standards, protects investors and strengthens market integrity while maintaining efficient and competitive capital markets.

For More Information:

ONTARIO SECURITIES COMMISSION

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INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

For Media Inquiries:
Lucy Becker
Vice President, Public Affairs
416-943-5870
lbecker@iiroc.ca
www.iiroc.ca

For Investor Inquiries:
IIROC Complaints and Inquiries Centre
1-877-442-4322 (Toll Free)

ERNST & YOUNG INC., Administrator

Phone (in Toronto): 416-943-3077
Phone (toll-free): 1-888-990-1636
Email: OSCIIROC-ABCP@ca.ey.com

1.3.3 Canadian Securities Administrators Announce March 26 as Check Registration Day.

FOR IMMEDIATE RELEASE
March 25, 2013

CANADIAN SECURITIES ADMINISTRATORS
ANNOUNCE MARCH 26 AS
CHECK REGISTRATION DAY

St. John's – March 26, 2013 is Check Registration Day, and the Canadian Securities Administrators (CSA) is encouraging investors to take the time to complete a simple task – check the registration of any firm or individual selling securities or offering investment advice to you, your friends or family.

The CSA has provided investors with a tool, the National Registration Search, that is quick and easy to use.

"Registration is designed to help protect investors because Canadian securities regulators will only register firms and individuals that meet specific qualifications and standards," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. "It's important for investors to know that they can find some protection by doing a little bit of research into the registration status of those offering them an investment."

Research from the CSA 2012 Investor Index found that 60 per cent of respondents with a financial adviser had never completed any form of background check. With almost 30 per cent of Canadians believing they have been approached with an investment fraud at some point in their lives and with 4.6 per cent believing they have been a victim of investment fraud, Canadians need to carefully choose who they hand over their money to.

The CSA is encouraging investors nationwide to participate in Check Registration Day, March 26, 2013. Here's how:

- Go to www.aretheyregistered.ca to ensure your investment individuals or firms are registered in your jurisdiction.
- Or, call your local securities regulator to verify registration.

If you discover the person or company you are dealing with is not registered, is offering you something they don't seem permitted to offer, or if you need help understanding the results within the National Registration Search tool, please contact your local securities regulator.

The CSA, the council of securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets. Their mandate is to protect investors from unfair or fraudulent practices through regulation of the securities industry. Part of this protection is educating investors about the risks and responsibilities of investing.

For more information:

Mark Dickey
Alberta Securities Commission
403-297-4481

Sylvain Théberge
Autorité des marchés financiers
514-940-2176

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Tanya Wiltshire
Nova Scotia Securities Commission
902-424-8586

Janice Callbeck
The Office of the Superintendent
Securities, P.E.I.
902-368-6288

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

Richard Gilhooley
British Columbia Securities Commission
604-899-6713

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

Glenys Wood
Financial and Consumer Affairs
Authority of Saskatchewan
306-787-9397

Craig Whalen
Office of the Superintendent of Securities
Government of Newfoundland and Labrador
709-729-5661

Rhonda Horte
Office of the Yukon Superintendent
of Securities
867-667-5466

Donn MacDougall
Northwest Territories Securities Office
867-920-8984

Louis Arki
Nunavut Securities Office
867-975-6587

1.3.4 Canadian Securities Regulators Seek Comment on Proposals to Modernize Investment Fund Rules

FOR IMMEDIATE RELEASE
March 27, 2013

CANADIAN SECURITIES REGULATORS SEEK COMMENT
ON PROPOSALS TO MODERNIZE INVESTMENT FUND RULES

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed amendments to National Instrument 81-102 *Mutual Funds* (NI 81-102), proposed changes to Companion Policy 81-102CP, and related consequential amendments, as part of the CSA's Modernization of Investment Fund Product Regulation Project.

The proposed changes and amendments aim to enhance investor protection and market efficiency by providing a consistent regulatory framework in key areas, regardless of whether an investment fund is structured as a mutual fund or a non-redeemable investment fund. Key investor protections include introducing rules for non-redeemable investment funds relating to conflicts of interest, and securityholder and regulatory approval of fundamental changes to the fund or its management.

Representing an important step in this modernization initiative, today's publication:

- introduces core operational requirements for publicly offered non-redeemable investment funds, other than scholarship plans;
- proposes enhancements to the disclosure requirements relating to securities lending, repurchases and reverse repurchases by investment funds; and,
- seeks feedback on a more comprehensive alternative fund framework that could provide flexibility for investment funds to use alternative investment strategies, while requiring more effective differentiation among the various types of publicly offered investment fund products.

"Creating a more consistent regulatory framework for comparable investment products and giving investors access to alternative investment strategies are key elements in modernizing investment fund rules," said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission.

The Notice is available on various CSA member websites. The comment period is open until June 25, 2013.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

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403-297-4481

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867-667-5466

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867-920-8984

Louis Arki
Nunavut Securities Office
867-975-6587

1.4 Notices from the Office of the Secretary

1.4.1 Garth H. Drabinsky et al.

FOR IMMEDIATE RELEASE
March 20, 2013

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

AND

IN THE MATTER OF
GARTH H. DRABINSKY, MYRON I. GOTTLIEB
AND GORDON ECKSTEIN

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a confidential pre-hearing conference to be held on Thursday May 23, 2013 at 11:00 a.m.

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

A copy of the Order dated March 19, 2013 is available at www.osc.gov.on.ca.

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1.4.2 AMTE Services Inc.

FOR IMMEDIATE RELEASE
March 20, 2013

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

AND

IN THE MATTER OF
AMTE SERVICES INC.,
OSLER ENERGY CORPORATION, RANJIT GREWAL,
PHILLIP COLBERT AND EDWARD OZGA

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that the Temporary Order is extended until May 28, 2013 or until further order of the Commission, and the hearing is adjourned until May 27, 2013 at 10:00 a.m. or to such other date or time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Temporary Order dated March 11, 2013 is available at www.osc.gov.on.ca.

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1.4.3 CGX Energy Inc.

FOR IMMEDIATE RELEASE
March 20, 2013

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

AND

IN THE MATTER OF
CGX ENERGY INC.

TORONTO – Take notice that the Application dated March 12, 2013 made by CGX Energy Inc. to the Commission has been withdrawn.

OFFICE OF THE SECRETARY
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1.4.4 Knowledge First Financial Inc.

FOR IMMEDIATE RELEASE
March 22, 2013

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

AND

IN THE MATTER OF
KNOWLEDGE FIRST FINANCIAL INC.

TORONTO – The Commission issued an Order in the above named matter with certain provisions pursuant to section 127 of the Act. The Temporary Order is extended to June 20, 2013 or until such further order of the Commission. The hearing is adjourned to June 19, 2013 at 11:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant and to consider the possible extension of the Temporary Order.

A copy of the Order dated March 21, 2013 is available at www.osc.gov.on.ca.

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1.4.5 Heritage Education Funds Inc.

FOR IMMEDIATE RELEASE
March 22, 2013

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 which provides that:

1. The Temporary Order is extended to April 19, 2013.

2. The hearing is adjourned to April 18, 2013 at 10:00 a.m. for the purpose of dealing with HEFI's proposed motion to amend the Terms and Conditions.

A copy of the Order dated March 21, 2013 is available at www.osc.gov.on.ca.

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1.4.6 Colby Cooper Capital Inc. et al.

FOR IMMEDIATE RELEASE
March 22, 2013

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

AND

IN THE MATTER OF
COLBY COOPER CAPITAL INC.
COLBY COOPER INC.,
PAC WEST MINERALS LIMITED
JOHN DOUGLAS LEE MASON

TORONTO – The Commission issued an Order in the above named matter which provides that:

1. The date of March 25, 2013 scheduled for a confidential pre-hearing conference is vacated; and

2. A confidential pre-hearing conference shall take place on April 24, 2013 at 11:00 a.m. or on such other date or at such other time as set by the Office of the Secretary and agreed to by the parties.

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

A copy of the Order dated March 22, 2013 is available at www.osc.gov.on.ca.

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1.4.7 New Futures Trading International Corporation and Fernando Honorate Fagundes also known as Henry Roche

FOR IMMEDIATE RELEASE
March 22, 2013

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

AND

IN THE MATTER OF
NEW FUTURES TRADING
INTERNATIONAL CORPORATION
and FERNANDO HONORATE FAGUNDES
also known as HENRY ROCHE

TORONTO – The Office of the Secretary issued a Notice of Hearing on March 18, 2013 setting the matter down to be heard on April 3, 2013 at 3:00 p.m. as soon thereafter as the hearing can be held in the above named matter. This hearing will be held at offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 18, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 18, 2013 are available at www.osc.gov.on.ca.

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1.4.8 David M. O'Brien

FOR IMMEDIATE RELEASE
March 25, 2013

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

AND

IN THE MATTER OF
DAVID M. O'BRIEN

TORONTO – The Commission issued an Order in the above named matter, which provides that,

1. a confidential pre-hearing conference shall take place on July 18, 2013 at 10:00 a.m;

2. O'Brien shall deliver any materials relevant to the pre-hearing conference by July 8, 2013; and

3. the records from the March 11, 2013 and July 18, 2013 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*.

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

A copy of the Order dated March 11, 2013 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.9 Bernard Boily

FOR IMMEDIATE RELEASE
March 25, 2013

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

AND

IN THE MATTER OF
BERNARD BOILY

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Bernard Boily. The hearing will be held on March 27, 2013 at 10:00 a.m. at the temporary offices of the Commission at ASAP Reporting Services Inc., Bay Adelaide Centre, 333 Bay Street, Suite 900, Toronto, ON, commencing on March 27, 2013 at 10:00 a.m., or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated March 25, 2013 is available at www.osc.gov.on.ca.

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1.4.10 Myron Sullivan II formerly known as Fred Myron George Sullivan et al.

FOR IMMEDIATE RELEASE
March 25, 2013

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

AND

IN THE MATTER OF
MYRON SULLIVAN II formerly known as
FRED MYRON GEORGE SULLIVAN,
GLOBAL RESPONSE GROUP (GRG) CORP., and
IMC – INTERNATIONAL MARKETING
OF CANADA CORP.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 12, 2013 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 22, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 21, 2013 are available at www.osc.gov.on.ca.

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1.4.11 Michael Robert Shantz and Canada Pacific Consulting Inc.

FOR IMMEDIATE RELEASE
March 25, 2013

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

AND

IN THE MATTER OF
MICHAEL ROBERT SHANTZ and
CANADA PACIFIC CONSULTING INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 12, 2013 at 11:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 22, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 21, 2013 are available at www.osc.gov.on.ca.

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1.4.12 Morgan Dragon Development Corp. et al.

FOR IMMEDIATE RELEASE
March 26, 2013

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

AND

IN THE MATTER OF
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
and MARK GRIFFITHS

TORONTO – The Commission issued an Order in the above named matter which provides that, pursuant to Rule 11.5 of the *Rules of Procedure*, the Hearing on the Merits shall proceed as a written hearing, in accordance with the following schedule:

(1) Staff will file evidence in affidavit form with the Secretary's office no later than April 26, 2013;

(2) The Respondents will file evidence in affidavit form with the Secretary's office no later than May 17, 2013;

(3) Staff will file any written submissions with the Secretary's office, no later than May 24, 2013;

(4) The Respondents will file any written submissions with the Secretary's Office no later than May 31, 2013;

(5) Staff and the Respondents will attend on a date appointed by the panel after May 31, 2013, to answer questions, make submissions and make any necessary witnesses available for cross-examination; and

(6) The dates appointed for the Hearing on the Merits in this matter are hereby vacated.

A copy of the Order dated March 25, 2013 is available at www.osc.gov.on.ca.

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1.4.13 HEIR Home Equity Investment Rewards Inc. et al.

FOR IMMEDIATE RELEASE
March 26, 2013

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

AND

IN THE MATTER OF
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.

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION and
CANYON ACQUISITIONS, LLC; CANYON ACQUISITIONS INTERNATIONAL, LLC; BRENT BORLAND;
WAYNE D. ROBBINS; MARCO CARUSO; PLACENCIA ESTATES DEVELOPMENT, LLC;
COPAL RESORT DEVELOPMENT GROUP, LLC; RENDEZVOUS ISLAND, LTD.;
THE PLACENCIA MARINA, LTD.; AND THE PLACENCIA HOTEL AND RESIDENCES LTD.

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Canyon Acquisitions, LLC, Canyon Acquisitions International, LLC, Brent Borland, Wayne D. Robbins, Marco Caruso, the Placencia Estates Development LLC, Copal Resort Development Group, LLC, Rendezvous Island, Ltd., The Placencia Marina, Ltd., and The Placencia Hotel and Residences Ltd.

The hearing will be held at the temporary offices of the Commission, at ASAP Reporting Services, 333 Bay Street, Suite 900, Toronto, ON, M5H 2T4 on March 28, 2013 at 3:00 p.m., or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated March 25, 2013 is available at www.osc.gov.on.ca.

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1.4.14 HEIR Home Equity Investment Rewards Inc. et al.

FOR IMMEDIATE RELEASE
March 26, 2013

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

AND

IN THE MATTER OF
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.

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION and
HEIR HOME EQUITY INVESTMENT REWARDS INC.; FFI FIRST FRUITS INVESTMENTS INC.;
WEALTH BUILDING MORTGAGES INC.; AND ARCHIBALD ROBERTSON

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and HEIR Home Equity Investment Rewards Inc., FFI First Fruits Investments Inc., Wealth Building Mortgages Inc., and Archibald Robertson.

The hearing will be held at the temporary offices of the Commission, at ASAP Reporting Services, 333 Bay Street, Suite 900, Toronto, ON, M5H 2T4 on March 28, 2013 at 2:30 p.m., or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated March 25, 2013 is available at www.osc.gov.on.ca.

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1.4.15 Portfolio Capital Inc. et al.

FOR IMMEDIATE RELEASE
March 26, 2013

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 17, 2013 at 10:00 a.m at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 25, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 25, 2013 are available at www.osc.gov.on.ca

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Celtic Exploration Ltd. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

Citation: Celtic Exploration Ltd., Re, 2013 ABASC 116

March 20, 2013

Blake, Cassels & Graydon LLP
3500 Bankers Hall East
855 - 2 Street SW
Calgary, AB T2P 4J8

Attention: Richard Maclean

Dear Sir:

Re: Celtic Exploration Ltd. (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

2.1.2 Xstrata Canada Corporation and Glencore International PLC

Headnote

National Policy 11-203 Process for Exemptive Relief Application in Multiple Jurisdictions – application from U.K. listed company (Parent) and its Canadian wholly-owned subsidiary (Subco) for an order pursuant to section 13.1 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102), exempting Subco from the requirements of NI 51-102; for an order pursuant to section 8.6 of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109) exempting Subco from the requirements of NI 52-109; for an order pursuant to section 8.1 of National Instrument 52-110 Audit Committees (NI 52-110) exempting Subco from the requirements of NI 52-110; for an order pursuant to section 3.1 of National Instrument 58-101 Corporate Governance Practices (NI 58-101) exempting Subco from the requirements of NI 58-101; for an order pursuant to section 121(2)(a)(ii) of the Securities Act (Ontario) exempting certain insiders of Subco from the insider reporting requirements of the Act – Subco is a wholly-owned subsidiary of Parent – Parent has provided a full and unconditional guarantee of Subco's securities – Subco cannot rely on the credit support issuer exemption in section 13.4 of NI 51-102 because Parent is not an "SEC issuer" – relief granted on conditions substantially analogous to the conditions contained in section 13.4 of NI 51-102 and also on the condition that Parent meets the definition of "designated foreign issuer" in National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers except for the fact that it is not a reporting issuer in a jurisdiction.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 58-101 Corporate Governance Practices, s. 3.1.
National Instrument 55-102 System for Electronic Disclosure by Insiders, s. 6.1.

March 15, 2013

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
XSTRATA CANADA CORPORATION (Xstrata Canada)
AND GLENCORE INTERNATIONAL PLC (Glencore)
(the Filers)

DECISION

BACKGROUND

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

(a) Xstrata Canada from the requirements of Parts 4 through 12 of National Instrument 51-102 *Continuous Disclosure* Obligations (**NI 51-102**) pursuant to section 13.1 of NI 51-102;

(b) Xstrata Canada from the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**) pursuant to section 3.1 of NI 58-101;

(c) Xstrata Canada from the requirements of National Instrument 52-109 *Certification of Disclosure In Issuers' Annual and Interim Filings* (**NI 52-109**) pursuant to section 8.6 of NI 52-109 (the **Certification Requirements**);

(d) Xstrata Canada from the requirements of National Instrument 52-110 *Audit Committees* (**NI 52-110**) pursuant to section 8.1 of NI 52-110 (the **Audit Committee Requirements**); and

(e) the insiders of Xstrata Canada from the insider reporting requirements and requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders* (**NI 55-102**), National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (**NI 55-104**) and the *Securities Act* (Ontario), in each case as applicable, in respect of securities of Xstrata Canada (the **Insider Reporting Requirements**).

The exemptions in clauses (a) and (b) are collectively referred to herein as the "**Continuous Disclosure Requirements**". The exemptions in clauses (a) through (e) are collectively referred to herein as the "**Requested Relief**".

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

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

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

INTERPRETATION

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

REPRESENTATIONS

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

Glencore

1. Glencore is incorporated under the laws of Jersey with its principal executive offices in Baar, Switzerland. Glencore's shares are traded on the London Stock Exchange (**LSE**) under the symbol "GLEN" and the Hong Kong Stock Exchange under the symbol "0805". Glencore is a member of the FTSE 100 index.

2. Glencore is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of these products. Glencore's marketing and industrial investment activities are supported by a global network of more than 50 offices located in more than 40 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. Glencore's main offices are located in Baar (Switzerland), Stamford (Connecticut), London, Rotterdam, Beijing, Moscow and Singapore.

3. As a company whose ordinary shares are admitted to the premium listing segment of the Official List of the United Kingdom Financial Services Authority (the **FSA**) and admitted to trading on the LSE's main market for listed securities, Glencore is subject to the financial reporting requirements of the Listing Rules (the **U.K. Listing Rules**) and the Disclosure Rules and the Transparency Rules of the FSA (together with the U.K. Listing Rules, the **U.K. Disclosure Rules**) pursuant to which Glencore publishes and files its financial statements prepared in accordance with International Financial Reporting Standards (**IFRS**). Financial statements are currently required by the U.K. Disclosure Rules to be filed on a semi-annual basis. Under the U.K. Disclosure Rules, Glencore's annual financial statements are required to be published as soon as possible after they have been approved by the board of Glencore and in any event within four months of Glencore's financial year end. The half-yearly financial statements in respect of the first six months of Glencore's financial year are required to be published as soon as possible, but in any event no later than two months after the end of the period to which the report relates. The annual and half-yearly financial statements must remain available to the public for at least five years. Glencore's financial year end is December 31. In addition, Glencore is required by the U.K. Disclosure Rules to make public a statement by its management during the first six-month period of the financial year and another statement by its management during the second six-month period of the financial year (each, an **Interim Management Statement**). An Interim Management Statement must include an explanation of material events and transactions that have taken place during the relevant period and their impact on the financial position of Glencore and its controlled undertakings and a general description of the financial position and performance of Glencore and its controlled undertakings during the relevant period. All regulated information published by issuers in the U.K. pursuant to the U.K. Disclosure Rules is required to be published on an online facility called the National Storage Mechanism (the **NSM**). The NSM is a website that provides public access to documents that were previously maintained in the FSA's document viewing facility.

4. Glencore is in compliance with the requirements of the U.K. Disclosure Rules concerning the disclosure made to the public, to securityholders of Glencore and to the FSA relating to Glencore and the trading of its securities (the **U.K. Disclosure Requirements**) and has filed all documents that it is required to have filed by the U.K. Disclosure Requirements.

5. Glencore is not a "reporting issuer" or equivalent in any of the provinces or territories of Canada.

6. Glencore is not in default of the securities legislation of any of the provinces and territories of Canada.

7. Glencore does not have a class of securities registered under section 12 of the *Securities Exchange Act of 1934* of the United States (the 1934 Act) and is not required to file reports under section 15(d) of the 1934 Act.

8. The total number of equity securities of Glencore owned, directly or indirectly, by residents of Canada does not exceed 10 per cent, on a fully diluted basis, of the total number of Glencore's equity securities.

Xstrata Canada

9. Xstrata Canada is a corporation amalgamated under the laws of the Province of Ontario with its principal executive offices located in Toronto, Ontario, and is the successor by amalgamation of Xstrata Canada Inc. (**XCI**), a corporation existing and incorporated under the laws of the Province of Ontario. Xstrata Canada is a wholly-owned indirect subsidiary of Xstrata plc (**Xstrata**) and its predecessor, XCI, was incorporated for the purpose of acquiring Falconbridge Limited, which corporation was the result of an amalgamation between Noranda Inc. and the former Falconbridge Limited that occurred on June 30, 2005. Xstrata Canada's financial year end is December 31.

10. Xstrata Canada is principally engaged in the mining and production of copper, nickel and zinc.

11. The authorized capital of Xstrata Canada consists of an unlimited number of common shares (**Common Shares**). As of the date hereof, there were outstanding 1,100 Common Shares, all of which are owned indirectly by Xstrata.

12. Xstrata Canada is a reporting issuer or its equivalent in each of the provinces and territories of Canada.

13. Xstrata Canada is not in default of any of the requirements of the securities legislation in any of the provinces or territories of Canada.

14. No securities of Xstrata Canada are listed on a securities exchange.

15. As of the date hereof, Xstrata Canada had outstanding the following unsecured notes and debentures:

    (a) US$250 million principal amount of 6.2% notes due June 15, 2035;

    (b) US$250 million principal amount of 5.5% notes due June 15, 2017;

    (c) US$341 million principal amount of 6% notes due October 15, 2015; and

    (d) US$250 million principal amount of 5.375% notes due June 1, 2015,

    (collectively, the **Notes**).

16. Two additional series of Xstrata Canada notes – US$300 million principal amount of 7.25% notes due July 15, 2012, and US$250 million principal amount of 7.35% notes due June 5, 2012 – were repaid in full on their stated maturity dates.

Xstrata

17. Xstrata is a corporation existing and incorporated under the laws of England and Wales with its principal executive offices in Zug, Switzerland. Xstrata's ordinary shares are listed on the LSE under the symbol XTA and on the SIX Swiss Exchange under the symbol XTAN. Xstrata is expected to maintain these listings until the Merger (as hereinafter defined) is completed.

18. Xstrata is a major producer of copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with additional exposure to gold, cobalt, lead and silver. Xstrata's operations and projects span five continents and 20 countries.

19. As a company whose ordinary shares are admitted to the premium listing segment of the Official List of the FSA and admitted to trading on the LSE's main market for listed securities, Xstrata is subject to the financial reporting and other continuous disclosure requirements of the U.K. Disclosure Rules, which, among other things, require Xstrata to publish its financial statements on a semi-annual basis prepared in accordance with IFRS.

20. In connection with its acquisition of Xstrata Canada, Xstrata fully and unconditionally guaranteed (the **Xstrata Guarantee**), among other things, the payment of principal and interest owing by Xstrata Canada to the holders of all of the Notes and certain other debt securities and preferred shares that have since been redeemed or retired, as applicable. The Xstrata Guarantee was implemented by amending the trust indentures pursuant to which the Notes and other such securities were issued.

21. In connection with the Xstrata Guarantee of the Notes and other then-outstanding securities, the securities regulators of each of the provinces and territories granted Xstrata Canada the relief described in paragraphs 22 to 24 below (the **Prior Relief**). In accordance with the terms of the Prior Relief, Xstrata Canada has been relieved from, among other things, filing financial statements that would otherwise be required under NI 51-102 on the basis that Xstrata Canada instead files on SEDAR copies of all financial statements and certain other filings made by Xstrata pursuant to the U.K. Disclosure Rules.

Prior Relief

22. On September 15, 2006, Xstrata Canada (then Falconbridge Limited), XCI and Xstrata made an application, as amended and supplemented, to the OSC as principal regulator and the other provinces and territories of Canada in accordance with the then-existing *Mutual Reliance and Review System* procedures, pursuant to which the filers obtained an order from the OSC dated December 8, 2006 (the **2006 Order**) relieving Xstrata Canada, on the conditions and restrictions set out therein, from certain requirements under NI 51-102, NI 58-101, National Instrument 52-107 *Acceptable Accounting Principles, Audited Standards and Foreign Currency* (now National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*) (**NI 52-107**), NI 52-109, NI 52-110 and NI 55-102.

23. The relief granted under the 2006 Order was subject to a five-year sunset clause.

24. On June 14, 2011, Xstrata and Xstrata Canada applied to the OSC, as principal regulator for and on behalf of the other provinces and territories of Canada under Multilateral Instrument 11-102 *Passport System*, for a decision (the **2012 Order**) extending the 2006 Order for a further five years. The 2012 Order was issued on March 2, 2012.

Glencore Guarantee

25. On February 7, 2012, Glencore and Xstrata agreed in principle to a merger of equals (the **Merger**), which, upon completion, would create a corporation valued at approximately US$90 billion. If the Merger had proceeded on its originally disclosed terms, shareholders of Xstrata would have received 2.8 shares of Glencore (the surviving public entity) for each share of Xstrata owned. On October 1, 2012, Glencore and Xstrata announced that they had reached agreement on revised terms of the Merger, including an increase in the merger ratio from 2.8 to 3.05 shares of Glencore for each Xstrata share. The Merger received all requisite shareholder approvals on November 20, 2012. Completion of the Merger remains conditional upon the receipt of certain outstanding regulatory approvals. If the Merger is completed, Xstrata will become a private, wholly-owned subsidiary of Glencore, and Glencore will become the indirect beneficial owner of all of the outstanding shares of Xstrata Canada.

26. Concurrently with the completion of the Merger, Glencore will provide a full and unconditional guarantee of the payments to be made by Xstrata Canada, as stipulated in the terms of the Notes or in one or more agreements governing the rights of holders of the Notes, that results in the holders of the Notes being entitled to receive payment from Glencore within 15 days of any failure by Xstrata Canada to make a payment (the **Glencore Guarantee**).

27. The only securities issued by Xstrata Canada that are owned by parties unaffiliated with Glencore are the Notes which, upon closing of the Merger, will be guaranteed by Glencore.

28. Glencore and Xstrata Canada currently have investment grade credit ratings. Glencore's long-term debt securities are presently rated BBB by Standard & Poor's with a stable outlook and Baa2 by Moody's Investors Service with a stable outlook. Xstrata Canada's long-term debt securities are presently rated BBB+ by Standard & Poor's with a negative outlook, Baa2 by Moody's Investors Service with a positive outlook and A (low) by Dominion Bond Rating Service Limited with a stable trend.

29. As a result of the Glencore Guarantee, the holders of the Notes in effect will have a greater interest in the financial condition of Glencore than they have in Xstrata Canada alone.

30. Securities legislation currently provides certain exemptions from continuous disclosure and other obligations on reporting issuers incorporated in foreign jurisdictions that have a limited presence in the markets of the provinces and territories of Canada. National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) provides numerous exemptions for such issuers from the continuous disclosure requirements of NI 51-102.

31. In addition, reporting issuers which are not incorporated in a foreign jurisdiction are also relieved of a significant portion of the continuous disclosure obligations under NI 51-102 pursuant to section 13.4 of NI 51-102 where the reporting issuer has issued only non-convertible debt and preferred shares that have been fully and unconditionally guaranteed by an "SEC issuer".

32. Glencore is not an SEC issuer for the purposes of section 13.4 of NI 51-102. As a result, the exemptions from NI 51-102 for credit support issuers who have issued only designated credit support securities fully and unconditionally guaranteed by an SEC issuer are not applicable to Xstrata Canada and Glencore.

33. On March 29, 2012, Xstrata Canada filed a technical report under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) in respect of the Collahuasi copper mine in Chile (the **Collahuasi Property**). The Collahuasi Property is the only property that will be material to Glencore for purposes of NI 43-101 upon completion of the Merger.

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.

1. The decision of the principal regulator under the Legislation is that the relief from the Continuous Disclosure Requirements and the Audit Committee Requirements is granted to Xstrata Canada provided that:

   (a) Glencore is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of Xstrata Canada;

   (b) Glencore is not incorporated or organized under the laws of Canada, and Canadian residents own, directly or indirectly, outstanding voting securities carrying no more than 50 per cent of the votes for the election of directors, and none of the following is true:

      (i) the majority of the executive officers or directors of Glencore are residents of Canada;

      (ii) more than 50 per cent of the consolidated assets of Glencore are located in Canada; and

      (iii) the business of Glencore is administered principally in Canada;

   (c) Glencore does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15(d) of the 1934 Act;

   (d) Glencore's ordinary shares are admitted to the premium listing segment of the Official List of the FSA and admitted to trading on the LSE's main market for listed securities and Glencore is subject to and complies with the U.K. Disclosure Requirements and has filed all documents that it is required to have filed by the U.K. Disclosure Requirements;

   (e) the United Kingdom is a designated foreign jurisdiction as such term is defined in section 1.1 of NI 71-102;

   (f) the total number of equity securities of Glencore owned, directly or indirectly, by residents of Canada does not exceed 10 per cent, on a fully-diluted basis, of the total number of Glencore's equity securities, calculated in accordance with sections 1.2 and 1.3 of NI 71-102;

   (g) Xstrata Canada does not issue any securities, and does not have any securities outstanding, other than:

      (i) designated credit support securities (as such term is defined in NI 51-102) for which Glencore has provided a full and unconditional guarantee;

      (ii) securities issued to and held by Glencore or an affiliate of Glencore;

(iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or

(iv) securities issued under exemptions from the prospectus requirement in section 2.35 of National Instrument 45-106 *Prospectus and Registration Exemptions*;

(h) Glencore has provided a full and unconditional guarantee of the payments to be made by Xstrata Canada, as stipulated in the terms of the Notes or in one or more agreements governing the rights of holders of the Notes, that results in the holders of the Notes being entitled to receive payment from Glencore within 15 days of any failure by Xstrata Canada to make a payment, and no other person or company (save and except for Xstrata) has provided a guarantee or alternative credit support (as such term is defined in NI 51-102) for the payments to be made under any issued and outstanding securities of Xstrata Canada;

(i) Xstrata Canada files on SEDAR in electronic format copies of all documents Glencore is required to file with the FSA under the U.K. Disclosure Requirements, at the same time or as soon as practicable after such documents are made public on the NSM, provided that Xstrata Canada shall not be required to file on SEDAR prospectuses submitted to the FSA for securities offerings that do not take place in Canada;

(j) Xstrata Canada files on SEDAR in electronic format copies of all documents that are published by Glencore via a Regulatory Information Service (the approved disseminators of regulatory information under the continuous disclosure regime in the U.K.) and are accessible by the public on the NSM (other than documents not required to be filed on SEDAR pursuant to paragraph (i) above), at the same time or as soon as practicable after such documents are published via a Regulatory Information Service;

(k) Glencore's disclosure documents required to be filed electronically pursuant to paragraphs (i) and (j) above comply with the requirements of NI 52-107 applicable to foreign issuers;

(l) at least once a year, Xstrata Canada discloses in, or as an appendix to, a document that Glencore is required to file under the U.K. Disclosure Requirements and that Xstrata Canada files in the provinces and territories of Canada that:

(i) Glencore is subject to the regulatory requirements of the FSA; and

(ii) pursuant to the terms of this decision, the principal regulator has provided Xstrata Canada with exemptive relief from certain continuous disclosure requirements under the Legislation provided that, among other things, Xstrata Canada files in the provinces and territories of Canada and provides to its securityholders the disclosure documents filed by Glencore and provided to its securityholders pursuant to the U.K. Disclosure Requirements;

(m) Glencore complies with the U.K. Disclosure Requirements in respect of making public disclosure of material information on a timely basis and immediately issues in the provinces and territories of Canada and files any news release that discloses a material change in Glencore's affairs;

(n) Xstrata Canada issues a news release and files a material change report for all material changes in respect of the affairs of Xstrata Canada that are not also material changes in the affairs of Glencore;

(o) Xstrata Canada files on SEDAR, in electronic format, in or with the copy of each consolidated interim financial report and consolidated annual financial statements of Glencore filed pursuant to paragraph (i) above, for the periods covered by the consolidated interim financial report or consolidated annual financial statements of Glencore filed, consolidating summary financial information for Glencore presented with a separate column for each of the following:

(i) Glencore;

(ii) Xstrata Canada;

(iii) any other subsidiaries of Glencore on a combined basis;

(iv) consolidating adjustments; and

(v) the total consolidated amounts;

(p) the consolidating summary financial information required by paragraph (o) above shall be prepared on a basis consistent with section 13.4(1.1) of NI 51-102;

(q) so long as the securities issued by Xstrata Canada include debt, Xstrata Canada concurrently sends to all holders in the provinces and territories of Canada of such securities all disclosure materials that are sent to holders of similar debt of Glencore in the manner and at the time required by the U.K. Disclosure Requirements and if any such documents are required to be sent, at least once each year, Glencore includes with such documents the disclosure required under paragraph (l) above;

(r) in the event that Xstrata Canada issues designated credit support securities that are non-convertible preferred shares or convertible preferred shares that are convertible into securities of Glencore, Xstrata Canada concurrently sends to all holders in the provinces and territories of Canada of such securities all disclosure materials that are sent to holders of similar preferred shares of Glencore in the manner and at the time required by the U.K. Disclosure Requirements and if any such documents are required to be sent, at least once each year, Glencore includes with such documents the disclosure required under paragraph (l) above;

(s) any amendments or supplements to disclosure documents of Glencore filed by Xstrata Canada pursuant to this decision shall also be filed;

(t) any documents of Glencore filed by Xstrata Canada pursuant to this decision comply with the requirements of NI 43-101;

(u) Xstrata Canada files a technical report under NI 43-101 to support scientific or technical information in Glencore's disclosure to shareholders describing each mineral project on a property material to Glencore;

(v) Xstrata Canada files such other documents relating to Glencore that Glencore would be required to file under current and future requirements of the Legislation if Glencore were a designated foreign issuer (as defined in NI 71-102) and Glencore complies with current and future requirements of the Legislation applicable to designated foreign issuers as if Glencore were a designated foreign issuer, provided that Glencore will not be considered to be a reporting issuer because it complies with such requirements in order to satisfy the conditions of this decision, and provided further that any requirement of the Legislation that requires designated foreign issuers to file disclosure documents may be satisfied by the filing of such documents by Xstrata Canada; and

(w) the relief from the Continuous Disclosure Requirements and Audit Committee Requirements will expire on the date that is five years after the date of this decision.

2. The further decision of the principal regulator under the Legislation is that the relief from the Certification Requirements is granted to Xstrata Canada provided that:

(a) Xstrata Canada qualifies for the relief from the Continuous Disclosure Requirements and Audit Committee Requirements and Xstrata Canada and Glencore are in compliance with the requirements and conditions set out in paragraph 1 above;

(b) Xstrata Canada is not required to, and does not, file its own annual or interim filings; and

(c) the relief from the Certification Requirements will expire on the date that is five years after the date of this decision.

3. The further decision of the principal regulator is that the relief from the Insider Reporting Requirements be granted to insiders of Xstrata Canada provided that:

(a) if the insider is not Glencore,

(i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning Glencore before the material facts or material changes are generally disclosed; and

(ii) the insider is not an insider of Glencore in any capacity other than by virtue of being an insider of Xstrata Canada;

(b) if the insider is Glencore, Glencore does not beneficially own any designated credit support securities of Xstrata Canada;

(c) Xstrata Canada qualifies for the relief from the Continuous Disclosure Requirements and Audit Committee Requirements and Xstrata Canada and Glencore are in compliance with the requirements and conditions set out in paragraph 1 above; and

(d) such relief from the Insider Reporting Requirements will expire on the date that is five years after the date of this decision.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the Securities Act (Ontario)):

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

As to the Exemption Sought from the Insider Reporting Requirements in the Securities Act (Ontario):

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"P.L. Kennedy"
Commissioner
Ontario Securities Commission

2.1.3 Peer 1 Network Enterprises, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-102, s. 13.1 – Continuous Disclosure Obligations – An issuer wants relief from the requirements to file and/or deliver financial statements for a particular period – A compulsory acquisition procedure pursuant to corporate legislation has been undertaken, prior to the filing deadline, in relation to the issuer and its shareholders pursuant to which all of the issuer's securities will be acquired by the offeror by a fixed date.

National Instrument 52-109, s. 8.6 – Certification of Disclosure in Issuers' Annual and Interim Filings – An issuer wants relief from the requirements in Parts 4 and 5 of NI 52-109 to file interim and/or annual certificates – The issuer has applied for and received an exemption from filing interim and/or annual financial statements.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings, s. 8.6.

February 12, 2013

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

AND

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

AND

IN THE MATTER OF
PEER 1 NETWORK ENTERPRISES, INC.
(the Filer)

DECISION

Background

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

(a) under National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) to prepare, file and, where required, deliver to shareholders interim financial statements and related management's discussion and analysis as at and for the interim period ended December 31, 2012 (the Interim Statements); and

(b) National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* (NI 52-109) to file the prescribed interim Chief Executive Officer and Chief Financial Officer certificates (the Interim Certificates) in connection with the filing of the Interim Statements, (the Exemptive Relief Sought).

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

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

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

Interpretation

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

Representations

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

1. the Filer was amalgamated under the laws of British Columbia on December 31, 2006 and is a reporting issuer in British Columbia, Alberta and Ontario and is not in default of the securities legislation in any of those jurisdictions; the Filer's head office is located at Suite 1800, 1111 West Georgia Street, Vancouver, British Columbia;

2. the Filer's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares, of which only common shares are currently outstanding; the Filer has no other outstanding securities, including debt securities; the Filer's common shares are listed on the Toronto Stock Exchange under the trading symbol "PIX";

3. Cogeco Cable Inc. (Cogeco Cable), through 0957926 B.C. Ltd. (the Offeror), a corporation indirectly wholly-owned by Cogeco Cable, made an offer (the Offer), pursuant to an offer and take-over bid circular dated December 24, 2012 (the Circular), to purchase all of the issued and outstanding common shares of the Filer (other than common shares of the Filer owned by the Offeror or any of its affiliates), and any common shares of the Filer that became issued and outstanding after the date of the Offer upon the exercise of options under the Filer's stock option plan, at a price of $3.85 per common share;

4. the Offer expired at 5:00 p.m. (Vancouver time) on January 29, 2013;

5. shareholders of the Filer holding approximately 96.57% of the issued and outstanding common shares of the Filer (on a fully-diluted basis and other than common shares held by the Offeror or any of its affiliates) accepted the Offer;

6. on January 29, 2013, the Offeror took up all the common shares of the Filer validly deposited under the Offer and the Offeror paid for such common shares on January 31, 2013;

7. in the Circular, the Offeror disclosed that if the Offer was accepted by shareholders of the Filer who, in the aggregate, held at least 90% of the issued and outstanding common shares of Filer (on a fully-diluted basis and other than common shares held by the Offeror or any of its affiliates), the Offeror intended, to the extent possible, to acquire the common shares not tendered to the Offer pursuant to the provisions of section 300 of the *Business Corporations Act* (British Columbia) (the BCBCA);

8. on or about January 31, 2013, pursuant to section 300 of the BCBCA, the Offeror sent to those shareholders of the Filer who have not accepted the Offer (the Remaining Shareholders) notice (the Acquisition Notice) that the Offeror will acquire the shares of the Filer held by the Remaining Shareholders;

9. section 300 of the BCBCA provides that once the Acquisition Notice has been sent, the Offeror is entitled and bound to acquire all of the common shares of the Filer held by the Remaining Shareholders for the same price and on the same terms contained in the Offer;

10. a Remaining Shareholder is entitled to make an application to the court and the court may by order set the price and terms for payment of the Filer's common shares, make consequential orders and give such directions as the court considers appropriate; as of the date of the application, none of the Filer, Cogeco Cable, or the Offeror has received notice of any such application by a Remaining Shareholder;

11. provided the court has not ordered otherwise, under the provisions of section 300 of the BCBCA, the Offeror intends to deliver to the Filer on or about April 3, 2013 (the Acquisition Date) a copy of the Acquisition Notice and payment for the common shares of the Filer held by the Remaining Shareholders;

12. section 300 of the BCBCA provides that such delivery and payment by the Offeror may not be made for a period of at least two months after the date the Acquisition Notice is sent to the Remaining Shareholders;

13. section 300 of the BCBCA also provides that, upon receipt of the Acquisition Notice and the payment to which the Remaining Shareholders are entitled, the Filer must register the Offeror as the shareholder with respect to

the common shares of the Filer held by the Remaining Shareholders; the Remaining Shareholders will continue as shareholders of the Filer until the Acquisition Date;

14. immediately after the Acquisition Date, the Filer intends to file with the British Columbia Securities Commission a notice to surrender its status as a reporting issuer in the Province of British Columbia and to make an application for a decision that it is not a reporting issuer in Alberta and Ontario; the Filer also intends to apply to the Toronto Stock Exchange to have its common shares de-listed and anticipates that the de-listing will occur on or about March 28, 2013;

15. in a news release dated January 29, 2013, Cogeco Cable and the Filer jointly announced that Cogeco Cable will cause the Filer to cease to be a reporting issuer under applicable securities laws as soon as possible, and in a news release dated February 1, 2013, the Filer announced that the Offeror has mailed the Acquisition Notice and the Filer has applied to securities regulatory authorities in the Jurisdictions to request exemptive relief from the requirement to prepare, file and send the Interim Statements and related materials to the Filer's shareholders, pending the completion of the compulsory acquisition;

16. absent the Exemptive Relief being granted, the Filer is required to:

    (a) prepare and file the Interim Statements on or before February 14, 2013 with the securities regulatory authorities of the Jurisdictions; and

    (b) file the Interim Certificates concurrently with the filing of the Interim Statements; and

17. the Offeror has advised the Filer that it has no need to obtain, in the form of the Interim Statements and Interim Certificates, the information to be set out in the Interim Statements and Interim Certificates.

Decision

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

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

"Peter Brady"
Director, Corporate Finance
British Columbia Securities Commission

2.1.4 Valero Energy Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from prospectus requirements for spin-off by a U.S. publicly traded company to investors issuing shares of spun off entity – Distribution not covered by legislative exemptions – there is no market for the securities of the issuer in Canada – the number of Canadian participants and their share ownership are *de minimis* – relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act,R.S.O. 1990, c. S.5, as am., ss. 53, 74.
National Instrument 45-106 Prospectus and Registration Exemptions.
National Instrument 45-102 Resale of Securities.

March 13, 2013

TRANSLATION

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
VALERO ENERGY CORPORATION
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption (the "**Exemption Sought**") from the prospectus requirements in connection with the distribution (the "**Spin-Off**") by the Filer of shares of common stock of CST Brands, Inc. ("**CST**"), a direct wholly-owned subsidiary of the Filer, by way of a dividend in specie, to the Filer's holders of shares of common stock resident in Canada (the "**Filer Canadian Shareholders**").

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

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

(b) the Filer has provided notice that Section 4.7(1) of *Regulation 11-102 Respecting Passport System* ("**Regulation 11-102**") is intended to be relied upon in each of jurisdiction of Canada; and

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

Interpretation

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

Representations

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

1. The Filer is a company incorporated in Delaware. The Filer's head office is located at One Valero Way, San Antonio, Texas, United States.

2. The Filer is a reporting issuer under the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec and Nova Scotia.

3. The authorized capital stock of the Filer consists of 1,200,000,000 shares of common stock ("**Filer Common Shares**") and 20,000,000 shares of preferred stock. As of January 31, 2013, 673,501,593 Filer Common Shares were issued and 552,933,285 Filer Common Shares were outstanding. No shares of Filer preferred stock were issued and outstanding as of January 31, 2013.

4. Filer Common Shares are listed on the New York Stock Exchange (the "**NYSE**") and trade under the symbol "VLO". Filer Common Shares are not listed on any Canadian exchange and the Filer has no intention of listing its securities on any Canadian exchange.

5. The Filer is currently subject to the 1934 Act and the rules, regulations and orders promulgated thereunder.

6. Based on information obtained by the Filer, there were 178 registered Filer Canadian Shareholders on or about January 17, 2013, holding approximately 185,115 Filer Common Shares as of such date. Among these registered Filer Canadian Shareholders, there were 40 non-employee registered Filer Canadian Shareholders holding 21,112 Filer Common Shares. The Filer does not expect these numbers to have materially changed since that date.

7. Based on information obtained by the Filer, there were 7,608 beneficial Filer Canadian Shareholders on or about January 30, 2013, holding approximately 10,848,700 Filer Common Shares as of such date.

8. After reasonable inquiry, the Filer has determined that Filer Canadian Shareholders of record and beneficially, collectively, (i) held approximately 2.0% of the outstanding Filer Common Shares on or about January 30, 2013, and (ii) represented approximately 2.76% of all holders of Filer Common Shares worldwide on or about January 30, 2013.

9. CST is currently a direct wholly-owned subsidiary of the Filer incorporated in Delaware in November 2012.

10. CST's head office is located at One Valero Way, San Antonio, Texas, United States.

11. As of January 30, 2013, all of the issued and outstanding shares of common stock of CST ("**CST Common Shares**") were held by the Filer. No other stock of CST was issued and outstanding as of January 30, 2013.

12. Neither the Filer nor CST is in default of any of its obligations under the securities legislation of any jurisdiction in Canada.

13. The purpose of the Spin-Off is to spin-out the Filer's retail business into an independent public company.

14. The Spin-Off will be effected by the following principal steps:

    (i) the Filer will distribute 80% of the outstanding CST Common Shares to holders of Filer Common Shares at a rate of CST Common Shares for Filer Common Shares held to be determined by the board of directors of the Filer prior to the record date for the Spin-Off;

    (ii) Fractional CST Common Shares will not be issued to Filer Shareholders in connection with the Spin-Off. All fractional CST Common Shares will be aggregated into whole shares and sold in the public market by the transfer agent; holders of Filer Common Shares who would otherwise be entitled to receive a fractional CST Common Share will receive their pro rata share of the proceeds of such sale in lieu thereof; and

    (iii) the holders of Filer Common Shares will not be required to pay any consideration for the CST Common Shares received in the Spin-Off. The Spin-Off will occur without any investment decision on the part of the Filer Shareholders.

15. Following completion of the Spin-Off, CST will cease to be a subsidiary of the Filer and the Filer will retain 20% of the outstanding CST Common Shares.

16. It is expected that CST Common Shares will be listed for trading on the NYSE under the symbol "CST". CST has no intention of listing its securities on any Canadian exchange.

17. CST has no intention of becoming a reporting issuer under the legislation of any jurisdiction in Canada after completion of the Spin-Off.

18. The Spin-Off will be in accordance with Delaware state law.

19. Because the Spin-Off will be effected by way of a dividend to the holders of Filer Common Shares, no stockholder approval of the proposed transaction is required or being sought under Delaware state law or any applicable U.S. federal securities laws.

20. On November 16, 2012, CST filed a registration statement on Form 10 with the SEC detailing the planned Spin-Off, and subsequently filed amendments to the registration statement on January 9, 2013, February 8, 2013 and March 1, 2013 (the registration statement, as so amended, is referred to as the "**Registration Statement**").

21. After the SEC has completed its review of the Registration Statement, Filer Shareholders will receive a copy of an information statement (the "**Information Statement**") forming part of the Registration Statement. All materials relating to the Spin-Off and the dividend sent by or on behalf of the Filer and CST in the United States (including the Information Statement) will be sent concurrently to Filer Canadian Shareholders.

22. The Information Statement will contain prospectus-level disclosure about CST.

23. Following completion of the Spin-Off, CST will send the continuous disclosure materials that it sends to holders of CST Common Shares resident in the United States concurrently to the holders of CST Common Shares resident in Canada.

24. Filer Canadian Shareholders who receive CST Common Shares pursuant to the Spin-Off will have the same rights and remedies available to holders of Filer Common Shares resident in the United States under the laws of the United States in respect of the disclosure documentation received in connection with the Spin-Off.

25. There will be no active trading market for the CST Common Shares in Canada following the Spin-Off and none is expected to develop. Consequently, it is expected that any resale of CST Common Shares distributed in the Spin-Off will occur through the facilities of the NYSE.

26. The distribution of CST Common Shares to Filer Canadian Shareholders would be exempt from the Prospectus Requirements pursuant to subsection 2.31(2) of *Regulation 45-106 Respecting Prospectus and Registration Exemptions* but for the fact that CST is not a reporting issuer under the securities legislation of any jurisdiction in Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that the first trade in CST Common Shares issued in connection with the Spin-Off is deemed to be a distribution unless the conditions in section 2.6 or subsection 2.14(1) of *Regulation 45-102 Respecting Resale of Securities* are satisfied.

"Gilles Leclerc"
Senior Director, Corporate Finance
Autorité des marchés financiers

2.1.5 Vinci S.A.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Dual application for Exemptive Relief Applications – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions as the securities are not being offered to Canadian employees directly by the issuer but rather through special purpose entities – Canadian participants will receive disclosure documents – The special purpose entities are subject to the supervision of the local securities regulator – Canadian participants will not be induced to participate in the offering by expectation of employment or continued employment – There is no market for the securities of the issuer in Canada – The number of Canadian participants and their share ownership are *de minimis* – Relief granted, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 74.
National Instrument 45-106 Prospectus and Registration Exemptions.

March 6, 2013

Translation

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

AND

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

AND

IN THE MATTER OF
VINCI S.A.
(the "Filer")

DECISION

Background

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

1. an exemption from the prospectus requirements of the Legislation (the "**Prospectus Relief**") so that such requirements do not apply to

   (a) trades in

      (i) units (the "**Principal Classic Units**") of Castor International (the "**Principal Classic Fund**"), a *fonds commun de placement d'entreprise* or "**FCPE**", a form of collective shareholding vehicle commonly used in France for the conservation and custodianship of shares held by employee-investors; and

      (ii) units (the "**Temporary Classic Units**" and, together with the Principal Classic Units, the "**Units**") of a temporary FCPE named Castor International Relais 2013 (the **"Temporary Classic Fund**") which will merge with the Principal Classic Fund following the completion of the Employee Share Offering (as defined below), such transaction being referred to as the "**Merger**", as further described below (the term "**Classic Fund**" used herein means, prior to the Merger, the Temporary Classic Fund and, following the Merger, the Principal Classic Fund);

made pursuant to the Employee Share Offering to or with Qualifying Employees (as defined below) resident in the Filing Jurisdictions and in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland and Labrador (collectively, the "**Canadian Employees**") who elect to participate in the Employee Share Offering (collectively, the "**Canadian Participants**"); and

(b) trades in ordinary shares of the Filer (the "**Shares**") by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants;

2. an exemption from the dealer registration requirements of the Legislation (the "**Registration Relief**") so that such requirements do not apply to the VINCI Group (as defined below), the Classic Fund and the Management Company (as defined below) in respect of:

(a) trades in Units made pursuant to the Employee Share Offering to or with Canadian Employees; and

(b) trades in Shares by the Classic Fund to or with Canadian Participants upon the redemption of Units as requested by Canadian Participants;

(the Prospectus Relief and the Registration Relief, collectively, the "**Offering Relief**").

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

(a) the Autorité des marchés financiers is the principal regulator for this application,

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

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, *Regulation 45-102 respecting resale of securities*, *Regulation 45-106 respecting Prospectus and Registration Exemptions* and Regulation 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not and has no current intention of becoming a reporting issuer under the Legislation or the securities legislation of the Other Offering Jurisdictions. The head office of the Filer is located in France and the Shares are listed on Euronext Paris.

2. The Filer has established a global employee share offering (the "**Employee Share Offering**") for Qualifying Employees (as defined below) and its participating affiliates, including affiliates that employ Canadian Employees (collectively, the "**Canadian Affiliates**" and, together with the Filer and other affiliates of the Filer, the "**VINCI Group**"), including Reinforced Earth Company Ltd., Freyssinet Canada Limitee, BA Blacktop Ltd., Construction DJL inc., Janin Atlas Inc., Geopac Inc., Northern Valet Inc., Vinci Park Services (Canada) Inc., Agra Foundations Limited, Carmacks Group Ltd. and Bermingham Foundation Solution Limited. Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the Other Offering Jurisdictions. The largest number of employees of the VINCI Group in Canada reside in Québec.

3. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Fund on behalf of Canadian Participants) more than 10% of the Shares, and do not and will not represent in number more than 10 % of the total number of holders of Shares as shown on the books of the Filer.

4. The Employee Share Offering involves an offering of Shares to be subscribed through the Temporary Classic Fund, which Temporary Classic Fund will be merged with the Principal Classic Fund following completion of the Employee Share Offering (the "**Classic Plan**").

5. Only persons who are employees of a member of the VINCI Group during the subscription period for the Employee Share Offering and who meet other minimum employment criteria (the "**Qualifying Employees**") will be allowed to participate in the Employee Share Offering.

6. The Temporary Classic Fund and the Principal Classic Fund were established for the purpose of implementing employee share offerings of the Filer. There is no current intention for any of the Temporary Classic Fund or the Principal Classic Fund to become a reporting issuer under the Legislation or the securities legislation of the Other Offering Jurisdictions.

7. The Temporary Classic Fund and the Principal Classic Fund are French FCPEs. The Temporary Classic Fund and the Principal Classic Fund are registered with, and approved by, the Autorité des marchés financiers in France (the "**French AMF**").

8. Under the Employee Share Offering:

   (a) Canadian Participants will subscribe for Temporary Classic Units and the Temporary Classic Fund will subscribe for Shares, on behalf of the Canadian Participants and using their contribution, at a subscription price that is equal to the arithmetical average of the opening Share price (expressed in Euros) on Euronext Paris on the 20 trading days preceding the date of the fixing of the subscription price by the Chairman and Chief Executive Officer of the Filer, acting upon delegation of the Board of Directors of the Filer (the "**Subscription Price**").

   (b) Initially, the Shares will be held in the Temporary Classic Fund and the Canadian Participants will receive Temporary Classic Units representing the subscription of Shares.

   (c) After completion of the Employee Share Offering, the Temporary Classic Fund will be merged with the Principal Classic Fund (subject to the French AMF's approval). Temporary Classic Units held by Canadian Participants will be replaced with Principal Classic Units on a *pro rata* basis and the Shares subscribed for under the Classic Plan will be held in the Principal Classic Fund (such transaction being referred to as the "**Merger**").

   (d) The Units will be subject to a hold period of approximately three years (the "**Lock-Up Period**"), subject to certain exceptions prescribed by the rules of the International Group Share Ownership Plan of VINCI Group (such as a release on death, disability or termination of employment) and adopted under the Employee Share Offering.

   (e) Any dividends paid on the Shares held in the Classic Fund will be contributed to the Classic Fund and used to purchase additional Shares. To reflect this reinvestment, the regulations of the Classic Fund provide that new Units (or fractions thereof) will be issued to the Canadian Participants.

   (f) At the end of the Lock-Up Period, a Canadian Participant may (i) request the redemption of his or her Units in the Classic Fund in consideration for the underlying Shares or a cash payment corresponding to the then market value of the Shares held by the Classic Fund, or (ii) continue to hold his or her Units in the Classic Fund and request the redemption of those Units at a later date in consideration for the underlying Shares or a cash payment corresponding to the then market value of the Shares held by the Classic Fund.

   (g) In addition, the Employee Share Offering provides that the Filer will grant to Canadian Participants a conditional right to receive additional Shares at the end of the Lock-Up Period, free of charge ("**Bonus Shares**"). The number of Bonus Shares which a Canadian Participant is eligible to receive will be determined according to the following matching schedule:

Canadian Participant's Subscription	*Matching Ratio*
1-40 Shares	1 Bonus Shares for each Share subscribed
Next 60 Shares (i.e., the 41st to 100th Share subscribed for)	1 Bonus Share for each 2 Shares subscribed
Any further Shares starting from the 101st Share subscribed for	No additional Bonus Shares

   (h) Under the matching schedule, a Canadian Participant who subscribed for 100 or more Shares would receive a maximum of 70 Bonus Shares. The right to receive Bonus Shares is subject to the condition that the Canadian

Participant is employed by a member of the VINCI Group at the end of the Lock-Up Period and holds Units until that time (with certain exceptions). If these conditions are satisfied, Bonus Shares will be delivered directly to the Canadian Participant or to the Classic Fund on behalf of the Canadian Participant (in which case, additional Units reflecting this will be issued to the Canadian Participant), or sold if requested by the Canadian Participant. The Bonus Shares may also be delivered earlier upon the Canadian Participant's death or disability.

(i) In the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law and meeting the applicable criteria, a Canadian Participant may request the redemption of Units in the Classic Fund in consideration for a cash payment corresponding to the then market value of the Shares held by the Classic Fund. Subject to certain exemptions, the Canadian Participant will lose his or her entitlement to Bonus Shares.

9. Under French law, an FCPE is a limited liability entity. The portfolio of the Classic Fund will almost entirely consist of Shares and may also include, from time to time, cash in respect of dividends paid on the Shares which will be reinvested in Shares as discussed above and cash or cash equivalents pending investments in the Shares and for the purposes of Unit redemptions.

10. The manager of the Temporary Classic Fund and the Principal Classic Fund, AMUNDI (the "**Management Company**"), is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage investments and complies with the rules of the French AMF. To the best of the Filer's knowledge, the Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of the Other Offering Jurisdictions.

11. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Classic Fund are limited to subscribing for Shares and selling such Shares as necessary in order to fund redemption requests and investing available cash in cash equivalents.

12. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents of the Classic Fund. The Management Company is obliged to act exclusively in the best interests of the Canadian Participants and is liable to them, jointly and severally with the Depositary, for any violation of the rules and regulations governing FCPEs, any violation of the rules of the FCPE, or for any self-dealing or negligence. The Management Company's activities will not affect the underlying value of the Shares.

13. None of the entities forming part of VINCI Group, the Classic Fund or the Management Company or any of their respective directors, officers, employees, agents or representatives will provide investment advice to the Canadian Employees with respect to investments in the Shares or the Units or to the Canadian Participants with respect to the holding or redemption of their Units.

14. Shares issued pursuant to the Employee Share Offering will be deposited in the Classic Fund through CACEIS Bank (the "**Depositary**"), a large French commercial bank subject to French banking legislation.

15. Under French law, the Depositary must be selected by the Management Company from a limited number of companies identified on a list maintained by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell Shares and takes all necessary action to allow each of the Temporary Classic Fund and the Principal Classic Fund to exercise the rights relating to the Shares held in their respective portfolios.

16. Participation in the Employee Share Offering is voluntary, and the Canadian Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

17. The total amount that may be invested by a Canadian Employee in the Employee Share Offering cannot exceed 25 % of his or her estimated gross annual compensation for 2013. The value of Bonus Shares is not included in this calculation.

18. The Shares are not currently listed for trading on any stock exchange in Canada and the Filer has no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, any first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of Euronext Paris. The Units will not be listed for trading on any stock exchange.

19. Canadian Employees may request and Canadian Participants will receive an information package in the French or English language, according to their preference, which will include a summary of the terms of the Employee Share Offering and a description of Canadian income tax consequences of subscribing to and holding the Units and

requesting the redemption of Units at the end of the Lock-Up Period. Canadian Employees will be advised that they may request copies of the Filer's Document de Référence filed with the French AMF in respect of the Shares and the regulations of the Temporary Classic Fund and the Principal Classic Fund through their human resources department, and can also access continuous disclosure materials relating to the Filer through the Filer's public internet site. Canadian Participants will receive an initial statement of their holdings under the Classic Plan together with an updated statement at least once per year.

20. There are approximately 2,877 Qualifying Employees resident in Canada, with the largest number residing in the Province of Québec. Less than 2 % of Qualifying Employees reside in Canada.

21. None of the entities forming part of the VINCI Group or the Classic Fund are in default under the Legislation or the securities legislation of the Other Offering Jurisdictions. To the best of the Filer's knowledge, the Management Company is not in default of the Legislation or the securities legislation of the Other Offering Jurisdictions.

Decision

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

The decision of the Decision Makers under the Legislation is that the Offering Relief is granted provided that the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this Decision, unless the following conditions are met:

1. the issuer of the security

   (a) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

   (b) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

2. at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

   (a) did not own, directly or indirectly, more than 10 % of the outstanding securities of the class or series, and

   (b) did not represent in number more than 10 % of the total number of owners, directly or indirectly, of securities of the class or series; and

3. the first trade is made

   (a) through an exchange, or a market, outside of Canada, or

   (b) to a person or company outside of Canada;

"Gilles Leclerc"
Senior Director, Corporate Finance

2.1.6 VisionSky Corp. – 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).

March 18, 2013

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Syd S. Abougoush

Dear Sir:

Re: VisionSky Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

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

In this decision, "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.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.7 Dixie Energy Holdings (Canada) Ltd. – s. 1(10)

Headnote

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

Ontario Statutes

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

March 18, 2013

Burnet, Duckworth & Palmer LLP
2400, 525 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Syd Abougoush

Dear Sir:

Re: Dixie Energy Holdings (Canada) Ltd. (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

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

In this decision, "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.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.8 Webb Asset Management Canada, Inc. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund merger – approval required because merger does not meet the criteria for per-approval – continuing fund has different investment objectives than terminating funds – merger not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – manager of continuing fund is not an affiliate of the manager of the terminating funds - securityholders provided with timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.5(3), 5.6, 5.7(1)(b), 19.1.

January 25, 2013

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
WEBB ASSET MANAGEMENT CANADA, INC., (Webb)
MATRIX FUNDS MANAGEMENT
(A DIVISION OF GROWTH WORKS CAPITAL LTD.)
(Matrix) (collectively, the "Filers")

AND

WEBB ENHANCED GROWTH FUND AND
WEBB ENHANCED INCOME FUND
(the Terminating Funds)

DECISION

Background

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

(i) subsection 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) for the merger (the **Merger**) of the Terminating Funds into Matrix Monthly Pay Fund (the **Continuing Fund**) (the **Merger Approval**); and

(ii) subsection 5.5(1)(a) of NI 81-102 for the change of manager of the Terminating Funds in connection with the Merger (the **Change of Manager Approval**).

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

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

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

Interpretation

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

Representations

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

Webb (The **Manager**)

1. The Manager is a corporation governed by the laws of Ontario with its head office in Toronto, Ontario.

2. The Manager is the investment fund manager of the Terminating Funds and is registered as an investment fund manager in Ontario. The Manager has not filed financial statements for the year ended December 31, 2011. Once the Merger is completed, the Manager intends to give up its registration as an investment fund manager in Ontario.

Matrix

3. Matrix is a corporation governed by the federal laws of Canada with its head office in Vancouver, British Columbia.

4. Matrix is registered as an investment fund manager in British Columbia.

The Funds

5. Each of the Terminating Funds and the Continuing Fund (collectively, the Funds) is an open-end mutual fund trust established under the laws of the Province of Ontario.

6. Units of the Continuing Fund are currently qualified for sale under the simplified prospectus, annual information form and fund facts each dated June 29, 2012. Matrix is the manager of the Continuing Fund.

7. Units of the Terminating Funds ceased to be offered for sale as of July 18, 2012.

8. The Funds are not in default of securities legislation of any province or territory of Canada.

9. The 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, other than as expressly exempted therefrom by Canadian securities regulatory authorities.

10. The net asset value for each series of units of each Fund is calculated as at 4:00 p.m. Eastern Time on each day that the Toronto Stock Exchange is open for trading.

The Merger

11. In accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, a press release announcing the proposed Merger was issued on November 19, 2012 and filed via SEDAR on November 20, 2012. A material change report with respect to the proposed Merger was filed via SEDAR on November 28, 2012.

12. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Manager presented the terms of the Merger to the Funds' Independent Review Committee (**IRC**) for its review and recommendation. The IRC reviewed the potential conflict of interest matters related to the proposed Merger and has provided its decision regarding the Merger and determined, after reasonable inquiry, that the Merger, if implemented, would achieve a fair and reasonable result for each of the Terminating Funds.

13. Unitholders of the Terminating Funds will continue to have the right to redeem their units of the Terminating Funds at any time up to the close of business on the business day prior to the effective date of the Merger.

14. Approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102, namely because:

    (i) the manager of the Continuing Fund is not an affiliate of the Manager;

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

    (iii) the Merger will not be completed as a "qualifying exchange" or a tax-deferred transaction under the *Income Tax Act* (Canada) (the **Tax Act**); and

    (iv) the portfolio assets of the Terminating Funds to be acquired by the Continuing Fund as part of the transaction may not be acceptable to the other mutual fund's fundamental investment objective, and so will be liquidated before the transaction.

    Except for these reasons, the Merger will otherwise comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

15. The Manager has determined that it would not be appropriate to effect the Merger as a "qualifying exchange" within the meaning of section 132.2 of the Tax Act or as a tax deferred transaction for the following reasons:

    (i) each of the Terminating Funds has sufficient loss carry-forwards to shelter any net capital gains that could arise for it on the taxable disposition of its portfolio assets on the Merger;

    (ii) substantially all the unitholders in the Terminating Funds have an accrued capital loss on their units and effecting the Merger on a taxable basis will afford them the opportunity to realize that loss and use it against current capital gains or even carry it back as permitted under the Tax Act;

    (iii) effecting the Merger on a taxable basis would preserve the net losses and loss carry-forwards in the Continuing Fund; and

    (iv) effecting the Merger on a taxable basis will have no other tax impact on the Continuing Fund.

16. A management information circular in connection with the Merger was mailed to unitholders of the Terminating Funds on November 30, 2012 and was subsequently filed on SEDAR. The most recently-filed fund facts document of the Continuing Fund was included in the meeting materials sent to unitholders of the Terminating Funds.

17. The management information circular provides unitholders of the Terminating Funds with information about the investment objectives of the Funds, the manager of the Continuing Fund and tax consequences of the Merger. Accordingly, unitholders of the Terminating Funds had an opportunity to consider this information prior to voting on the Merger.

18. The management information circular provides that, if an affirmative vote was not received, the Terminating Funds would be terminated. Accordingly, unitholders of the Terminating Funds had an opportunity to consider this information prior to voting on the Merger.

19. The Manager will pay all costs and expenses relating to the solicitation of proxies and holding the unitholder meeting in connection with the Merger as well as the costs of implementing the Merger, including any brokerage fees.

20. Unitholders of the Terminating Funds approved the Merger at a special meeting held on December 21, 2012.

21. The Merger will not constitute a material change for the Continuing Fund, as the net asset value of the Continuing Fund is significantly larger than the net asset value of the Terminating Funds.

22. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund and the Terminating Funds will be wound up as soon as reasonably practicable. Matrix is not the manager of the Terminating Funds. As the manager of the Terminating Funds and the manager of the Continuing Fund are not affiliated, regulatory approval pursuant to section 5.5(1)(a) of NI 81-102 is required for this change.

23. The Merger is conditional on the approval of (i) the unitholders of the Terminating Funds; and (ii) the Principal Regulator. If the necessary approvals are obtained, the following steps will be carried out to effect the Merger, which is proposed to occur on or about January 21, 2013 (the **Merger Date**):

    (i) Prior to the Merger Date, each Terminating Fund will sell the securities in its portfolio. As a result, the Terminating Funds may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objective for a brief period of time prior to the Merger being effected.

    (ii) The value of the Terminating Funds' portfolio and other assets will be determined at the close of business on the effective date of the Merger.

    (iii) The Continuing Fund will acquire the investment portfolio and other assets of the Terminating Funds in exchange for units of the Continuing Fund.

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

    (v) The Terminating Funds will distribute a sufficient amount of its net income and net realized capital gains, if any, to unitholders to ensure that it will not be subject to tax for its current tax year.

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

    (vii) Immediately thereafter, units of the Continuing Fund received by the Terminating Funds will be distributed to unitholders of the Terminating Funds in exchange for their units in the Terminating Funds on a dollar-for-dollar and series by series basis, as applicable.

    (viii) As soon as reasonably possible following the Merger, and in any case within 60 days thereof, the Terminating Funds will be wound up.

24. The Terminating Funds are not mutual fund trusts under the Tax Act and so are not qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts (collectively, **Registered Plans**).

25. The Continuing Fund is, and is expected to continue to be at all material times, a mutual fund trust under the Tax Act. Accordingly, units of the Continuing Fund are qualified investments under the Tax Act for Registered Plans.

26. The Merger will be beneficial to securityholders of the Terminating Funds and the Continuing Fund for the following reasons:

(i) Series F unitholders of the Terminating Funds will benefit from reduced management fees that are charged to class F units of the Continuing Fund. The management fees that are charged to class A units of the Continuing Fund are the same as those charged to the Terminating Fund. Unlike the Terminating Funds, the Continuing Fund does not charge a performance fee;

(ii) unitholders of the Terminating Funds will benefit from reduced management expense ratio of the Continuing Fund;

(iii) the fundamental investment objectives and strategies of each of the Terminating Funds are similar to the fundamental investment objectives and strategies of the Continuing Fund in that the funds all invest in equity securities. The Merger will not entail any changes in the Continuing Fund's investment objectives and strategies, which are broader than the investment objectives and strategies of the Terminating Funds;

(iv) unitholders of the Terminating Funds and the Continuing Fund will enjoy increased economies of scale as part of a larger combined Continuing Fund;

(v) following the Merger, the Continuing Fund will have a portfolio of greater value, which may allow for increased portfolio diversification opportunities if desired;

(vi) the unitholders of the Terminating Funds will not be responsible for the costs associated with the Merger; and

(vii) as part of the Merger, unitholders of the Terminating Funds become unitholders of the Continuing Fund without paying a sales charge. Unitholders can then switch to another fund managed by Matrix, again, without paying a sales charge (other than, perhaps, a switching fee that the dealer may charge or a short-term trading fee). If the Terminating Funds terminated instead of merging, Unitholders would likely be required to pay a sales charge or broker fee when investing in another fund or other security.

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 Merger Approval and the Change of Manager Approval is granted.

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

2.1.9 Fleet Leasing Receivables Trust – 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).

March 21, 2013

Fleet Leasing Receivables Trust
c/o PHH Vehicle Management Services Inc., as Financial Services Agent
2233 Argentia Road, Suite 400
Mississauga, Ontario
5N 2X7

Dear Sirs/Mesdames:

Re: Fleet Leasing Receivables Trust (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, 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 not a reporting issuer.

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

2.1.10 Goodwood Inc. and Goodwood Capital Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual fund for extension of lapse date of prospectus for 40 days – additional time needed for renewal of prospectus due to ongoing review.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., s. 62(5).

March 15, 2013

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

AND

IN THE MATTER OF
GOODWOOD INC.
(the Filer)

AND

GOODWOOD CAPITAL FUND
(the Fund)

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**) for an exemption under section 62(5) of the Act and section 2.5(7) of National Instrument 81-101, that the time limits pertaining to filing the renewal prospectus of the Fund be extended as if the lapse date of the simplified prospectus and annual information form of the Fund dated March 8, 2012 (the **Current Prospectus**) is April 17, 2013 (the **Requested Relief**).

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

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

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

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 the manager of the Fund.

2. The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador and as an investment dealer in Ontario, British Columbia, Alberta, Quebec and Nova Scotia. The Filer is a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and its advising activities are conducted in accordance with the rules of IIROC.

3. The Fund is a reporting issuer in each of the provinces and territories in Canada.

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

5. Units of the Fund are currently qualified for distribution in each province and territory of Canada under the current simplified prospectus of the Fund dated March 8, 2012, as amended by Amendment No. 1 dated January 9, 2013 (**Amendment No. 1**) (the **Current Prospectus**).

6. Pursuant to the Legislation, the lapse date for the Current Prospectus is March 8, 2013 (the **Current Lapse Date**). Accordingly, under the Legislation, the distribution of units of the Fund would have to cease on the Current Lapse Date unless (i) the Fund files a pro-forma prospectus for the Fund at least 30 days prior to the Current Lapse Date; (ii) the final simplified prospectus is filed no later than 10 days after the Current Lapse Date, i.e. by March 18, 2013; and (iii) a receipt for the final simplified prospectus is obtained within 20 days of the Current Lapse Date.

7. On February 5, 2013, a pro forma simplified prospectus and a pro forma annual information form for the Fund (the **Pro Forma Prospectus**) were filed with the OSC. In order to comply with the requirements of the Legislation, the final simplified prospectus and annual information form for the Fund (the **Final Renewal Prospectus**) must be filed on or before March 18, 2013 and a receipt must be obtained by March 28, 2013 in order for the distribution of units of the Fund to continue without interruption.

8. Given the ongoing review of the Pro Forma Prospectus and subsequent comments by the OSC, the most recent of which was received on March 7, 2013 and included substantial issues, the Filer is requesting additional time by means of an extension of the Current Lapse Date to April 17, 2013, to permit the Filer to respond to the OSC's comment letter(s), and file the Final Renewal Prospectus for the Fund which satisfactorily addresses all of the comments without resulting in the Fund being forced to cease distribution of units because the Current Prospectus has lapsed.

9. Since the date of Amendment No. 1, no undisclosed material change has occurred. Accordingly, the Prospectus continues to provide accurate information regarding the Fund.

10. Given the disclosure obligations of the Filer and the Fund, should any material changes be proposed, the Current Prospectus will be amended accordingly. Therefore, the extension requested will not affect the currency or accuracy of the information contained in the Current Prospectus; and accordingly, will not be prejudicial to the public interest.

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 Decision Maker under the Legislation is that the Requested Relief is granted.

"Vera Nunes"
Manager, Investment Funds
Ontario Securities Commission

2.1.11 BNP Paribas Prime Brokerage, Inc.

Headnote

Filer exempted from section 13.12 [restriction on lending to clients] of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Variation of a previous order to extend time limitation in line with CSA Staff Notice 31-333 Follow-Up to Broker-Dealer Registration in the Exempt Market Dealer Category – The filer is registered as a restricted dealer on terms and conditions – The filer is a registered broker-dealer with the SEC and a member of FINRA – Terms and conditions on the exemptions require that: (i) the head office or principal place of business of the filer be in the USA; (ii) the filer be registered under the securities legislation of the USA in a category of registration that permits it to carry on the activities in the USA that registration as an investment dealer would permit it to carry on in Ontario, (iii) by virtue of the securities legislation of the USA, the filer is subject to requirements in respect of lending money, extending credit or providing margin to clients that result in substantially similar regulatory protections to those provided for under the capital and margin requirements of IIROC, that would be applicable if the filer if it were registered under the Act as an investment dealer and were a member of IIROC.

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 14-101 Definitions.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.12, 15.1.

March 22, 2013

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
BNP PARIBAS PRIME BROKERAGE, INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received a further application from the Filer (the **Application**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) to extend the

existing terms and conditions (the **Existing Terms and Conditions**) placed on the Filer's registration under the Legislation as a restricted dealer pursuant to a decision of the Director (the **Original Decision**) so as to exempt the Filer from the requirement contained in section 13.12 [*restriction on lending to clients*] of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) that a registrant must not lend money, extend credit or provide margin to a client (the **Exemption Sought**). The extension of the Existing Terms and Conditions of the Original Decision is in line with CSA Staff Notice *Follow-Up to Broker-Dealer Registration in the Exempt Market Dealer Category*.

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Quebec.

Interpretation

Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in NI 31-103 have the same meaning, and other terms used in this decision that are defined in National Instrument 14-101 *Definitions*, MI 11-102 or the Original Decision have the same meaning.

Representations

This decision is based on the same representations made by the Filer in the Original Decision and which remain true and complete and for convenience are repeated below:

1. Pursuant to the Original Decision, the Filer is exempt from the requirement contained in section 13.12 of NI 31-103 that a registrant must not lend money, extend credit or provide margin to a client, provided that it complies with the Existing Terms and Conditions.

2. The Filer is a corporation incorporated under the laws of the State of Delaware, USA and its head office and principal place of business are located in New York, New York, USA.

3. The Filer is registered as a broker-dealer with the U.S. Securities and Exchange Commission (**SEC**) and is a member of the Financial Industry Regulatory Authority (**FINRA**). This registration permits the Filer to carry on in the USA, being its home jurisdiction, substantially similar activities that registration as an investment dealer would authorize it to carry on in the Jurisdiction if the Filer were registered under the Legislation as an investment dealer.

4. The Filer is engaged primarily in providing prime brokerage services to investment funds.

5. The Filer routinely lends money, extends credit and provides margin to its clients in connection with, and as an integral part of, its prime brokerage services. These services are provided in order to facilitate, among other things, the purchase and short-selling of securities by clients.

6. The Filer is subject to regulations of the Board of Governors of the U.S. Federal Reserve System (the **Board**), FINRA and the SEC regarding the lending of money, extension of credit and provision of margin to clients (the **U.S. Margin Regulations**) that are designed to provide protections that are substantially similar to the protections provided by the regulations regarding the lending of money, extension of credit and provision of margin to which dealer members of the Investment Industry Regulatory Organization of Canada (**IIROC**) are subject, and the Filer is in compliance in all material respects with all applicable U.S. Margin Regulations. In particular, the Filer is subject to the margin requirements imposed under Regulation T promulgated by the Board, under the *Securities Exchange Act of 1934*, as supplemented by FINRA Rule 4210.

7. The Filer is registered, or has applied to be registered, as a restricted dealer in Ontario, British Columbia and Quebec.

8. Once registered under the Legislation the Filer will be subject to the prohibition contained in s. 13.12 of NI 31-103 on lending money, extending credit or providing margin to a client.

9. In certain comments received on NI 31-103 after it was published for comment, it was suggested that the prohibitions in section 13.12 should not apply to certain dealers that are members of foreign self-regulatory organizations, or subject to regulatory requirements in a foreign jurisdiction, where the dealer is subject to margin regimes similar to that imposed by IIROC. The Canadian Securities Administrators responded to these comments by suggesting that these circumstances could be considered on a case-by-case basis, through exemption applications, and that an exemption should be made available to registrants who have "adequate measures in place to address the risks involved and other related regulatory concerns".

Decision

The principal regulator is satisfied that this 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 so long as:

(a) the head office or principal place of business of the Filer is in the USA;

(b) the Filer is licensed or registered under the securities legislation of the USA, in a category of licensing or registration that permits it to carry on the activities in the USA that registration as an investment dealer would permit it to carry on in the Jurisdiction; and

(c) by virtue of the registration referred to in paragraph (b), including required membership in one or more self-regulatory organizations, the Filer is subject to requirements in respect of its lending money, extending credit or providing margin to clients (including clients that are located in Canada) that result in substantially similar regulatory protections to those provided for under the capital and margin requirements of IIROC that would be applicable to the Filer if it were registered under the Legislation as an investment dealer and were a member of IIROC.

It is further the decision of the principal regulator that, in line with CSA Staff Notice 31-333 *Follow-Up to Broker-Dealer Registration in the Exempt Market Dealer Category*, the Exemption Sought shall expire on the date that is the earlier of:

(a) The date on which amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* come into force limiting brokerage activities in which exempt market dealers or restricted dealers engage; and

(b) December 31, 2014.

"Erez Blumberger"
Deputy Director, Compliance & Registrant Regulation
Ontario Securities Commission

2.1.12 K2 & Associates Investment Management Inc. and the K2 Principal Trust

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) 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.

March 1, 2013

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
K2 & ASSOCIATES INVESTMENT MANAGEMENT INC.
(the Filer)

AND

THE K2 PRINCIPAL TRUST
(the First Top Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on its behalf and on behalf of the First Top Fund and any other mutual fund which is not a reporting issuer and may be established and managed by the Filer in the future (together with the First Top Fund, the **Top Funds**), which invests its assets in The K2 Principal Fund L.P. (the **First Underlying Fund**) or any other investment fund which is not a reporting issuer under the Securities Act (Ontario) and may be established, advised or managed by the Filer in the future (together with the First Underlying Fund, the **Underlying Funds**), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Top Funds and the Filer from:

(a) the restriction in the Legislation 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 security holder;

(b) the restriction in the Legislation which prohibits a mutual fund in Ontario from knowingly making an investment in an issuer in which:

  (i) any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or

  (ii) any person or company who is a substantial securityholder of the mutual fund, its management company or its distribution company,

  has a significant interest; and

(c) the restriction in the Legislation which prohibits a mutual fund in Ontario, its management company or its distribution company from knowingly holding an investment described in paragraph (a) or (b) above.

(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; 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 Alberta.

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:

Manager

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

2. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in Ontario and as an exempt market dealer in British Columbia, Alberta, Manitoba, Quebec and Nova Scotia.

3. The Filer is or will be the investment fund manager of the Top Funds. The Filer is or will be the investment fund manager of future Underlying Funds structured as limited partnerships and trusts. For future Underlying Funds structured as corporations under the laws of Ontario or another jurisdiction of Canada, the Filer will act as the investment fund manager. For future Underlying Funds structured as corporations under the laws of a foreign jurisdiction, either the Filer or the board of directors of the corporation will act as the investment fund manager.

4. The Filer is or will be the portfolio manager for the Top Funds and the Underlying Funds. The Filer acts or will act as a distributor of the securities of certain of the Top Funds and Underlying Funds not otherwise sold through another registered dealer.

5. The Filer is not a reporting issuer in any jurisdiction.

6. The Filer is not in default of securities legislation of any jurisdiction of Canada, except as noted in paragraph 8 below.

7. An officer and director of the Filer, who is also a substantial security holder of the Filer, currently has a significant interest in the First Underlying Fund. Through inadvertence, the First Top Fund invested in the First Underlying Fund, contrary to the Legislation. As soon as the requirement to seek the Requested Relief came to the Filer's attention, the Filer initiated the process of seeking the Requested Relief and has strengthened its internal control systems to ensure future compliance with applicable laws and regulations.

Top Funds

8. The First Top Fund is an investment trust established under the laws of Ontario on October 1, 2009. The future Top Funds may be structured as limited partnerships, trusts or corporations under the laws of Ontario or another jurisdiction of Canada.

9. The securities of each Top Fund are, or will be, sold solely to investors pursuant to exemptions from the prospectus requirements in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

10. 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.

11. The First Top Fund's investment objective is to provide investors with long term capital growth, which will be achieved primarily by investing in securities of the First Underlying Fund.

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

13. The First Top Fund is not in default of securities legislation of any jurisdiction of Canada, except as noted in paragraph 7 above.

Underlying Funds

14. The First Underlying Fund is a limited partnership established under the laws of Ontario by declaration dated November 29, 2000. The future Underlying Funds may be structured as limited partnerships, trusts or corporations under the laws of Ontario or another jurisdiction of Canada or foreign jurisdiction.

15. The general partner of the First Underlying Fund is K2 GenPar L.P., an affiliate of the Filer. The general partner of each future Underlying Fund that is structured as a limited partnership will be an affiliate of the Filer.

16. In Canada, securities of each Underlying Fund are, or will be, sold solely to investors pursuant to exemptions from the prospectus requirements in accordance with NI 45-106.

17. Each of the Underlying Funds is, or will be, an "investment fund" but may not be, a "mutual fund" as defined in securities legislation of the jurisdictions in Canada.

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

19. The First Underlying Fund's investment objective is to generate extraordinary returns on its capital by using both non-directional and directional strategies. Non-directional strategies include taking market-neutral positions. Directional strategies include long or short equity strategies and global macro strategies. The First Underlying Fund does not invest in other investment entities managed by the Filer or its affiliates.

20. None of the Underlying Funds is, or will be, a reporting issuer in any jurisdiction of Canada.

21. The First Underlying Fund is not in default of securities legislation of any jurisdiction of Canada.

Fund-on-Fund Structure

22. The First Top Fund was, and other Top Funds may be, created by the Filer to allow investors in the Top Funds to obtain indirect exposure to the investment portfolio of the Underlying Funds and their investment strategies through, primarily, direct investments by the Top Funds in securities of the Underlying Funds (the *Fund-on-Fund Structure*). Rather than running the First Top Fund's and each Underlying Fund's investment portfolios as separate pools, the Filer makes use of economies of scale by managing investment pools in the Underlying Funds. Unlike the First Underlying Fund, which is a limited partnership, the First Top Fund was formed as a trust for the purpose of accessing a broader base of investors, including registered retirement savings plans and other investors that may not or wish not to invest directly in a limited partnership.

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

24. The Underlying Funds will invest primarily in equity securities and will also invest in fixed income securities, options on equities and currency, as well as illiquid assets including private equity and debt. Where an Underlying Fund holds illiquid assets, the remainder of the Underlying Fund's portfolio will be managed to provide sufficient liquidity to fund redemptions in the ordinary course.

25. The Top Funds and the Underlying Funds have, or will have, matching valuation dates. The First Top Fund and the First Underlying Fund are valued monthly.

26. Securities of the Top Funds and the Underlying Funds have, or will have, matching redemption dates. The First Top Fund and the First Underlying Fund are redeemable monthly.

27. A Top Fund will not purchase or hold securities of an Underlying Fund unless:

    (a) 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);

(b) no management fees or incentive 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;

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

(d) the Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of the Underlying Fund except that the Top Fund may arrange for the securities it holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund; and

(e) the offering memorandum, where available, or other disclosure document of a Top Fund will be provided to all investors of the Top Fund and will disclose:

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

(ii) that the Filer is the investment fund manager of both the Top Funds and the Underlying Funds, if applicable; and

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

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

28. Prior to the time of purchase of securities of a Top Fund, an investor will be provided with a copy of the Top Fund's offering memorandum, where available, as well as disclosure about the relationships and potential conflicts of interest between the Top Fund and the Underlying Funds.

29. Securityholders of a Top Fund will receive, on request, a copy of the Top Fund's audited annual and interim financial statements. The financial statements of each Top Fund will disclose its holdings of securities of Underlying Funds.

30. Securityholders of a Top Fund will receive, on request, a copy of the offering document, if available, and the annual and interim financial statements, of any Underlying Fund in which the Top Fund invests.

Generally

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

32. In addition, the Fund-on-Fund Structure may result in a Top Fund investing in an Underlying Fund in which an officer or director of the Filer has a significant interest and/or a Top Fund investing in an Underlying Fund in which a person or company who is a substantial securityholder of the Top Fund or the Filer has a significant interest.

33. Since the Top Funds and the Underlying Funds do not offer their securities under a simplified prospectus, they are not subject to NI 81-102 and therefore the Top Funds and the Underlying Funds are unable to rely upon the exemption codified under subsection 2.5(7) of NI 81-102.

34. In the absence of the Requested Relief, each Top Fund would be precluded from purchasing and holding securities of an Underlying Fund due to the investment restrictions contained in the Legislation.

35. Each investment by a Top Fund in an Underlying Fund represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top 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 under the Legislation is that the Requested Relief is granted provided that:

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

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

(c) no Top Fund will invest in an Underlying Fund unless the Underlying Fund invests less than 10% of its net assets in other mutual funds other than mutual funds that are "money market funds" (as defined by NI 81-102) or that issue "index participation units" (as defined by NI 81-102);

(d) no management fees or incentive 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;

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

(f) the Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of the Underlying Fund except that the Top Fund may arrange for the securities it holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund; and

(g) the offering memorandum, where available, or other disclosure document of a Top Fund will disclose:

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

  (ii) he fact that the Filer is the investment fund manager of both the Top Funds and the Underlying Funds, if applicable;

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

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

(h) prior to the time of investment, securityholders of a Top Fund will be provided with disclosure with respect to each person, if any, that has a significant interest in the Underlying Funds through investments made in securities of such Underlying Funds. Securityholders in a Top Fund will also be advised of the potential conflicts of interest which may arise from such relationships. The foregoing disclosure will be contained in any offering memorandum prepared in connection with a distribution of securities of the Top Fund, or if no offering memorandum is prepared, in another document provided to investors of the Top Fund.

"Edward Kerwin"
Commissioner
Ontario Securities Commission

"Judith N. Robertson"
Commissioner
Ontario Securities Commission

2.1.13 Foxpoint Capital Corp.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – decision granting relief from requirement to file financial statements for mining claims – mining claims dormant – mining claims acquired in an arm's length transaction – no other assets or liabilities in connection with mining claim acquired – historical financial statements for mining claim not previously prepared – mining claims no longer assets of company – relief granted from subparagraph 4.10(2)(a)(ii) of National Instrument 51-102 – Continuous Disclosure Obligations, subject to condition that Circular is filed on SEDAR.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Requirements, s. 4.10(2)(a).

March 22, 2013

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
FOXPOINT CAPITAL CORP.
(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**) for a decision that the requirements of paragraph 4.10(2)(a) of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) not apply to the Filer, in so far it would require the Filer to file financial statements for the Telegraph Property (defined below) (the **Requested Relief**).

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 (the **Principal Regulator**); and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of Alberta and British Columbia (together with Ontario, the 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

1. The Filer was incorporated on December 16, 2009. The Filer is a capital pool company whose common shares (**Shares**) are listed on the NEX board of the TSX Venture Exchange (**TSXV**). As a result, the principal business of the Filer to date has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction, as that term is defined in Policy 2.4 of the TSXV Corporate Finance Manual.

2. The head office of the Filer is located at Suite 200, 83 Yonge Street, Toronto, Ontario, M5C, 1S8.

3. The Filer is a reporting issuer under the Legislation in each of Ontario, Alberta and British Columbia.

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

Telegraph Gold Inc.

5. Telegraph Gold Inc. (**Telegraph**) was incorporated on January 29, 2010. Telegraph is a privately held company and is not a reporting issuer in any jurisdiction in Canada.

6. The Castle Mountain property located in San Bernardino County, California (the **Castle Mountain Property**) is the only material property of Telegraph.

7. On January 26, 2011, Telegraph entered into an option agreement, which was later amended on May 30, 2012 (**Telegraph Option Agreement**) with Lazarus Mining LLC (**Lazarus**), pursuant to which Telegraph acquired an earn-in option to purchase 75% of Lazarus' right, title and interest in and to the block of claims known as the Telegraph block (**Telegraph Block**) and a buy-in option to acquire Lazarus' remaining 25% ownership stake. The Telegraph Option Agreement provided for the payment of cash consideration and the payment of certain expenditures (to be paid in instalments upon the occurrence of certain events). In addition, it provided for the issuance of certain warrants upon the completion of a going public event. On January 31, 2013, the board of directors of Telegraph decided to terminate the Telegraph Option Agreement pursuant to its terms. On January 28, 2011, Telegraph entered into a purchase agreement with Linda M. Langley pursuant to which Telegraph acquired 100% of the right, title and beneficial interest in and to the block of claims known as the Excelsior block (**Excelsior Block**) for a total purchase price of US$350,000 (including a US$50,000 deposit paid by Telegraph on the signing of the agreement). On July 6, 2011, Telegraph entered into a purchase agreement with John A. Hamilton, Karen M. Hamilton and Charles B. Kaiser pursuant to which Telegraph acquired 100% of the right, title and beneficial interest in and to the block of claims known as the Mount Vernon block (**Mount Vernon Block**) (collectively, with the Telegraph Block and Excelsior Block, the **Telegraph Property**) for a total purchase price of US$350,000 (including a US$25,000 deposit paid by Telegraph on the signing of the agreement). In acquiring the Telegraph Property, Telegraph did not acquire any entity that held claims, but rather acquired the claims directly. Telegraph's acquisition of the Telegraph Property was conducted at arm's length and no other assets and no liabilities were transferred or assumed by Telegraph in respect of the acquisition of the Telegraph Property.

8. Telegraph, Lazarus and Mr. Patrick Fagen (the manager of Lazarus and one of its stakeholders) entered into a settlement agreement dated effective February 18, 2013. The agreement set out the parties rights, responsibilities and obligations following the termination of the Telegraph Option Agreement. In addition, the agreement provided for the transfer to Lazarus of the Excelsior Block and the Mount Vernon Block. Accordingly, the Telegraph Property is no longer an asset of Telegraph.

Qualifying Transaction

9. On November 5, 2012, the Filer announced that it had entered into an acquisition agreement (the **Acquisition Agreement**) with its wholly-owned subsidiary, 2308800 Ontario Inc. and Telegraph. Pursuant to the Acquisition Agreement, Telegraph will amalgamate with 2308800 Ontario Inc. and all of the outstanding common shares of Telegraph will be exchanged for Shares on a one for one basis (the **Transaction**). As a result, 48,290,068 Shares will be issued by the Filer to former Telegraph shareholders, on a non-diluted basis, and the Transaction will be treated as a "reverse takeover" of the Filer. The Acquisition Agreement was amended by a consent and amending agreement dated February 1, 2013.

10. The Transaction will constitute the Filer's "qualifying transaction" for the purposes of TSXV Policy 2.4 entitled *Capital Pool Companies*. The Transaction is an arm's length transaction but a "related party transaction" for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* and, as a result, the Filer will prepare a management information circular (the **Circular**) in accordance with Form 3B1 of the TSXV.

11. The Circular will include audited consolidated financial statements for the Filer for the years ended December 31, 2011 and 2010, and interim unaudited consolidated financial statements for the Filer for the interim period ended September 30, 2012. In addition, the Circular will also include audited consolidated financial statements for Telegraph for the years ended December 31, 2011 and 2010, which statements will reflect the acquisition of the Telegraph Property by Telegraph, and interim unaudited consolidated financial statements for Telegraph for the interim period ended September 30, 2012.

12. The Circular will not contain financial statements for the Telegraph Property as such financial statements have not historically been prepared for the Telegraph Property. The Circular will not contain disclosure with respect to the recommended work program on the Telegraph Property as the board of directors of Telegraph decided to terminate the

Telegraph Option Agreement and transfer to a third party the Excelsior Block and Mount Vernon Block. Telegraph's main focus is on the Castle Mountain Property, its only other property.

13. The Circular will be filed on SEDAR, together with a technical report for the Castle Mountain Property prepared in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projec*ts.

14. Paragraph 4.10(2)(a) of NI 51-102 provides that if a reporting issuer completes a reverse takeover, it must file the following financial statements for the reverse takeover acquirer, unless the financial statements have already been filed:

    (i) financial statements for all annual and interim periods ending before the date of the reverse takeover and after the date of the financial statements included in an information circular or similar document, or under Item 5.2 of the Form 51-102F3 Material Change Report, prepared in connection with the transaction; or

    (ii) if the reporting issuer did not file a document referred to in subparagraph (i), or the document does not include the financial statements for the reverse takeover acquirer that would be required to be included in a prospectus, the financial statements prescribed under securities legislation and described in the form of prospectus that the reverse takeover acquirer was eligible to use prior to the reverse takeover for a distribution of securities in the jurisdiction. [emphasis added].

15. The financial statement requirements for a prospectus are found in National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**). Item 32 of Form 41-101F1 *Information Required In a Prospectus* requires a prospectus of an issuer to include financial statements of a business acquired by an issuer within three years before the date of the prospectus if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business acquired. Paragraph 5.3(1) of the Companion Policy to NI 41-101 notes that both a reverse takeover and a qualifying transaction for a Capital Pool Company (as defined in TSXV Policy 2.4) are examples of when a reasonable investor might regard the primary business of the issuer to be the acquired business.

16. Paragraph 8.1(4) of the Companion Policy to NI 51-102 provides guidance regarding the meaning of the term "business". It notes that the term "business" should be evaluated in light of the facts and circumstances involved:

> *We generally consider that a separate entity, a subsidiary or a division is a business and that in certain circumstances a smaller component of a company may also be a business, whether or not the business previously prepared financial statements. In determining whether an acquisition constitutes the acquisition of a business, a reporting issuer should consider the continuity of business operations, including the following factors:*
>
> *(a) whether the nature of the revenue producing activity or potential revenue producing activity will remain generally the same after the acquisition; and*
>
> *(b) whether any of the physical facilities, employees, marketing systems, sales forces, customers, operating rights, production techniques or trade names are acquired by the reporting issuer instead of remaining with the vendor after the acquisition.*

17. The Filer will be required to file financial statements for the Telegraph Property unless the Requested Relief is granted.

18. As noted above, Telegraph acquired the Telegraph Property through an arm's length transaction. The previous owners of the Telegraph Property did not prepare financial statements for the Telegraph Property.

19. Telegraph acquired only an interest in the mineral claims comprising the Telegraph Property, and did not assume any corporate entity, facilities, employees, machinery or other tangible or intangible assets, nor assume any liabilities of the Telegraph Property. Furthermore, the acquisition of the Telegraph Property by Telegraph was not accounted for as a continuity of interests.

20. The Telegraph Property did not generate any revenue while owned by Telegraph. The Telegraph Property constituted an exploration property that did not have proven or probable reserves. It was not an operating mine. Furthermore, the Telegraph Property was dormant at the time of the acquisition by Telegraph and had been dormant for the three years prior to the acquisition. No exploration or other activities have been carried on the Telegraph Property by the previous owners that would be relevant for an income statement or a cash flow statement. As a result, the Filer submits that the Telegraph Property should be considered as "dormant".

21. In addition, the board of directors of Telegraph decided to terminate the Telegraph Option Agreement pursuant to its terms and the Excelsior Block and Mount Vernon block have been transferred. Telegraph's main focus is on the Castle Mountain Property, its only other property.

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 Request Relief is granted, provided that the Circular is:

(a) prepared in accordance with representations 11 and 12, and

(b) filed by the Filer on SEDAR within the time period prescribed by paragraph 4.10(2)(b) of NI 51-102 following the conditional acceptance by the TSXV.

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

2.1.14 Thomson Reuters Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer granted exemption from the prospectus requirement in connection with trades of commercial paper/short term debt instruments that does not meet the "approved credit rating" requirement for the purpose of the short-term debt exemption in section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions – Commercial paper/short-term debt instruments only required to obtain one prescribed credit rating from an approved credit rating organization – Relief granted subject to conditions, including that the commercial paper is not asset-backed commercial paper.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74(1).

March 22, 2013

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
THOMSON REUTERS CORPORATION
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that trades in negotiable promissory notes or commercial paper, maturing not more than one year from the date of issue, of the Filer (**Commercial Paper**) be exempt from the prospectus requirement of the Legislation (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 Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon.

Interpretation

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

In this decision,

"Asset-backed Short-term Debt" means short-term debt that is backed, secured or serviced by or from a discrete pool of mortgages, receivables or other financial assets or interests designed to ensure the servicing or timely distribution of proceeds to holders of that short-term debt;

"NI 31-103" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Relationships*;

"NI 45-106" means National Instrument 45-106 *Prospectus and Registration Exemptions*; and

"NI 81-102" means National Instrument 81-102 *Mutual Funds*.

Representations

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

1. The Filer is a corporation organized under the *Business Corporations Act* (Ontario) with its head office located in New York, New York and its registered office located in Toronto, Ontario.

2. The Filer is a reporting issuer in each jurisdiction of Canada and is not in default of its obligations under the Legislation or the securities legislation of any jurisdiction of Canada.

3. The Filer is also a registrant with the Securities and Exchange Commission in the United States and is subject to the requirements of the United States Securities Exchange Act of 1934.

4. Subsection 2.35(b) of NI 45-106 provides that the exemption from the prospectus requirement of the Legislation for short-term debt (the **Commercial Paper Exemption**) is available only where, among other things, the Commercial Paper "has an approved credit rating from an approved credit rating organization".

5. NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" that are used in NI 81-102. The definition of "approved credit rating" in NI 81-102 requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating".

6. The Commercial Paper has a "R-1(low)" rating from DBRS Limited and a "A-1(low)" rating from Standard & Poor's, both of which meet the prescribed threshold in NI 81-102.

7. The Commercial Paper does not meet the "approved credit rating" definition in NI 81-102 because it has a "F2" rating from Fitch Ratings Ltd. which is a lower rating than required by the Commercial Paper Exemption.

Decision

The Decision Maker 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 Maker under the Legislation is that the Exemption Sought is granted provided that:

(a) the Commercial Paper:

(i) matures not more than one year from the date of issue;

(ii) is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper;

(iii) is not Asset-backed Short-term Debt; and

(iv) has a rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below:

Rating Organization	Rating
DBRS Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service, Inc.	P-2
Standard & Poor's	A-2

(b) each trade of Commercial Paper to a resident in a jurisdiction in Canada by the Filer in reliance on this exemption is made:

(i) through an agent who is a registered dealer, registered in a category that permits the trade;

(ii) through a bank listed in Schedule I, II, or III to the Bank Act (Canada) trading in reliance on an exemption from registration available in the circumstances in the jurisdiction or jurisdictions in which the trade occurs; or

(iii) through a dealer permitted to rely on the "international dealer exemption" under section 8.18 of NI 31-103; and

(c) for each jurisdiction of Canada, the Exemption Sought will terminate on the earlier of:

(i) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the securities legislation of that jurisdiction of Canada that substantively amends the conditions of the prospectus exemption under section 2.35 of NI 45-106 or provides an alternate exemption; and

(ii) March 31, 2018.

"P. L. Kennedy"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.1.15 Timbercreek U.S. Multi-Residential Opportunity Fund #1

Headnote

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – relief from provisions of section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) permitting filer to include alternative financial information in business acquisition report pursuant to section 13.1 of NI 51-102 – filer will include almost two years of current audited financial information, instead of one year of audited information with the comparable period being unaudited.

Applicable Legislative Provisions

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

February 26, 2013

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
TIMBERCREEK U.S. MULTI-RESIDENTIAL
OPPORTUNITY FUND #1
(THE "FILER" or "TIMBERCREEK")

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**") for relief pursuant to Part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"), from certain requirements in Item 3 of Form 51-102F4 and Section 8.4(a)(i)(B) of Part 8 of NI 51-102 in respect of a business acquisition report ("**BAR**") required to be filed by the Filer in connection with a significant acquisition completed by the Filer on December 20, 2012 (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 of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

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 in this decision.

Representations

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

1. The Filer is a limited partnership formed under the laws of the Province of Ontario.

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

3. The Filer is a reporting issuer under the securities legislation of the Jurisdictions and is not in default of its reporting issuer obligations under the securities legislation of any of the Jurisdictions.

4. The Filer is authorized to issue an unlimited number of class A limited partnership units ("**Class A Units**"), an unlimited number of class B limited partnership units ("**Class B Units**") and an unlimited number of class C limited partnership units ("**Class C Units**" and together with the Class A Units and Class B Units, the "**Units**").

5. On October 25, 2012, the Filer completed an initial public offering of 2,224,350 Class A Units pursuant to a long form prospectus dated September 28, 2012, as amended on October 17, 2012 (the "**IPO**"). Concurrently with the IPO, the Filer completed a private placement of 1,605,000 Class C Units.

6. The Units are not listed on any exchange.

7. On December 20, 2012, the Filer completed an acquisition of four multi-residential real estate assets located in the United States (the "**Acquisition**"). The Acquisition constitutes a "significant acquisition" of the Filer for purposes of Part 8 of NI 51-102, requiring the Filer to file a BAR within 75 days of the Acquisition pursuant to section 8.2(1) of NI 51-102.

8. The financial year of the acquired business ends December 31.

9. Section 8.4 of NI 51-102 requires that the Filer include in the BAR, the following annual financial statements of the acquired business:

(a) a statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the audited annual period ended December 31, 2011; and (ii) the annual period ended December 31, 2010;

(b) an audited statement of financial position as at December 31, 2011;

(c) a statement of financial position as at December 31, 2010; and

(d) notes to the required financial statements.

10. Section 8.4(3) requires that the Filer include financial statements for:

(a) the interim period beginning January 1, 2012 and ended September 30, 2012; and

(b) a comparable period in 2011.

11. Section 8.4(5) requires that the Filer include:

(a) a *pro forma* statement of financial position of the Filer as at September 30, 2012 that gives effect, as if the Acquisition had taken place as at the date of the pro forma statement of financial position, to the Acquisition; and

(b) a *pro forma* income statement that gives effect to the Acquisition as if it had taken place at January 1, 2011, for each of (i) the annual period ended December 31, 2011 and (ii) the interim period ended September 30, 2012.

12. The Filer proposes to include the following financial statements in the BAR (collectively, the "**Proposed Financial Statements**"):

(a) an audited statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the annual period ended December 31, 2011; and (ii) the period from January 1, 2012 to December 20, 2012, for the Acquisition;

(b) an audited statement of financial position as at the end of each of the periods specified in paragraph 12(a), above, for the Acquisition;

(c) notes to the financial statements specified in paragraph 12(a) and (b);

(d) a *pro forma* statement of financial position of the Filer as at December 20, 2012 that gives effect to the Acquisition;

(e) a *pro forma* income statement of the Filer for the period from August 30, 2012, the date of the formation of the Filer, to December 20, 2012 that gives effect to the Acquisition; and

(f) *pro forma* earnings per share based on the pro forma financial statements referred to in 12(e), above.

13. The filer submits that the Exemption Sought would not be prejudicial to the public interest because the Proposed Financial Statements will provide current and meaningful information to the investor and is a better representation of the financial performance of the Acquired Business.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Filer includes in the BAR the following financial statements required to be filed by the Filer in connection with a significant acquisition completed by the Filer on December 20, 2012:

(a) an audited statement of comprehensive income, a statement of changes in equity and a statement of cash flows for (i) the annual period ended December 31, 2011; and (ii) the period from January 1, 2012 to December 20, 2012, for the Acquisition;

(b) an audited statement of financial position as at the end of each of the periods specified in paragraph (a), above, for the Acquisition;

(c) notes to the financial statements specified in paragraphs (a) and (b);

(d) a *pro forma* statement of financial position of the Filer as at December 20, 2012 that gives effect to the Acquisition;

(e) a *pro forma* income statement of the Filer for the period from August 30, 2012, the date of the formation of the Filer, to December 20, 2012 that gives effect to the Acquisition; and

(f) *pro forma* earnings per share based on the pro forma financial statements referred to in (e), above.

"Sonny Randhawa"
Manager, Corporate Finance

2.2 Orders

2.2.1 Garth H. Drabinsky et al.

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

AND

IN THE MATTER OF
GARTH H. DRABINSKY, MYRON I. GOTTLIEB
AND GORDON ECKSTEIN

ORDER

WHEREAS on February 20, 2013 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") and an Amended Statement of Allegations with respect to Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing announced that a hearing before the Commission would be held on March 19, 2013;

AND WHEREAS the Commission convened a hearing on March 19, 2013 and heard submissions from counsel for Staff of the Commission and from counsel for the Respondents;

AND WHEREAS all parties jointly requested that the matter be adjourned to a pre-hearing conference;

AND WHEREAS the Commission is of the view that it is in the public interest to issue this order;

IT IS HEREBY ORDERED that this matter is adjourned to a confidential pre-hearing conference to be held on Thursday May 23, 2013 at 11:00 a.m.

DATED at Toronto this 19th day of March, 2013.

"James E. A. Turner"

2.2.2 AMTE Services Inc. – s. 127(8)

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

AND

IN THE MATTER OF
AMTE SERVICES INC.,
OSLER ENERGY CORPORATION, RANJIT GREWAL,
PHILLIP COLBERT AND EDWARD OZGA

TEMPORARY ORDER
(Subsection 127(8))

WHEREAS on October 15, 2012, pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") issued the following order (the "Temporary Order") against AMTE Services Inc. ("AMTE"), Osler Energy Corporation ("Osler"), Ranjit Grewal ("Grewal"), Phillip Colbert ("Colbert") and Edward Ozga ("Ozga")(collectively, the "Respondents"):

(i) pursuant to clause 2 of subsection 127(1) of the Act, all trading by and in the securities of AMTE shall cease; all trading by and in the securities of Osler shall cease; all trading by Grewal shall cease; all trading by Colbert shall cease; and all trading by Ozga shall cease.

(ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to any of the Respondents.

AND WHEREAS on October 15, 2012, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on October 16, 2012, the Commission issued a Notice of Hearing to consider the extension of the Temporary Order, to be held on October 25, 2012 at 2:00 p.m.;

AND WHEREAS on October 25, 2012, a hearing was held before the Commission and Staff of the Commission ("Staff") and counsel for Colbert appeared and made submissions;

AND WHEREAS Grewal and Ozga did not appear and no one appeared on behalf of AMTE and Osler, although properly served with the Notice of Hearing;

AND WHEREAS counsel for Colbert consented to the extension of the Temporary Order;

AND WHEREAS Staff advised the Commission that Grewal consented to the extension of the Temporary Order;

AND WHEREAS the Commission ordered that the Temporary Order be extended until January 29, 2013 and that the hearing be adjourned until January 28, 2013 at 10:00 a.m.;

AND WHEREAS on January 29, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Peaches Barnaby sworn January 25, 2013 outlining service of the Temporary Order on the Respondents and setting out communications between Staff and Ozga and Staff and counsel for Colbert;

AND WHEREAS Ozga advised Staff that he did not oppose an extension of the Temporary Order and counsel for Colbert advised Staff that Colbert took no position on an extension;

AND WHEREAS on January 29, 2013, the Commission ordered that the Temporary Order be extended until March 12, 2013 and that the hearing be adjourned until March 11, 2013 at 10:00 a.m.;

AND WHEREAS on March 11, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Peaches Barnaby sworn February 6, 2013 outlining service of the Temporary Order on the Respondents;

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

IT IS HEREBY ORDERED THAT the Temporary Order is extended until May 28, 2013 or until further order of the Commission, and the hearing is adjourned until May 27, 2013 at 10:00 a.m. or to such other date or time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 11th day of March, 2013.

"James E. A. Turner"

2.2.3 Knowledge First Financial Inc.

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

AND

IN THE MATTER OF
KNOWLEDGE FIRST FINANCIAL INC.

ORDER

WHEREAS on August 10, 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 Knowledge First Financial Inc. ("KFFI") that the terms and conditions set out in Schedule "A" to the Commission order (the "Terms and Conditions") be imposed on KFFI (the "Temporary Order");

AND WHEREAS on August 21, 2012, the Commission extended the Temporary Order against KFFI until November 14, 2012;

AND WHEREAS the Terms and Conditions required KFFI to retain a consultant (the "Consultant") to prepare and assist KFFI 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 defined and set out in the Terms and Conditions;

AND WHEREAS KFFI retained Deloitte & Touche LLP as its Monitor and retained Sanford Eprile & Company as its Consultant;

AND WHEREAS on September 24, 2012, KFFI brought an application for directions seeking interpretations of paragraphs 5 and 6 of the Terms and Conditions;

AND WHEREAS by Order dated 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 New Clients' plans;

AND WHEREAS by Order dated November 14, 2012, the Commission extended the Temporary Order until December 21, 2012 on the consent of the parties and adjourned the hearing to December 20, 2012;

AND WHEREAS by Order dated December 20, 2012, the Commission: (i) deleted and replaced paragraph 5 of the Terms and Conditions with paragraphs 5.1 and 5.2 which set out the sample of New Client applications to be reviewed by the Monitor and the sample of New Clients to be contacted by the Monitor; and (ii) extended the Temporary Order to March 22, 2013;

AND WHEREAS the Consultant has filed the following documents with the OSC Manager as required by the Terms and Conditions: (i) the Consultant's Plan dated October 10, 2012; (ii) an amended Consultant's Plan dated November 16, 2012; and (iii) five Progress Reports dated November 9, December 10, 2012, January 9, February 8 and March 11, 2013;

AND WHEREAS the Monitor has filed eleven Monitor reports with the OSC Manager as required by the Terms and Conditions;

AND WHEREAS Staff has filed an Affidavit of Lina Creta sworn March 15, 2013 setting out the work completed by the Monitor and the Consultant;

AND WHEREAS the Consultant has provided a letter to the OSC Manager stating that the Consultant does not object to a suspension of the role of the Monitor given the progress made by KFFI implementing the Consultant's Plan and given that the implementation of the new KYC and suitability policy and procedures is scheduled to commence on April 8, 2013;

AND WHEREAS the parties agree that: (i) the role and activities of the Monitor set out in paragraphs 5, 6, 7 and 8 of the Terms and Conditions as amended by Commission Order dated December 20, 2012 should be suspended as of April 5, 2013; (ii) the Monitor will report to the OSC Manager on its findings up to and including April 5, 2013 in its final Monitor report; and (iii) the Temporary Order should be extended until June 20, 2013;

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

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

1. As of the close of business on April 5, 2013, the role and activities of the Monitor as set out in paragraphs 5, 6, 7 and 8 of the Terms and Conditions, as amended by Commission Order dated December 20, 2012, and the activity of KFFI as set out in paragraph 8 of the Terms and Conditions will be suspended.

2. Further to paragraph 10 of the Terms and Conditions, the resumption of any future monitoring or any subsequent changes to that monitoring in furtherance of the implementation of the Plan, if any, shall take place on the recommendation of the Consultant and with the agreement of the OSC Manager and the parties may seek the direction from the Commission in the event that the parties are unable to agree on any future possible monitoring.

3. The Temporary Order is extended to June 20, 2013 or until such further order of the Commission.

4. The hearing is adjourned to June 19, 2013 at 11:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant and to consider the possible extension of the Temporary Order.

DATED at Toronto this 21st day of March, 2013.

"James E. A. Turner"

2.2.4 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 set out in Schedule "A" to the Commission order (the "Terms and Conditions") 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 defined and set out in the Terms and Conditions;

AND WHEREAS HEFI retained Deloitte & Touche LLP ("Deloitte") as its Monitor and its Consultant;

AND WHEREAS on September 24, 2012, HEFI brought an application for directions seeking interpretations of paragraphs 5 and 6 of the Terms and Conditions;

AND WHEREAS by Order dated 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 by Order dated November 22, 2012, the Commission ordered: (i) the Temporary Order extended to December 21, 2012; and (ii) the hearing adjourned to December 20, 2012;

AND WHEREAS by Order dated December 20, 2012, the Commission: (i) deleted and replaced paragraph 5 of the Terms and Conditions with paragraphs 5.1 and 5.2 which set out the sample of New Client applications to be reviewed by the Monitor and the sample of New Clients to be contacted by the Monitor; and (ii) extended the Temporary Order to March 22, 2013;

AND WHEREAS Deloitte as Consultant has filed with the OSC Manager as required by the Terms and Conditions: (i) the Consultant's Plan dated October 12, 2012; (ii) an amended Consultant's Plan dated December 16, 2012; (iii) a further amended Consultant's Plan dated January 23, 2013; and (iv) Progress Reports dated November 10, 2012 and February 27, 2013;

AND WHEREAS Deloitte as Monitor has filed twelve Monitor reports with the OSC Manager as required by the Terms and Conditions;

AND WHEREAS Staff has filed an Affidavit of Lina Creta sworn March 16, 2013 setting out the work completed by the Monitor and the Consultant;

AND WHEREAS counsel for HEFI has advised that HEFI intends to bring a motion before the Commission to amend the Terms and Conditions;

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

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

1. The Temporary Order is extended to April 19, 2013.

2. The hearing is adjourned to April 18, 2013 at 10:00 a.m. for the purpose of dealing with HEFI's proposed motion to amend the Terms and Conditions.

DATED at Toronto this 21st day of March, 2013.

"James E. A. Turner"

2.2.5 Colby Cooper Capital Inc. 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
COLBY COOPER CAPITAL INC.
COLBY COOPER INC.,
PAC WEST MINERALS LIMITED
JOHN DOUGLAS LEE MASON

ORDER
(Section 127 of the Act)

WHEREAS on March 27, 2012, 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") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 27, 2012 in respect of Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West") and John Douglas Lee Mason ("Mason") (collectively, the "Respondents");

AND WHEREAS the Respondents were served with the Notice of Hearing and Statement of Allegations on March 28, 2012;

AND WHEREAS at the first attendance hearing on April 23, 2012, Staff and counsel for CCCI and Mason appeared, and counsel for CCCI and Mason advised the Commission that it had instructions to also appear on behalf of CCI and Pac West for that attendance;

AND WHEREAS on April 23, 2012, Staff requested that a confidential pre-hearing conference be scheduled, and counsel for the Respondents agreed, and the Commission ordered that a confidential pre-hearing conference take place on June 26, 2012;

AND WHEREAS on June 26, 2012, Staff and counsel for the Respondents appeared before the Commission, and at the request of Staff and with the agreement of counsel for the Respondents, the Commission ordered that a further confidential pre-hearing conference take place on August 16, 2012;

AND WHEREAS on August 16, 2012, Staff and counsel for the Respondents appeared before the Commission, and at the request of Staff and with the agreement of counsel for the Respondents, the Commission ordered that a further confidential pre-hearing conference take place on October 12, 2012;

AND WHEREAS on October 12, 2012, Staff and counsel for the Respondents appeared before the Commission, and at the request of Staff and with the agreement of counsel for the Respondents, the Commission ordered that a further confidential pre-hearing conference take place on December 19, 2012;

AND WHEREAS on December 19, 2012, Staff and counsel for the Respondents appeared before the Commission, and at the request of Staff and with the agreement of counsel for the Respondents, the Commission ordered that a confidential pre-hearing conference take place on March 25, 2013 at 9:00 a.m.;

AND WHEREAS Staff and counsel for the Respondents have agreed to adjourn the confidential pre-hearing conference scheduled for March 25, 2013 to April 24, 2013 at 11:00 a.m.;

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

IT IS ORDERED THAT:

1. the date of March 25, 2013 scheduled for a confidential pre-hearing conference is vacated; and

2. a confidential pre-hearing conference shall take place on April 24, 2013 at 11:00 a.m. or on such other date or at such other time as set by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 22nd day of March, 2013.

"Edward P. Kerwin"

2.2.6 David M. O'Brien – s. 9(1) of the SPPA and Rules 5.2(1) and 8.1 of the OSC Rules of Procedure

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

AND

**IN THE MATTER OF
DAVID M. O'BRIEN**

**ORDER
(Subsection 9(1) of the
Statutory Powers Procedure Act,
R.S.O. 1990, c. S.22, as amended and Rule 8.1 and subrule 5.2(1) of the Commission's Rules of Procedure, (2012), 35 OSCB 10071)**

WHEREAS on December 8, 2010, the Secretary of the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission on December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing could be held;

AND WHEREAS on December 9, 2010, the Respondent David O'Brien ("O'Brien") was served with the Notice of Hearing and Statement of Allegations dated December 7, 2010;

AND WHEREAS the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to section 127 of the Act, to issue temporary orders against O'Brien, as follows:

(a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;

(b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on December 20, 2010, Staff of the Commission ("Staff") and O'Brien appeared before the Commission and made submissions and O'Brien advised the Commission that he was opposed to Staff's request that temporary orders be issued against him and that he wished to cross-examine Lori Toledano, a member of Staff, on her affidavit;

AND WHEREAS on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

AND WHEREAS on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Toledano, the cross-examination of Toledano and the submissions made by Staff and O'Brien;

AND WHEREAS on December 23, 2010, the Commission issued a temporary cease trade order pursuant to section 127 of the Act ordering that:

(a) O'Brien shall cease trading in any securities;

(b) O'Brien is prohibited from acquiring any securities; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien (the "Temporary Cease Trade Order");

AND WHEREAS on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

AND WHEREAS on December 23, 2010, the Commission ordered that Staff and O'Brien shall consult with the Office of the Secretary and schedule a confidential pre-hearing conference for this matter;

AND WHEREAS a confidential pre-hearing conference was scheduled for February 24, 2011;

AND WHEREAS at the confidential pre-hearing conference on February 24, 2011, Staff and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

AND WHEREAS on February 24, 2011, the Commission ordered that:

a) a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;

b) a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with rule 3.2 of the Commission *Rules of Procedure* (2010), 33 OSCB 8017 (the "*Rules of Procedure*"), O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and

c) a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m;

AND WHEREAS on March 30, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on March 30, 2011, the Commission ordered that:

a) the Temporary Cease Trade Order shall be extended to April 26, 2011; and

b) a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

AND WHEREAS on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that:

a) the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and

b) O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to section 144 of the Act;

AND WHEREAS also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further ordered that:

1) all disclosure materials provided to O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;

2) O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);

3) the Previous Undertaking signed by O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to O'Brien, including all disclosure materials provided by Staff to O'Brien in the future; if O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so; and

4) if O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under section 17 of the Act for an order of the Commission consenting to that use;

AND WHEREAS at the confidential pre-hearing conference on May 30, 2011, Staff and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien advised the Commission that he was opposed to Staff's request. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

AND WHEREAS at the confidential pre-hearing conference on June 20, 2011, Staff and O'Brien appeared and scheduling of the hearing on the merits was discussed and the Commission ordered that:

1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and

2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on January 11, 2012, Staff appeared and Counsel on behalf of O'Brien appeared, who advised the Commission that he had just been appointed to represent O'Brien in this matter;

AND WHEREAS Counsel for O'Brien requested that the pre-hearing conference be continued in a few weeks time to permit him to address certain matters that had just been brought to his attention. The Commission ordered that a further confidential pre-hearing conference take place on January 31, 2012 at 3:30 p.m.;

AND WHEREAS at the confidential pre-hearing conference on January 31, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested an adjournment of the hearing on the merits to permit interim issues to be raised before the Commission. Counsel for O'Brien also requested that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential. The Commission ordered that the hearing dates of March 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2012 be vacated, a further confidential pre-hearing conference take place on March 12, 2012 at 10:00 a.m., and that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "SPPA") and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on March 12, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested a confidential motion be scheduled to seek an adjournment of the hearing dates. The Commission ordered that a confidential motion take place on April 18, 2012 at 10:00 a.m., for which O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 5, 2012 at 4:30 p.m, Staff shall serve and file any responding materials by April 12, 2012, O'Brien shall serve and file a factum by April 13, 2012, and Staff shall file its factum by April 16, 2012, and that the records from the March 12, 2012 confidential pre-hearing conference and from the April 18, 2012 confidential motion shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential motion on April 18, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien presented evidence and requested an adjournment of any hearing dates and that a further confidential pre-hearing conference be scheduled. Staff did not oppose the adjournment request and agreed to the scheduling of a further pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m., for which O'Brien shall deliver any materials relevant to the pre-hearing conference by July 9, 2012, and that the records from the July 19, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on July 19, 2012, Staff and Counsel for O'Brien appeared and presented evidence and requested that a further confidential pre-hearing conference be scheduled. The Commission ordered that a confidential pre-hearing conference shall take place on September 28, 2012 at 11:00 a.m, for which O'Brien shall deliver any materials relevant to the pre-hearing conference by September 18, 2012, and that the records from the September 28, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on September 28, 2012, Staff and Counsel for O'Brien appeared and presented evidence as contemplated at the earlier pre-hearing conference. Staff sought to set dates for a hearing on the merits, while counsel for O'Brien requested a further confidential pre-hearing conference before hearing dates are set. The Commission ordered that a confidential pre-hearing conference shall take place on October 25, 2012 at 3:00 p.m, for which O'Brien shall deliver any materials relevant to the pre-hearing conference by October 22, 2012, and that the records from the September 28, 2012 and October 25, 2012 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS at the confidential pre-hearing conference on October 25, 2012, Staff and Counsel for O'Brien appeared and presented evidence and Staff did not object to Counsel for O'Brien requesting a further confidential pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on March 7, 2013 at 10:00 a.m, for which O'Brien shall deliver any materials relevant to the pre-hearing conference by March 1, 2013 and that the records from the October 25, 2012 and March 7, 2013 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

AND WHEREAS Staff requested an adjournment until March 11, 2013 and Counsel for O'Brien confirmed his availability for March 11, 2013 as an alternate date for the pre-hearing conference. The Commission ordered that the pre-hearing date of March 7, 2013 is vacated, a confidential pre-hearing conference shall take place on March 11, 2013 at 11:00 a.m., and the records of the March 11, 2013 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*, (2012), 35 OSCB 10071;

AND WHEREAS at the confidential pre-hearing conference on March 11, 2013, Staff and Counsel for O'Brien appeared and presented evidence and requested that a further confidential pre-hearing conference be scheduled;

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

IT IS HEREBY ORDERED THAT:

1. a confidential pre-hearing conference shall take place on July 18, 2013 at 10:00 a.m;

2. O'Brien shall deliver any materials relevant to the pre-hearing conference by July 8, 2013; and

3. the records from the March 11, 2013 and July 18, 2013 confidential pre-hearing conferences shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*.

DATED at Toronto this 11th day of March, 2013.

"Mary G. Condon"

2.2.7 Morgan Dragon Development Corp. et al.

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

AND

IN THE MATTER OF
MORGAN DRAGON DEVELOPMENT CORP.,
JOHN CHEONG (aka KIM MENG CHEONG),
HERMAN TSE, DEVON RICKETTS
and MARK GRIFFITHS

ORDER

WHEREAS on March 22, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 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 March 22, 2012, to consider whether it is in the public interest to make certain orders against Morgan Dragon Development Corp. ("MDDC"), John Cheong (aka Kim Meng Cheong) ("Cheong"), Herman Tse ("Tse"), Devon Ricketts ("Ricketts") and Mark Griffiths ("Griffiths") (collectively, the "Respondents");

AND WHEREAS the Commission issued an Amended Notice of Hearing pursuant to sections 127 and 127.1 of the Act on March 26, 2012 (the "Amended Notice of Hearing");

AND WHEREAS on April 19, 2012, a first appearance hearing was held and the matter was adjourned to a confidential pre-hearing conference on June 4, 2012;

AND WHEREAS on April 25, 2012, the Commission was informed that a confidential pre-hearing conference would not be required and the Commission ordered that a hearing would take place on June 4, 2012, at 9:30 a.m. to provide the panel with a status update;

AND WHEREAS on June 4, 2012, the Commission heard submissions from Staff and counsel for MDDC and Cheong, and the matter was adjourned to August 15, 2012, for a further status update;

AND WHEREAS on August 15, 2012, the Commission heard submissions from Staff and counsel for MDDC and Cheong, and the matter was adjourned to September 20, 2012, for a further status update;

AND WHEREAS on September 20, 2012, the hearing on the merits in this matter was scheduled to commence on April 11, 2013, and continue on April 12, 15 to 19, 22 and 24, 2013, (the "Hearing on the Merits") and the matter was adjourned to a confidential pre-hearing conference on January 11, 2013;

AND WHEREAS on January 11, 2013, a confidential pre-hearing conference was held and the matter was adjourned to February 19, 2013;

AND WHEREAS on February 19, 2013, a confidential pre-hearing conference was held and the matter was adjourned to February 28, 2013;

AND WHEREAS on February 28, 2013, a confidential pre-hearing conference was held and the matter was adjourned to March 4, 2013;

AND WHEREAS on March 4, 2013, a confidential pre-hearing conference was held;

AND WHEREAS on March 25, 2013, a confidential pre-hearing conference was held;

AND WHEREAS Griffiths has never attended any hearing in this matter or participated in the proceeding in any way, although properly served with the Notice of Hearing and Amended Notice of Hearing and Staff's Statement of Allegations;

AND WHEREAS Staff have requested that all or substantially all of the Hearing on the Merits be converted to a written hearing, pursuant to Rule 11.5 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "Rules of Procedure"), in accordance with the schedule set out below;

AND WHEREAS counsel for Cheong, Tse, Ricketts and MDDC has consented to this matter proceeding as a hearing in writing;

AND WHEREAS Griffiths has not objected to this matter proceeding as a written hearing, though properly notified by Staff;

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

IT IS HEREBY ORDERED, pursuant to Rule 11.5 of the Rules of Procedure, that the Hearing on the Merits shall proceed as a written hearing, in accordance with the following schedule:

(1) Staff will file evidence in affidavit form with the Secretary's office no later than April 26, 2013;

(2) The Respondents will file evidence in affidavit form with the Secretary's office no later than May 17, 2013;

(3) Staff will file any written submissions with the Secretary's office, no later than May 24, 2013;

(4) The Respondents will file any written submissions with the Secretary's Office no later than May 31, 2013;

(5) Staff and the Respondents will attend on a date appointed by the panel after May 31, 2013, to answer questions, make submissions and make any necessary witnesses available for cross-examination; and

(6) The dates appointed for the Hearing on the Merits in this matter are hereby vacated.

DATED at Toronto this 25th day of March, 2013.

"James Turner"

2.2.8 The Jenex Corporation – s. 144

Headnote

Section 144 of the Securities Act (Ontario) – application for partial revocation of cease trade order – issuer cease traded due to failure to file with the Commission audited annual financial statements – issuer has applied for partial revocation of the cease trade order to permit the issuer to proceed with a private placement with accredited investors (as such term is defined in National Instrument 45-106 Prospectus and Registration Requirements) resident in Ontario – issuer will use proceeds from private placement to prepare and file continuous disclosure documents, pay related fees and fund operations – partial revocation granted subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

Note to Readers: This is a partial revocation of the Cease Trade Order issued against The Jenex Corporation on December 24, 2009. It was inadvertently entered into the CTO Database as a revocation and is hereby being correctly entered as an amendment.

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

AND

IN THE MATTER OF
THE JENEX CORPORATION

ORDER
(Section 144 of the Act)

WHEREAS the securities of The Jenex Corporation (the **Applicant**) are subject to a temporary cease trade order made by the Director dated December 14, 2009 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act and a further cease trade order issued by the Director on December 24, 2009 pursuant to subsection 127(1) of the Act (together, the **Cease Trade Order**) directing that trading in securities of the Applicant cease until further order by the Director;

AND WHEREAS additional cease trade orders were issued by the British Columbia Securities Commission on December 7, 2009 and by the Alberta Securities Commission on December 4, 2009 (the **Additional Orders**);

AND WHEREAS notwithstanding the Additional Orders, the Applicant has applied only to the Ontario Securities Commission (the **Commission**) pursuant to section 144 of the Act (the **Application**) for a partial revocation of the Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is an Alberta corporation. Its head office is located at 55 University Avenue, Suite M002, Toronto, Ontario, M5J 2H7.

2. The Applicant's authorized share capital consists of an unlimited number of common shares and an unlimited number of preference shares. As of the date hereof, there are: (i) 66,777,431 common shares; and (ii) no preference shares outstanding.

3. The Applicant is a reporting issuer in British Columbia, Alberta and Ontario.

4. The Applicant's common shares are not currently listed or quoted on any exchange or market in Canada or elsewhere. The Applicant's common shares were formerly listed on the TSX Venture Exchange (the **TSXV**).

5. The Applicant's common shares were delisted from the TSXV effective at the close of market on December 4, 2009. The delisting was imposed due to the failure by the Applicant to meet the continued listing requirements of the TSXV.

6. To date, the Applicant has not generated sufficient revenues to offset its research and development costs and, accordingly, has not generated positive cash flows or an operating profit.

7. The Cease Trade Order was issued on December 14, 2009 due to the default of the Applicant to file annual audited financial statements for its financial year ended July 31, 2009 (the **2009 Financials**) within the prescribed deadline.

8. The Applicant's failure to file the 2009 Financials and subsequent continuous disclosure materials was a result of financial distress. The Applicant does not currently have the human and financial resources in order to prepare its continuous disclosure materials.

9. Subsequent to the issuance of the Cease Trade Order, the Applicant filed the 2009 Financials, the related Management's Discussion and Analysis (**MD&A**) and Certifications of Annual Filings as well as interim financial statements for and related MD&A and Certifications of Interim Filings for the three months ended October 31, 2009, the six months ended January 31, 2010 and the nine months ended April 30, 2010. The Applicant has not filed any continuous disclosure materials since then.

10. Except for the Cease Trade Order, the Applicant is not in default of any requirements of the Act or the rules and regulations made pursuant thereto, other than the Applicant's failure to file the following documents:

    (a) audited annual financial statements for the years ended July 31, 2010 through 2012 inclusive;

    (b) interim financial statements for the interim periods beginning on October 31, 2010 and ending on January 31, 2013;

    (c) MD&A relating to the financial statements referred to in (a) and (b) above; and

    (d) certificates required to be filed in respect of the financial statements referred to in paragraphs (a) and (b) above under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*

    (collectively, the **Required Documents**).

11. The Applicant proposes to raise up to $250,500 on a private placement basis (the **Private Placement**) in order to: (i) pay amounts required to prepare and file its continuous disclosure documents and related filing fees to bring it into compliance with its obligations as a reporting issuer, and the associated fees of professional advisors; and (ii) pay outstanding accounts and fund continuing operations, as described more fully in paragraph 12 below. The Private Placement will be conducted on a prospectus exempt basis with subscribers who are accredited investors (as such term is defined in National Instrument 45-106 Prospectus and Registration Exemptions) resident in Ontario only.

12. The net proceeds of the Private Placement are estimated to be applied as follows:

Description	**Cost**
Penalties and fees for past late filings of continuous disclosure documents	$25,000
Legal, accounting and audit fees	$85,000
Application for revocation of the cease trade orders applicable to the Applicant	$25,000
NEX maintenance fees - TSXV	$20,000
Outstanding accounts and other maintenance-related costs	$95,500
Total Financing Required	**$250,500**

13. The Applicant believes that the proceeds of the Private Placement will be sufficient to bring its continuous disclosure obligations up to date and to pay all related outstanding fees. In the event that a minimum of $150,000 is not raised, all funds raised in the Private Placement will be returned by the Applicant to investors. The Applicant will use the proceeds of the Private Placement first to pay for the costs associated with bringing its continuous disclosure record up to date. Any remaining amounts will be used to pay for other costs as outlined in representation 12 above.

14. As the Private Placement will involve trades in securities of the Applicant (including, for greater certainty, acts in furtherance of trades in securities of the Applicant), the Private Placement cannot be completed without a variation of the Cease Trade Order.

15. The Private Placement will be completed in accordance with all applicable laws.

16. Prior to the completion of the Private Placement, investors in the Private Placement:

    (a) will receive a copy of the Cease Trade Order;

    (b) will receive a copy of this Order; and

    (c) will receive a written notice from the Applicant, and will provide written acknowledgement to the Applicant, that all of the Applicant's securities, including the common shares to be issued in connection with the Private Placement, will remain subject to the Cease Trade Order until it is revoked and that the granting of this Order does not guarantee the issuance of a full revocation order in the future.

17. Following completion of the Private Placement and filing of the Required Documents, the Applicant will apply to the Commission for a full revocation of the Cease Trade Order also will also apply to the British Columbia Securities Commission and the Alberta Securities Commission for full revocations of the Additional Orders.

18. The Applicant is not considering, nor is it involved in any discussion relating to, a reverse take-over, amalgamation, merger or other form of combination or transaction similar to the foregoing.

19. The Applicant has not previously been the subject of a cease trade order other than those referred to in this Order.

AND WHEREAS considering the Application and the recommendation of the staff of the Commission;

AND WHEREAS the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order is partially revoked solely to permit trades in securities of the Applicant in connection with the Private Placement as described in paragraph 12 and all other acts in furtherance of the Private Placement that may be considered to fall within the definition of "trade" within the meaning of the Act, provided that:

(a) prior to the completion of the Private Placement, investors in the Private Placement:

    (i) receive a copy of the Cease Trade Order;

    (ii) receive a copy of this Order; and

    (iii) receive a written notice from the Applicant, and provide a signed and dated acknowledgement to the Applicant, clearly stating that all of the Applicant's securities, including the common shares to be issued in connection with the Private Placement, will remain subject to the Cease Trade Order until it is revoked, and that the granting of this Order does not guarantee the issuance of a full revocation order in the future;

(b) the Applicant will provide the signed and dated written acknowledgments referred to in paragraph (a)(iii) above to staff of the Commission; and

(c) the Order will terminate on the earlier of the closing of the Private Placement and 60 days from the date hereof.

DATED at Toronto on this 22nd day of March, 2013.

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

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
Meritus Minerals Ltd.	13 Mar 13	25 Mar 13		27 Mar 13
Dizun International Enterprises Inc.	12 Mar 13	25 Mar 13	25 Mar 13	
Radiant Energy Corporation	08 Mar 13	20 Mar 13	20 Mar 13	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

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Chapter 5

Rules and Policies

5.1.1 CSA Notice of Amendments to National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and to Companion Policy 31-103CP Registration Requirements, Exemptions and Ongoing Registrant Obligations (Cost Disclosure, Performance Reporting and Client Statements)

CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA NOTICE OF AMENDMENTS TO
NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS* AND TO COMPANION POLICY 31-103CP *REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS*
(COST DISCLOSURE, PERFORMANCE REPORTING AND CLIENT STATEMENTS)

March 28, 2013

Introduction

The Canadian Securities Administrators (the CSA or we) are implementing amendments to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103 or the Rule) as well as Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (31-103CP or the Companion Policy) (collectively, the Amendments). We refer to the Rule and Companion Policy as the "Instrument".

The Amendments are relevant to all categories of registered dealer and registered adviser, with some application to investment fund managers.

The Amendments have been or are expected to be adopted by each member of the CSA. We expect the requirements for members of the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) (together referred to as the self-regulatory organizations or SROs) to be materially harmonized.

In some jurisdictions, ministerial approvals are required for the implementation of the Amendments. Subject to obtaining all necessary approvals, the Amendments will come into force on **July 15, 2013**.

The text of the Amendments to the Rule is in Annex C to this Notice. A black-lined extract of the Companion Policy, incorporating the Amendments is in Annex D to this Notice. The Amendments are available on websites of CSA jurisdictions, including the following:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.gov.ns.ca/nssc
www.nbsc-cvmnb.ca
www.osc.gov.on.ca
www.sfsc.gov.sk.ca

A black-lined extract of the Rule, incorporating the Amendments, is available on some CSA websites.

Substance and Purpose

The substance and purpose of the Amendments is to ensure that clients of all registrants receive clear and complete disclosure of all charges and registrant compensation associated with the investment products and services they receive, and meaningful reporting on how their investments perform.

Background

The CSA have been developing requirements in a number of areas related to a client's relationship with a registrant. This initiative is referred to as the Client Relationship Model (CRM) Project. The first phase of the CRM Project included relationship disclosure information delivered to clients at account opening and comprehensive conflicts of interest requirements, and was incorporated into the Instrument when it came into force on September 28, 2009. These Amendments, proposals for which had been published for initial comment on June 22, 2011 (the 2011 Proposal) and for second comment on June 14, 2012 (the 2012 Proposal), represent the second phase of the CRM Project and introduce performance reporting requirements and enhance existing cost disclosure requirements in the Rule, as well as introduce some new client statement requirements.

Summary of Written Comments Received by the CSA on the 2012 Proposal

During the second comment period, we received submissions from 65 commenters. We have considered the comments received and thank all of the commenters for their input. A summary of the comments we received on the 2012 Proposal together with our response and a list of the commenters is contained in Annex B to this Notice.

Copies of the comment letters are posted on the following websites:

www.lautorite.qc.ca
www.osc.gov.on.ca

Summary of Changes to the Instrument

After considering the comments, we have made some changes to certain of the proposed amendments which were in the 2012 Proposal. As these changes are not material, we are not republishing the Amendments for a further comment period. A description of the key changes we made to the Instrument and the 2012 Proposal is contained in Annex A of this Notice.

Transition

We are providing for a phased implementation of the Amendments over three years after they come into force. A summary of the transition periods is included in Annex A.

Local Matters

Certain jurisdictions are publishing other information required by local securities legislation. In Ontario, this information is contained in Annex E of this Notice.

Annexes

A. Summary of Changes to the Instrument

B. Summary of Comments and Responses on the 2012 Proposal

C. Amending Instrument to NI 31-103

D. Amendments to the Companion Policy

E. Local matters, where applicable

Questions

Please refer your questions to any of the following:

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ANNEX A

SUMMARY OF CHANGES TO THE INSTRUMENT

This Annex describes the key changes we made to the Instrument and the 2012 Proposal.

This Annex contains the following sections:

1. Definitions
2. Investment fund managers
3. Relationship disclosure information
4. Pre-trade disclosure of charges
5. Determining market value
6. Trade confirmation – disclosure for debt security transactions
7. Account statements, additional statements and security holder statements
8. Report on charges and other compensation
9. Investment performance report
10. Scholarship plan dealers
11. Transition
12. Sample reports

In this Annex, we reference the sections and paragraphs of the Rule except where otherwise indicated. Some sections and paragraphs have been re-numbered from the 2012 Proposal.

1. DEFINITIONS

We have added definitions under section 1.1 [*definitions of terms used throughout this Instrument*] for the following terms: book cost, operating charge, original cost, total percentage return, trailing commission and transaction charge.

2. INVESTMENT FUND MANAGERS

We have added a requirement under subsection 14.1.1 [*duty to provide information*] for investment fund managers to provide dealers and advisers with information concerning deferred sales charges and any other charges deducted from the net asset value of securities, and trailing commissions to dealers and advisers in order that they may comply with paragraphs 14.12(1)(c) [*content and delivery of trade confirmation*] and 14.17(1)(h) [*report on charges and other compensation*]. We have provided a transition period of three years for this requirement and for the corresponding requirements for dealers and advisers. We expect investment fund managers and dealers and advisers who distribute their funds to work together to ensure that clients will be provided with the required information in trade confirmations as of July 15, 2016, and in reports on charges and other compensation for periods from that date forward.

3. RELATIONSHIP DISCLOSURE INFORMATION

In section 14.2 [*relationship disclosure information*], we replaced the term “costs” with “charges” to avoid confusing the charges associated with the operation of an account or executing transactions with the actual purchase cost of a security. We also clarified the expectations for relationship disclosure information that is required to be provided under this section, and added new provisions summarized below.

Benchmarks

Paragraph 14.2(2)(m) requires firms to provide each client with a general explanation of benchmarks and whether the firm offers any options for benchmark reporting to clients.

Guidance on the use of benchmarks that are meaningful and not misleading has been added to the Companion Policy. We have removed the discussion that was in the 2012 Proposal encouraging firms to include an historical five-year GIC rate in performance reports as an easily understood benchmark because this may not be the most relevant comparison reflective of the composition of a client's portfolio.

Responsibility for dealer directed by a registered adviser

Subsections 14.2(7) and 14.2(8) provide that only limited relationship disclosure information must be delivered by a dealer where the dealer purchases or sells securities only as directed by a registered adviser acting for the client.

New or increased operating charge

Subsection 14.2(5.1) requires firms to provide their clients with 60 days written notice of any new or increased operating charge. This is consistent with SRO requirements.

4. PRE-TRADE DISCLOSURE OF CHARGES

In section 14.2.1 [*pre-trade disclosure of charges*], we added a requirement for registered firms to provide specific disclosure of the charges a client with a non-managed account would have to pay when purchasing or selling a security prior to the registrant accepting the client's order. This section does not apply to a registered firm in respect of a permitted client that is not an individual, nor does it apply to a dealer in respect of a client for whom the dealer purchases or sells securities only as directed by a registered adviser acting for the client.

Switch or change transactions

We have added a discussion on switch or change transactions in the Companion Policy. We have revised the Companion Policy discussion that was in the 2012 Proposal to remove the examples that were previously given as we have concluded that there is no standard approach to switch or change transactions and the examples may be confusing.

5. DETERMINING MARKET VALUE

We have added section 14.11.1 [*determining market value*] which sets out a methodology for registrants to use to determine the market value of securities for the purpose of reporting to clients.

Paragraph 14.11.1(1)(a) requires the market value of a security that is issued by an investment fund not listed on an exchange to be determined by reference to the net asset value provided by the investment fund manager of the fund on the relevant date. For other securities, a hierarchy of valuation methods that depend on the availability of relevant information is prescribed under paragraph 14.11.1(1)(b).

Subsection 14.11.1(3) provides that where the registered firm reasonably believes that it cannot determine the market value for a security, the firm must report that no market value can be determined and the security must not be included in the calculation of the total market value of cash and securities in the client's account or in calculations for the investment performance report.

6. TRADE CONFIRMATION – DISCLOSURE FOR DEBT SECURITY TRANSACTIONS

We have amended section 14.12 [*content and delivery of trade confirmation*] to require registrants to report compensation from debt securities transactions. Registrants may either disclose: (a) the total dollar amount of compensation (which may consist of any mark-up or mark-down, commission or other service charge), or (b) the total dollar amount of any commission paid to the firm and, if the registrant applied a mark-up or mark-down or any service charge other than a commission, provide a prescribed general notification. This is a change from the 2012 Proposal where we had proposed to require registrants to report the total dollar amount of compensation paid to dealing representatives and include a general notification about possible dealer firm compensation.

7. ACCOUNT STATEMENTS, ADDITIONAL STATEMENTS AND SECURITY HOLDER STATEMENTS

Account statements

Under section 14.14 [*account statements*], registered dealers and advisers continue to be required to deliver an account statement, comprised of two sections:

- under subsection 14.14(4), the dealer or adviser is required to report specified information about all transactions carried out during the reporting period

- under subsection 14.14(5), the dealer or adviser is required to report specified information which, from July 15, 2015, will relate only to securities that are held by the registered firm

We have amended subsection 14.14(3) with respect to advisers to clarify that they must deliver statements to clients at least once every 3 months. We have also clarified that an adviser must deliver statements on a monthly basis if requested to do so by a client.

We have amended subsection 14.14(4) to carve out transfers from the requirements to provide the price per security and the total value of the transaction. We acknowledge that there is an acceptable established practice where some firms do not report a price or total value for transferred securities in the transaction section of an account statement.

Additional statements

We have added under new section 14.14.1 [*additional statements*], a requirement effective July 15, 2015 for registered dealers and advisers to deliver to clients a statement that provides information generally corresponding to that required under subsection 14.14(5) in respect of securities held by a party other than the dealer or adviser if:

- the dealer or adviser has trading authority over the security or the account of the client in which the security is held or was transacted

- the dealer or adviser receives continuing payments related to the client's ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party

- the security is issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation or labour-sponsored venture capital corporation under legislation of a jurisdiction of Canada and the dealer or adviser is the dealer or adviser of record for the client on the records of the issuer of the securities or the records of its investment fund manager

The additional statement must be provided at least once every three months. Since advisers will usually be required to provide statements under this section, we have incorporated the provision in subsection 14.14.1(3) that advisers must provide monthly statements if requested by a client.

If a registered dealer or adviser is required to deliver an account statement and an additional statement for the same period, it may choose to combine them into one statement or it may deliver them separately, provided the additional statement is delivered within 10 days of the account statement. This is a change from the 2012 Proposal which would have required information in an account statement and information in an additional statement to be combined in a single "client statement".

Position cost information

We are requiring registrants to include position cost information for each security position in the account statement and the additional statement, or in a separate document, under new section 14.14.2 [*position cost information*]. Under the 2011 Proposal, we had proposed that original cost be provided as the comparator for market value. Under the 2012 Proposal, we made the change from original cost to book cost. After careful consideration, we have decided to allow registered firms to choose between original cost and book cost. Position cost may be integrated into the relevant account statement and additional statement or delivered in a separate document accompanying such statements or delivered within 10 days after the delivery of such statements, provided the market value of the securities is included with the position cost.

Security holder statements

Effective July 15, 2015, the requirement that was previously in subsection 14.14(3.1) for the delivery of a statement by an investment fund manager where there is no dealer or adviser of record will be moved to new section 14.15 [*security holder statements*] and expanded to include the information required under the new provisions for additional statements and position cost that come into effect on that day.

Scholarship plan dealer statements

Effective July 15, 2015, the requirement that was previously in subsection 14.14(5) for the delivery of a statement by a scholarship plan dealer that is not registered in another dealer or adviser category will be moved to new section 14.16 [*scholarship plan dealer statements*] and expanded to include the information required under the new provisions for additional statements and position cost that come into effect on that day. See "10. Scholarship plan dealers" for more information about changes specific to scholarship plan dealers.

8. REPORT ON CHARGES AND OTHER COMPENSATION

We have added section 14.17 [*report on charges and other compensation*] which requires registered dealers and advisers to provide each client with an annual summary of all charges incurred by the client and all other compensation received by the registered firm that relates to the client's account. Registrants are required to disclose the nature and amount of compensation received from third parties, such as trailing commissions and certain referral fees, that were generated as a result of the client's account. The requirement to report compensation from debt securities transactions in a report on charges and other compensation mirrors the requirement applicable in trade confirmations.

9. INVESTMENT PERFORMANCE REPORT

We have added section 14.18 [*investment performance report*] which requires registered dealers and advisers to provide clients with account performance reporting on an annual basis. The information to be provided in performance reports is set out in new section 14.19 [*content of investment performance report*].

Performance reports are account-based. Securities reported in an additional statement must be included in the performance report for the account through which they were traded. However, consolidated performance reporting for more than one account of a client is permitted if the client has consented in writing and the consolidated report specifies which accounts and additional statement securities it consolidates.

Opening market value, deposits and withdrawals

Under paragraphs 14.19(1)(a) through (e), registered firms are required to disclose the opening market value of the account, the market value of deposits and transfers of cash and securities into the account, and the market value of withdrawals and transfers of cash and securities out of the account, for the latest 12-month period and since the inception of the account.

Change in market value

Paragraphs 14.19(1)(f), (g) and (h) provide formulae for the calculation of annual change in market value and cumulative change in market value. Registered firms can provide more detail about the activity in the client's account that has caused the change in value figure, as described in the Companion Policy.

Percentage return calculation

Under paragraph 14.19(1)(i), registered firms are required to provide the annualized total percentage return for the client's account or portfolio. Under the 2011 Proposal, we had proposed permitting registrants to choose between a time-weighted and dollar-weighted performance calculation method. Under the 2012 Proposal, we proposed to mandate that registrants use what we referred to as the dollar-weighted method for performance calculation in order to promote consistency and comparability in investor reporting from one registrant to another. The dollar-weighted method is also referred to as the money-weighted rate of return calculation method and we now refer to it by the latter name because it is more commonly used in the financial literature. We have decided to follow the 2012 Proposal and require registered dealers and advisers to use the money-weighted method (i.e. the dollar-weighted method) for performance calculation.

10. SCHOLARSHIP PLAN DEALERS

There is a new requirement under paragraph 14.2(2)(n) for scholarship plan dealers to include in their relationship disclosure information an explanation of any terms of a scholarship plan that if those terms are not met by the client or designated beneficiary might cause a loss of contributions, earnings or government contributions.

New section 14.16 is discussed above under "Scholarship plan dealer statements".

New subsection 14.19(4) sets out specific investment performance reporting requirements for scholarship plan dealers.

11. TRANSITION

Transition times of one, two or three years have been provided for most of the new requirements, taking into account the systems that registrants will need to build or adapt to accommodate the new requirements. Transition periods for key amendments are as follows (please see Annex C *Amending Instrument to NI 31-103* for a complete listing of all transition periods):

- One year transition period
    - Paragraph 14.2(2)(m) [*deliver information about benchmarks*]

- Paragraph 14.2(2)(n) [*scholarship plan risks*]
- Section 14.2.1 [*pre-trade disclosure of charges*]
- Paragraphs 14.12(1)(b.1) and (c.1) [*content and delivery of trade confirmation*]

- Two year transition period
  - Section 14.11.1 [*determining market value*]
  - Revised section 14.14 [*account statements*]
  - Section 14.14.1 [*additional statements*]
  - Section 14.14.2 [*position cost information*]
  - Section 14.15 [*security holder statements*]
  - Section 14.16 [*scholarship plan dealer statements*]

- Three year transition period
  - Section 14.1.1 [*duty to provide information*]
  - Section 14.11.1 [*determining market value*], addition of requirement for investment performance report
  - Paragraph 14.12(1)(c) [*content and delivery of trade confirmation*] addition of deferred sales charge information
  - Section 14.17 [*report on charges and other compensation*]
  - Section 14.18 [*investment performance report*]
  - Section 14.19 [*content of investment performance report*]
  - Section 14.20 [*delivery of report on charges and other compensation and investment performance report*]

New requirements not listed above take effect on July 15, 2013.

Notwithstanding the transition periods outlined above, we encourage firms to consider early adoption of the Amendments.

Until the new provisions in section 14.14.1 come into effect on July 15, 2015, we continue to expect all registered dealers and registered advisers to provide account statements. Exempt market dealers should refer to CSA Staff Notice 31-324 *Exempt market dealers and account statement requirements in National Instrument 31-103 Registration Requirements and Exemptions* for guidance until the implementation of s.14.14.1.

Note that applicable SRO requirements are not affected by these transition periods.

12. SAMPLE REPORTS

We have provided a sample report on charges and other compensation and a sample investment performance report in Appendices D and E, respectively, of the Companion Policy.

ANNEX B

SUMMARY OF COMMENTS AND RESPONSES ON THE 2012 PROPOSAL

This Annex summarizes the public comments we received on the 2012 Proposal and our responses to those comments.

Categories of comments and single response

In this document, we have consolidated and summarized the comments and our responses by the general theme of the comments. In general, we have not included comments already addressed in our responses to comments on the proposal published on June 22, 2011 (the 2011 Proposal).

Contents of this summary

This summary is organized into the following sections:

1. Costs and benefits
2. Fairness / Unlevel playing field
3. Harmonization
4. Trailing commission disclosure
5. Switch or change transactions
6. Foreign exchange rate
7. Foreign exchange spread
8. Client statements
9. Definition of “client” and “account”
10. Market valuation methodology
11. Position cost
12. Report on charges and other compensation
13. Fixed-income securities
14. Primary distributions
15. Percentage return calculation method
16. Scholarship plan dealers
17. Benchmarks
18. Transition
19. List of commenters

In this annex, we reference the sections and paragraphs of the Rule provided in Annex C except where otherwise indicated.

Summary of comments and responses

1. Costs and benefits

There were a variety of comments to the effect that we should have conducted a quantitative cost benefit analysis (CBA) before making our proposals. Most of these comments focused on the proposal to require disclosure of the dollar amount of trailing commissions paid to a registered firm.

A quantitative CBA is not a prerequisite for rule-making.

We have made a qualitative assessment of the costs and benefits of requiring dollar disclosure of trailing commissions based on research as to what investors understand about trailing commissions. A large proportion of retail clients are either unaware of trailing commissions or have a very limited understanding of them. At the same time, trailing commissions are the dominant form of compensation for selling mutual funds today. It is therefore essential that clients be provided with direct, client-specific information about the amount of trailing commissions paid in respect of their investments.

Information about the costs of goods and services and a seller's incentives is fundamental. As such, we regard providing that information as a cost of doing business and not something that should be passed on to clients.

We think the same analysis applies in respect of comprehensive reporting on the securities a client has purchased or sold through a registrant, and in respect of investment performance reporting.

We acknowledge that there will be one-time system building costs associated with the new reporting requirements. We have provided unusually long transition periods for some of the new requirements in order to ensure there is sufficient time for the building and implementation of these systems. We note that regardless of the requirement to report trailing commissions, registered dealers and advisers would in any event be required to build systems to provide the new annual report on charges and other compensation. We do not think the costs of including trailing commission information in the annual report will be significant after the necessary systems have been built.

It is also worth noting that other CSA initiatives are providing registered firms, particularly those in the mutual fund industry, with opportunities for reductions in ongoing costs. These include the availability of electronic delivery options as an alternative to printing and mailing, and plans for the replacement of the mutual fund prospectus with the Fund Facts document.

2. Fairness / Unlevel playing field

We received comments from the mutual fund industry, similar to those made on the 2011 Proposal, that the 2012 Proposal would result in an uneven playing field for registered firms, as investment products that do not fall under the jurisdiction of the CSA will not be subject to comparable cost disclosure and performance reporting. We reiterate that we can only make rules within our jurisdiction. The fact that other segments of the financial industry will not have comparable requirements for non-securities investments is not a reason to reduce the level of disclosure that we think is necessary for those who invest in securities.

Several commenters called for the CSA to work with other financial regulators, departments of finance and other government departments and agencies to promote a level playing field for all sellers of various investment products. We acknowledge that it would be in the interest of investors if comparable cost and performance transparency could be achieved for all investment products. CSA members are communicating with other financial regulators and government departments and agencies to raise this issue.

There were also some comments suggesting that investors will be misled about the relative costs of alternative investments compared to securities. Other commenters asserted this might lead some registrants to recommend alternative investments over securities. We would remind such registrants that they can explain the costs associated with various investment products and they have the duty to act fairly, honestly and in good faith toward clients.

3. Harmonization

We received comments concerning the importance of harmonizing the Instrument with member rules of the securities industry self-regulatory organizations (SROs), which are the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

We made revisions to the 2012 Proposal in several ways to be more closely harmonized with SRO requirements including:

- changing the trade confirmation requirements for debt securities to more closely resemble the approach taken in current IIROC requirements
- breaking the proposed "client statement" into constituent elements of account statement, additional statement and position cost information, rather than requiring their consolidation and delivery as a single document
- allowing the use of original cost for position cost information
- providing exemptions for permitted clients that are not individuals from the position cost information requirement (IIROC exempts "Institutional Customers", which is a similar but not identical category)

We continue to work with the SROs to ensure that their member requirements will be materially harmonized with the common baseline for registrants set out in the Instrument.

4. Trailing commission disclosure

Many mutual fund industry members continued to express their opposition to the requirement for disclosure of dollar amounts of trailing commissions. We have considered these comments again and disagree for the reasons set out above under "Costs and benefits".

We received comments suggesting that mutual fund companies with in-house distribution might change their distribution compensation system to eliminate trailing commissions, making other mutual fund dealers, who continue to rely on trailing commissions, seem more costly to investors. The CSA objective is to make disclosure of key information more transparent and by doing so, we are neither supporting nor discouraging the use of trailing commissions by making disclosure better. If problems emerge in other compensation models we will consider appropriate action.

Some commenters suggested that investors might think the trailing commission is charged on top of the management fee of a product. We have revised the notification to make it clear that trailing commissions do not represent an additional cost to investors. We have also revised the Companion Policy to remind registered firms and their representatives that they can explain their compensation model in more detail in disclosure documents or in face-to face meetings with their clients.

We have revised the definition of "trailing commission" in section 1.1 of the Rule to be more technically accurate.

We received requests for more specific requirements with respect to investment fund managers' obligation under subsection 14.1.1 to provide dealers and advisers with information concerning charges deducted from the net asset value of securities upon their redemption and trailing commissions in order for dealers and advisers selling their products to be able to meet client reporting obligations. This is a principles based requirement. The substance of the dealers' and advisers' obligation is clearly set out in paragraphs 14.12(1)(c) and 14.17(1)(h). Investment fund managers and the dealers and advisers who sell their products will have to work cooperatively with one another and, in many cases, with FundServ or other service providers. The systems work necessary for different investment fund managers to ensure the distributors of their products will be able to satisfy their client reporting obligations will vary. Some of what is needed might only become apparent to information technology specialists during the course of developing the new systems. We will work with industry to respond pragmatically to any needs for guidance that may emerge as this process progresses.

We have provided a transition period of three years in order for investment fund managers, dealers and advisers to have sufficient time to build and test reporting systems to comply with the new requirements. We expect investment fund managers, dealers and advisers to be fully compliant at the end of the three year transition period, so that trade confirmations will include the new information about various charges immediately after the transition period ends and the new information will be included in clients' reports on charges and other compensation for the period that includes the first day after the end of the transition period.

5. Switch or change transactions

We received comments that the proposed language in section 14.2.1 of the Companion Policy regarding switch transactions is misleading and highlights practices that are not problematic, while ignoring other practices that might be. Some commenters added that the proposed language does not belong in the Companion Policy but rather in SRO rules.

We have clarified the language in the Companion Policy. We consider clear and complete disclosure of all charges, incentives and implications associated with a switch or change transaction is necessary given that mutual fund compensation structures are not clearly understood by many investors. We regard it as a fundamental issue linked to a registrant's duty to act fairly, honestly and in good faith. We have kept the language, as clarified, in the Companion Policy as not all registered dealers are required to be members of an SRO.

6. Foreign exchange rate

One comment letter suggested that the foreign exchange rate used in calculating the market value of non-Canadian dollar denominated securities should be indicated on statements. We consider this disclosure to be a best practice and we have revised the Companion Policy to encourage registrants to disclose the foreign exchange rate on account or additional statements.

7. Foreign exchange spread

We have dropped foreign exchange spreads from the examples of "transaction charges" that were included in the Companion Policy guidance under the 2012 Proposal. We accept the comments to the effect that it is often not possible to provide the exact

amount of foreign exchange spreads on a transaction-by-transaction basis, and that calculating an approximate dollar spread would be complicated and costly, with results that would not always be accurate. We have added to the Companion Policy a statement that although we do not consider foreign exchange spreads to be a transaction charge, we encourage registered firms to include a general notification in trade confirmations and reports on charges and other compensation that the firm may have incurred a gain or loss from a foreign exchange transaction as a best practice.

8. Client statements

We received comments that, since investment funds managers already send security holder statements directly to investors, it will be duplicative and confusing if the dealer or adviser provides the same information to their clients. When delivering statements to their security holders, except for those statements delivered under section 14.15, investment fund managers are not complying with any regulatory requirement. We think that it is entirely appropriate that the responsibility to report to a client be that of their dealer or adviser and not fragmented among the fund families in which the client may have invested.

We disagree with comments that information on securities not held or controlled by a dealer or adviser that the 2012 Proposals would have included in a "client statement" would be unreliable. We have limited the new requirement to securities that a registered firm can reliably verify its clients continue to own. The requirements to include these securities in the new additional statement and in the new performance report, and to provide a position cost for them, will apply two years and three years, respectively, after the Amendments come into force. There is no requirement to gather information relating to earlier periods. For performance reports and position cost information, we provide that market value can be used to establish the initial valuation as of the implementation date.

We received some comments that the delivery of current account statements would be delayed by integrating it with the required new information in the proposed client statement because the new information will have to come from external sources. We agree with the comments and have revised our proposal to allow registered firms to provide the new information to clients separately from the current account statement, at their discretion. We will require the new information about client name securities to be delivered at least quarterly, and within not more than 10 days of the delivery of the account statement.

We encourage firms to work to the point where they will have systems that will enable the new statements to be produced in a timely manner or the two documents to be sent together.

9. Definition of "client" and "account"

We disagree with comments that requested we include in the Rule a definition of the terms "client" and "account" in order to clarify who and how the disclosure and reporting should be provided. The terms "client" and "account" are common terms that are used often and repeatedly throughout securities legislation and rules. Our intent in using those terms in the 2012 Proposal in the context of cost disclosure and performance reporting is the plain language meaning.

10. Market valuation methodology

We received some comment letters that suggested the proposed market valuation methodology is not consistent with the Canadian Generally Accepted Accounting Principles (GAAP), and is overly prescriptive as compared to International Financial Reporting Standards (IFRS). It was also suggested that the methodology used be consistent with Canadian GAAP in order to reflect the approach taken in the Instrument in respect of working capital calculation and financial reporting and section 2.6 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

We have prescribed a hierarchy of valuation methods that we think is a reasonable approach to ensuring that the market values of securities being reported to investors are reflective of their current values. We are addressing market value determination only for the specific purpose of client reporting. While the prescribed approach does include concepts from IFRS, it also takes into account that reporting an accounting valuation of a security for which no market exists may be misleading for investors.

Some comment letters expressed concern that the use of last bid price for long positions and last ask price for short positions as market value is inappropriate, overly prescriptive and not in accordance with Canadian GAAP. One specific concern was that these values may be misleading to clients as there could be large bid/ask deviations that do not reflect the market value of the security. Several comment letters suggested that the current last trade calculation is a simpler, established and more appropriate methodology for valuing securities for the purpose of client reporting.

We acknowledge that there are practical issues with the use of last bid/ask price, and that it may not always result in a market value that is reflective of the current value of a security. However, the methodology that we have prescribed is currently in use by some registrants and allows for adjustment to the last bid/ask price should a registered firm deem it necessary to accurately reflect the current value of the security. We expect registrants to exercise professional judgement in applying the methodology and take heed of the requirement that market values should be reflective of the current value of a security at the date of client reporting.

11. Position cost

We received several comment letters in support of book cost as the appropriate method for presenting position cost, as set out in the 2012 Proposals. A number of other commenters advocated the use of original cost, and several others were in favour of allowing registered firms the flexibility to choose between presenting original cost and book cost.

We have concluded that neither method for determining position cost is clearly more beneficial to investors than the other. Consequently, we do not think it would be appropriate to mandate one as the only acceptable method.

12. Report on charges and other compensation

In response to comments concerning the scope of the part of the 2012 Proposals that is now addressed in paragraph 14.17(1)(g), we have clarified that the only referral arrangements that must be included in the annual report on charges and other compensation are those made to the registered firm or any of its registered individuals by a securities issuer or another registrant in relation to registerable services to the client during the period covered by the report.

We were asked by one commenter whether portfolio managers who manage their clients' money through pooled funds would be required to look through the pooled fund to determine how much of the pooled funds' management fee related to units held by its clients. The definition of operating charge is specific to the account and is not a product related fee so the portfolio manager would not be required to include a fund management fee in the report on charges and other compensation that it delivers to a client. However, if a portfolio manager's compensation model is one that relies on fund management fees rather than the more usual portfolio management fee, we would expect the portfolio manager to ensure that its clients fully understand the basis on which the firm is compensated for its advising services and report those charges to its clients on an annual basis, in keeping with the duty to deal with clients fairly, honestly and in good faith.

One commenter proposed an exemption from the requirement to provide clients with an annual report on charges or other compensation for employee programs which offer a firm's proprietary funds to employees through an ongoing compensation program. We think relief may be appropriate in limited circumstances, such as where all of the employees in the plan already have knowledge of or ready access to the relevant information relating to the performance of the pooled funds. However, we do not believe this will always be the case for employee programs involving proprietary funds. We will therefore consider exemptions on the basis of discretionary relief applications.

13. Fixed-income securities

In response to our request for comments on the feasibility of requiring disclosure of all of the compensation and/or income earned by registered firms from fixed-income transactions, we received comments from industry that such disclosure would not be feasible or appropriate. Other commenters said that this information would be desirable.

At the same time, a number of commenters submitted that the so-called gross (retail) commission paid to dealer firms is readily available information. Commenters also argued that the disclosure of the dollar amount of compensation paid to a dealing representative required under our 2012 Proposal could be misleading to retail clients because it may represent only a percentage of the commission received by the dealer firm on a fixed-income transaction. We agree and have revised the requirement accordingly to require disclosure at the firm level. This approach is also consistent with the new requirement for trailing commission disclosure.

The revised requirement provides registrants the following two options. Registrants may disclose the total dollar amount of its compensation taken on the trade (which may consist of any mark-up or mark-down, commission or other service charge) or, alternatively, the total dollar amount of commission, if any, and if the registrant applied a mark-up or mark-down or any service charge other than a commission, a prescribed general notification.

The revised requirement, including the prescribed general notification, is substantially harmonized with IIROC's equivalent requirement, except that it adds the requirement to disclose commissions if a firm does not opt to provide the total dollar amount of compensation.

Some commenters requested that we provide a definition of fixed-income security and clarify the types of products which would not be considered fixed-income securities. We have clarified the Rule by replacing "fixed-income securities" with "debt securities", a defined term under securities legislation.

14. Primary distributions

There were comments concerning the extent to which payments to dealers or advisers in respect of equity initial offerings or primary offerings of fixed income securities might be included in the new requirements for trade confirmations and reports on charges and other compensation.

One-time payments to a registered dealer or registered adviser in connection with an initial distribution of securities from an issuer or other party other than an investor who is a client of the dealer or adviser may relate to services other than services the dealer or adviser provides to the client. For example, an issuer might pay for investment banking service. We have drafted sections 14.12 and 14.17 and the relevant definitions to ensure that payments of this kind would not be required to be disclosed to a client. On the other hand, commissions charged to a client or ongoing payments in relation to the client's investments within definition of trailing commission would be required to be disclosed to the client.

15. Percentage return calculation method

We received many comments concerning the percentage return calculation methodology. The majority of commenters recommended allowing registered firms to determine the most appropriate calculation methodology for performance reporting, while a number of commenters were in favour of mandating the money weighted rate of return (MWRR) methodology (also known as the dollar weighted methodology), as set out in the 2012 Proposal. Some of the commenters would prefer the time weighted rate of return (TWRR) method, should we mandate the use of one particular methodology. A small number of commenters argued performance reports should include percentage returns based on both methodologies.

We have decided to require the use of the MWRR method because we have concluded that it is the better choice for investors. This project aims to provide performance information that is useful to a client as a measure of their progress toward their investing goals. Research points strongly toward the value of measures that retail investors can relate directly to their own experience. We think all investors share an interest in performance figures that focus on actual returns in their account, not the notional performance of their registrant. Presenting the MWRR of an account enables investors to directly measure how they are progressing toward their goals. Another goal of this project is to encourage communication between clients and their dealers and advisers. The impact of a client's choices about money flows in and out of the account is reflected with MWRR. Registrants can use this information to educate clients about the effects of their decisions about moving money in and out of their accounts. These conversations will also help clients assess the value of the advice they receive.

Registered firms that are already providing performance reports using TWRR commented that a switch to MWRR could create confusion for investors. We acknowledge this but point to the opportunity to prepare for implementation of the new requirement over a three year period. Also, nothing prohibits a firm from providing percentage returns calculated using the TWRR method in addition to the required percentage returns calculated on a MWRR basis.

Some comment letters mentioned that the proposed requirement to use MWRR is contradictory to the standards established and administered by the CFA Institute, known as Global Investment Performance Standards (GIPS) which requires the use of TWRR. The goal of the GIPS standards is to allow prospective clients to make a more informed decision regarding the selection of an investment manager, while our goal is to show clients how their accounts have performed.

There was a suggestion that calculating percentage returns using the MWRR should be limited to 10 years, as reporting performance for periods beyond 10 years may have little value for investors, and will pose a very significant technological challenge for registered firms. We have not modified the proposed requirement because we think performance information since inception will be valuable to investors and we do not think providing this information for periods greater than 10 years will be problematic.

Some commenters recommended the Rule define a specific MWRR method that would be acceptable, and there were requests for confirmation that the Modified Dietz method or other approximation techniques would comply with the MWRR requirement. We have decided not to define acceptable methodologies within the MWRR. We have provided that for these purposes, a firm may use a methodology that is generally accepted in the securities industry. We do not think that Modified Dietz or other approximation techniques are any longer generally accepted.

16. Scholarship plan dealers

There were comments suggesting that the disclosure required under the 2012 Proposal would duplicate information already provided to clients under existing requirements. It was suggested that the relationship disclosure information delivered to investors at account opening should simply refer to the scholarship plan prospectus and/or plan summary.

There is in fact little overlap between the reporting requirements in our proposals and existing disclosure requirements applicable to scholarship plans, and we do not think one-time product purchase disclosure is sufficient in itself for an ongoing investment of this kind. We have tailored reporting requirements for scholarship plan dealers to the unique features of scholarship plans. Pre-purchase disclosure in writing of the terms of a scholarship plan, including disclosure of the front-loaded fees, the risks of the plan and the potential amount of income if invested to maturity, provides investors with essential information. This pre-purchase disclosure may be complied with by providing the summary document prepared by scholarship plans if it contains the required pre-purchase information.

There was a suggestion that an investor should receive an initial investment statement, including disclosure of the costs and conditions of the plan, within 30 days of account opening instead of pre-purchase disclosure, permitting the investor to use the information to clarify the terms and any misunderstandings within the common 60 day withdrawal right period. We think that, in terms of investor protection, it is better to have a well-informed investor prior to the opening of an account.

One commenter did not support disclosure of the amount the investor's beneficiary may receive if the investor stays with the plan to maturity, as this amount could depend on too many unknown factors. We disagree with this position. The maximum amount the beneficiary could be entitled to in isolation could be misleading, but this amount will be provided with a summary of the plan terms, disclosure of any fees, investor options if plan payments are discontinued, and the total amount invested. Together, this information will provide investors in scholarship plans with basic information to determine what they have paid and how their investment will or has performed.

We disagree with the request that the guidance on paragraph 14.2(2)(n) in the Companion Policy should be part of the Rule and that its language be modified to include reference to the prospectus for a description of the options available to an investor who cannot maintain prescribed payments. The Rule sets out minimum requirements and a registrant may choose to add a reference to the prospectus. However, it would not be satisfactory to simply direct a client to refer to the prospectus.

Other commenters stated that disclosure of the risks and features of scholarship plans is not sufficient on its own. One commenter recommended the CSA to consider substantial regulation in this area, while the other commenter suggested that scholarship plans should be phased out entirely. We cannot address these comments as they are outside the scope of this CSA project.

17. Benchmarks

After careful consideration, we have come to agree with commenters that recommended we drop the Companion Policy guidance in the 2012 Proposals that encouraged firms to include an historical five-year GIC rate in performance reports. We have been persuaded that using such a rate may be inconsistent with the guidance that registrants should use benchmarks that are reasonably reflective of the composition of the investor's portfolio so as to ensure that a relevant comparison of performance is presented. Use of a five-year GIC as a reference point for discussions about the risk-return proposition may be appropriate for many clients, but there may be others for whom it would not.

18. Transition

The 2011 Proposal provided for an implementation period of two years for most of the new requirements. Many industry commenters then argued for an implementation period of at least three years, while investor advocates generally stated that one year would be sufficient. We were persuaded that three years would be a necessary transition period for some of the proposed new reporting requirements and provided for it in the 2012 Proposal. We do not agree with suggestions in the comments on the 2012 Proposal that even more time would be required. The transition period for investment fund managers is discussed above under "Costs and benefits".

We acknowledge the comments from others that some of the transition periods are generous. We would also like to see the proposed new disclosures in the hands of investors as soon as possible, but we have to take into consideration the time needed for the industry to develop, test and implement the necessary systems. We encourage registered firms to implement new reporting requirements before the end of transition periods if possible.

19. List of commenters

We received submissions from the following 65 commenters:

1. Advocis
2. AGF Investments Inc.
3. Alternative Investment Management Association
4. Armstrong & Quaile Assoc. Inc.
5. Association of Canadian Compliance Professionals
6. B2B Bank
7. Borden Ladner Gervais LLP

8. Canadian Foundation for Advancement of Investor Rights
9. Canadian GIPS Council
10. Canadian Imperial Bank of Commerce
11. Canfin Magellan Investments Inc.
12. Capital International Asset Management (Canada), Inc.
13. CI Financial Corp.
14. Cripps, James B. F.
15. Dundee Private Investors Inc.
16. DWM Securities Inc.
17. Edward Jones
18. Federation of Mutual Fund Dealers
19. Fidelity Investments Canada ULC
20. Franklin Templeton Investments Corp.
21. Greystone Managed Investments Inc.
22. Groupe Cloutier Investissements Inc.
23. Heathbridge Capital Management Ltd.
24. Highstreet Asset Management Inc.
25. IA Clarington Investments Inc.
26. Independent Financial Brokers of Canada
27. Independent Planning Group Inc.
28. ING Direct Funds Limited
29. Invesco Canada Ltd.
30. Investment Industry Association of Canada
31. Investment Planning Counsel Inc.
32. Investor Advisory Panel
33. Investors Group Inc.
34. Kenmar Associates
35. Killoran, Joe
36. Labbé, Jean-François G.
37. Lucyk, Christine
38. MacKenzie Financial Corporation
39. Manulife Securities Incorporated

40. MD Physician Services Inc. and MD Management Ltd.

41. MICA Capital inc.

42. Mouvement des caisses Desjardins

43. National Bank Securities Inc.

44. Pacific Spirit Investment Management Inc.

45. PEAK Investment Services Inc.

46. Porter, Hamish

47. Portfolio Management Association of Canada

48. Portfolio Strategies Corporation

49. Primerica (PFSL Investments Canada Ltd. and PFSL Fund Management Ltd.)

50. Quadrus Investment Services Ltd.

51. Royal Bank of Canada (RBC Dominion Securities Inc., RBC Direct Investing Inc., Royal Mutual Funds Inc., RBC Global Asset Management Inc., RBC Phillips, Hager & North Investment Counsel Inc., and Phillips, Hager & North Investment Funds Ltd.)

52. RESP Dealers Association of Canada

53. Rogers Group Investment Advisors Ltd.

54. Scotia Asset Management L.P.

55. Scotia Capital Inc.

56. Scotia Securities Inc.

57. Steadyhand Investment Funds

58. Sun Life Financial Investment Services (Canada) Inc.

59. Sun Life Global Investments (Canada) Inc.

60. TD Asset Management Inc.

61. The Canadian Advocacy Council for Canadian CFA Institute Societies

62. The Investment Funds Institute of Canada

63. The Omega Foundation

64. Tradex Management Inc.

65. Young, Duff

ANNEX C

**AMENDMENTS TO NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS, EXEMPTIONS AND
ONGOING REGISTRANT OBLIGATIONS**

The amendments in sections 2(b), 2(c), 2(d), 4(g), 4(h), 5, 6(k), 13, 15, 16, 17(a), 17(b), 17(c), 19, 20, 21 of the amending instrument below will come into force at dates later than the implementation date for the other amendments. Please refer to section 22. This text box does not form part of the amending instrument.

1. ***National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations is amended by this Instrument.***

2. ***Section 1.1 is amended by***

(a) ***adding the following definitions*****:**

"operating charge" means any amount charged to a client by a registered firm in respect of the operation, transfer or termination of a client's account and includes any federal, provincial or territorial sales taxes paid on that amount;

"transaction charge" means any amount charged to a client by a registered firm in respect of a purchase or sale of a security and includes any federal, provincial or territorial sales taxes paid on that amount;

(b) ***adding the following definition*****:**

"trailing commission" means any payment related to a client's ownership of a security that is part of a continuing series of payments to a registered firm or registered individual by any party;

(c) ***adding the following definitions*****:**

"book cost" means the total amount paid to purchase a security, including any transaction charges related to the purchase, adjusted for reinvested distributions, returns of capital and corporate reorganizations;

"original cost" means the total amount paid to purchase a security, including any transaction charges related to the purchase; ***and***

(d) ***adding the following definition*****:**

"total percentage return" means the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage;

3. ***The title of Division 1 of Part 14 is replaced with*** "Investment fund managers"***.***

4. ***Section 14.1 is amended by***

(a) ***replacing its title with*** "Application of this Part to investment fund managers"**,**

(b) ***replacing*** "sections" ***after*** "Other than" ***with*** "section"**,**

(c) ***deleting*** "[*holding client assets in trust*]" ***after*** "14.6"**,**

(d) ***adding*** "subsection" ***before*** "14.12(5)"**,**

(e) ***deleting*** "[*content and delivery of trade confirmation*]" ***after*** "14.12(5)"**,**

(f) ***replacing*** "14.14 [*account statements*]" ***with*** "section 14.14"**,**

(g) ***replacing*** "section 14.14" ***with*** "section 14.15"**, and**

(h) ***adding*** "section 14.1.1," ***before*** "section 14.6"**.**

5. ***Division 1 of Part 14 is amended by adding the following section:***

14.1.1 Duty to provide information

An investment fund manager of an investment fund must, within a reasonable period of time, provide a registered dealer, or a registered adviser, who has a client that owns securities of the investment fund, with the information concerning deferred sales charges and any other charges deducted from the net asset value of securities, and the information concerning trailing commissions paid to the dealer or adviser, that is required by the dealer or adviser in order to comply with paragraphs 14.12(1)(c) and 14.17(1)(h).

6. ***Subsection 14.2(2) is amended***

(a) ***by replacing*** "The information" ***with*** "Without limiting subsection (1), the information"**,**

(b) ***by deleting the words*** "required to be"**,**

(c) ***by adding*** "that" ***before the word*** "subsection"**,**

(d) ***by replacing*** "(1) includes all of" ***with*** "must include"**,**

(e) ***in paragraph (b) by replacing*** "discussion that identifies" ***with*** "general description of"***, replacing*** "or" ***with*** "and"***, and by replacing*** "a client" ***with*** "the client"**,**

(f) ***in paragraph (c) by adding*** "general" ***before*** "description"**,**

(g) ***by replacing paragraph (f) with the following:***

(f) disclosure of the operating charges the client might be required to pay related to the client's account;

(h) ***by replacing paragraph (g) with the following:***

(g) a general description of the types of transaction charges the client might be required to pay;

(i) ***in paragraph (h) by adding*** "general" ***before*** "description", ***by replacing*** "the compensation" ***with*** "any compensation", ***and by adding*** "by any other party" ***before*** "in relation to"**,**

(j) ***in paragraph (j) by adding*** "[*dispute resolution service*]" ***after*** *"13.16"* ***and replacing*** "registered firm's expense" ***with*** "firm's expense"***, and***

(k) ***by adding the following paragraphs:***

(m) a general explanation of how investment performance benchmarks might be used to assess the performance of a client's investments and any options for benchmark information that might be made available to clients by the registered firm;

(n) if the registered firm is a scholarship plan dealer, an explanation of any terms of the scholarship plan offered to the client by the registered firm that, if those terms are not met by the client or the client's designated beneficiary under the plan, might cause the client or the designated beneficiary to suffer a loss of contributions, earnings or government contributions in the plan.

7. ***Subsection 14.2(3) is amended by***

(a) ***deleting the words*** "to a client" ***after*** "must deliver"**,** ***and***

(b) ***replacing*** "subsection (1)" ***with*** "subsection (1), if applicable, and subsection (2) to the client in writing, except that the information in paragraph (2)(b) may be provided orally or in writing,"**.**

8. ***Subsection 14.2(4) is amended***

(a) ***by replacing*** "to" ***after*** "significant change" ***with*** "in respect of"***,***

(b) ***by replacing*** "subsection" ***with*** "subsections"***,***

(c) ***by adding*** " or (2)" ***after*** "(1)", ***and***

(d) ***in paragraph 14.2(4)(a) by replacing*** "," ***with*** ";"**.**

9. ***Subsection 14.2(5) is repealed.***

10. ***Section 14.2 is amended by adding the following subsection:***

(5.1) A registered firm must not impose any new operating charge in respect of an account of a client, or increase the amount of any operating charge in respect of an account of a client, unless written notice of the new or increased operating charge is provided to the client at least 60 days before the date on which the imposition or increase becomes effective.

11. ***Subsection 14.2(6) is replaced with:***

(6) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

12. ***Section 14.2 is amended by adding the following subsections:***

(7) Except for subsections (5.1), (6) and (8), this section does not apply to a registered dealer in respect of a client for whom the dealer purchases or sells securities only as directed by a registered adviser acting for the client.

(8) A registered dealer referred to in subsection (7) must deliver the information required under paragraphs (2)(a) and (e) to (j) to the client in writing, and the information in paragraph (2)(b) orally or in writing, before the dealer first purchases or sells a security for the client.

13. ***Division 2 of Part 14 is amended by adding the following section:***

14.2.1 Pre-trade disclosure of charges

(1) Before a registered firm accepts an instruction from a client to purchase or sell a security in an account other than a managed account, the firm must disclose to the client

(a) the charges the client will be required to pay in respect of the purchase or sale, or a reasonable estimate if the actual amount of the charges is not known to the firm at the time of disclosure,

(b) in the case of a purchase to which deferred charges apply, that the client might be required to pay a deferred sales charge on the subsequent sale of the security and the fee schedule that will apply, and

(c) whether the firm will receive trailing commissions in respect of the security.

(2) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

(3) This section does not apply to a dealer in respect of a client for whom the dealer purchases or sells securities only as directed by a registered adviser acting for the client.

14. ***The title of Division 5 of Part 14 is replaced with*** "Reporting to clients"**.**

15. ***Part 14 is amended by adding the following section after the title of Division 5:***

14.11.1 Determining market value

(1) For the purposes of this Division, the market value of a security

(a) that is issued by an investment fund which is not listed on an exchange must be determined by reference to the net asset value provided by the investment fund manager of the fund on the relevant date,

(b) in any other case, is the amount that the registered firm reasonably believes to be the market value of the security

(i) after referring to a price quotation on a marketplace, if one is published for the security, using the last bid price in the case of a long security and the last ask price in the case of a short security, as shown on a consolidated pricing list or exchange quotation sheet as of the close of business on the relevant date or the last trading day before the relevant date, and after making any adjustments considered by the registered firm to be necessary to accurately reflect the market value,

(ii) if no reliable price for the security is quoted on a marketplace, after referring to a published market report or inter-dealer quotation sheet, on the relevant date or the last trading day before the relevant date, and after making any adjustments considered by the registered firm to be necessary to accurately reflect the market value,

(iii) if the market value for the security cannot be reasonably determined in accordance with subparagraphs (i) or (ii), after applying the policy of the registered firm for determining market value, which must include procedures to assess the reliability of valuation inputs and assumptions and provide for

(A) the use of inputs that are observable, and

(B) the use of unobservable inputs and assumptions, if observable inputs are not reasonably available.

(2) If a registered firm determines the market value of a security in accordance with subparagraph (1)(b)(iii), when it refers to the market value in a statement under section 14.14 [*account statements*], 14.14.1 [*additional statements*], 14.14.2 [*position cost information*], 14.15 [*security holder statements*] or 14.16 [*scholarship plan dealer statements*], the registered firm must include the following notification or a notification that is substantially similar:

"There is no active market for this security so we have estimated its market value."

(3) If a registered firm reasonably believes that it cannot determine the market value of a security in accordance with subsection (1), the market value of the security must be reported in a statement delivered under section 14.14 [*account statements*], 14.14.1 [*additional statements*], 14.14.2 [*position cost information*], 14.15 [*security holder statements*] or 14.16 [*scholarship plan dealer statements*] as not determinable, and the market value of the security must be excluded from the calculations in paragraphs 14.14(5)(b), 14.14.1(2)(b) and 14.14.2(5)(a).

16. ***Subsection 14.11.1(3) is amended by adding*** "and in an investment performance report delivered under section 14.18 [*investment performance report*]" ***before*** "as not determinable" ***and adding*** "and subsection 14.19(1) [*content of investment performance report*]" ***after*** "14.14.2(5)(a)"***.***

17. ***Subsection 14.12(1) is amended***

(a) by adding the following paragraph after paragraph (b):

(b.1) in the case of a purchase of a debt security, the security's annual yield;

(b) by replacing paragraph (c) with:

(c) the amount of each transaction charge, deferred sales charge or other charge in respect of the transaction, and the total amount of all charges in respect of the transaction;

(c) by adding the following paragraph after paragraph (c):

(c.1) in the case of a purchase or sale of a debt security, either of the following:

(i) the total amount of any mark-up or mark-down, commission or other service charges the registered dealer applied to the transaction;

(ii) the total amount of any commission charged to the client by the registered dealer and, if the dealer applied a mark-up or mark-down or any service charge other than a commission, the following notification or a notification that is substantially similar:

"Dealer firm remuneration has been added to the price of this security (in the case of a purchase) or deducted from the price of this security (in the case of a sale). This amount was in addition to any commission this trade confirmation shows was charged to you.";

(d) ***in paragraph (f) by adding*** "involved" ***before*** "in the transaction"***, and***

(e) ***in paragraph (h) by replacing*** "security of" ***with*** "security issued by" ***wherever it occurs and by replacing*** "registrant" ***with*** "registered dealer" ***wherever it occurs.***

18. ***Section 14.14 is amended***

(a) ***in subsection (2) by replacing*** "at" ***with*** "after" ***and by replacing*** "receiving" ***with*** "to receive"***,***

(b) ***in subsection (3) by replacing*** "Except if the client has otherwise directed, a" ***with*** "A" ***and adding*** ", except that if the client has requested to receive statements on a monthly basis, the adviser must deliver a statement to the client every month" ***after*** "at least once every 3 months"**,**

(c) ***in paragraph (4)(b) by replacing*** "the type of" ***with*** "whether the" ***and adding*** "was a purchase, sale or transfer" ***after*** "transaction"***,***

(d) ***in paragraph 4(e) by adding*** "if the transaction was a purchase or sale" ***after*** "security"***, and***

(e) ***in paragraph 4(f) by adding*** "if it was a purchase or sale" ***after*** "transaction".

19. ***Section 14.14 is amended***

(a) ***in subsection (1) by replacing*** "deliver a statement to a client at least once every 3 months" ***with "***deliver to a client a statement that includes the information referred to in subsections (4) and (5)

(a) at least once every 3 months, or

(b) if the client has requested to receive statements on a monthly basis, for each one-month period"***,***

(b) ***in subsection (2) by deleting*** "Despite subsection (1)," ***before*** "a registered dealer" ***and replacing*** "deliver a statement to a client after the end of a month if any of the following apply:

(a) the client has requested receiving statements on a monthly basis;

(b) during the month, a transaction was effected in the account other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan"***,***

with "deliver to a client a statement that includes the information referred to in subsections (4) and (5) after the end of any month in which a transaction was effected in securities held by the dealer in the client's account, other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan"***,***

(c) ***in subsection (2.1)*** *by* ***replacing*** "Subsection (2) does" ***with*** "Paragraph 1(b) and subsection (2) do" ***and replacing*** "section 7.1(2)(b)" ***with*** "paragraph 7.1(2)(b) [*dealer categories*]"

(d) ***in subsection (3) by replacing*** "deliver a statement to a client" ***with*** "deliver to a client a statement that includes the information referred to in subsections (4) and (5)" ***and replacing*** "every month" ***with*** "for each one-month period"***,***

(e) ***by repealing subsection (3.1),***

(f) ***in subsection (4) by replacing*** "A statement delivered under subsection (1), (2), (3), or (3.1) must include all of the following information for each transaction made for the client or security holder during the period covered by the statement" ***with*** "If a registered dealer or registered adviser made a transaction for a client during the period covered by a statement delivered under subsections (1), (2) or (3), the statement must include the following"***,***

(g) ***in subsection (5) by replacing*** "A statement delivered under subsection (1), (2), (3), or (3.1) must include all of the following information about the client's or security holder's account as at the end of the period for which

the statement is made" ***with*** "If a registered dealer or registered adviser holds securities owned by a client in an account of the client, a statement delivered under subsections (1), (2) or (3) must indicate that the securities are held for the client by the registered firm and must include the following information about the client's account determined as at the end of the period for which the statement is made"***, in paragraph (b) by adding*** "and, if applicable, the notification in subsection 14.11.1(2) [*determining market value*] ***and adding the following paragraphs after paragraph (e):***

(f) whether the account is covered under an investor protection fund approved or recognized by the securities regulatory authority and, if it is, the name of the investor protection fund;

(g) which securities in the account might be subject to a deferred sales charge if they are sold.

(h) by repealing subsection (6),

(i) by adding the following subsection:

(7) For the purposes of this section, a security is considered to be held by a registered firm for a client if

(a) the firm is the registered owner of the security as nominee on behalf of the client, or

(b) the firm has physical possession of a certificate evidencing ownership of the security.

20. ***Division 5 of Part 14 is amended by adding the following sections:***

14.14.1 Additional statements

(1) A registered dealer or registered adviser must deliver a statement that includes the information referred to in subsection (2) to a client if any of the following apply in respect of a security owned by the client that is held or controlled by a party other than the dealer or adviser:

(a) the dealer or adviser has trading authority over the security or the client's account in which the security is held or was transacted;

(b) the dealer or adviser receives continuing payments related to the client's ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party;

(c) the security is issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation, or labour-sponsored venture capital corporation, under legislation of a jurisdiction of Canada and the dealer or adviser is the dealer or adviser of record for the client on the records of the issuer of the security or the records of the issuer's investment fund manager.

(2) A statement delivered under subsection (1) must include the following in respect of the securities or the account referred to in subsection (1), determined as at the end of the period for which the statement is made:

(a) the name and quantity of each security;

(b) the market value of each security and, if applicable, the notification in subsection 14.11.1(2) [*determining market value*];

(c) the total market value of each security position;

(d) any cash balance in the account;

(e) the total market value of all of the cash and securities;

(f) the name of the party that holds or controls each security and a description of the way it is held;

(g) whether the securities are covered under an investor protection fund approved or recognized by the securities regulatory authority and, if they are, the name of the fund;

(h) which of the securities might be subject to a deferred sales charge if they are sold.

(3) If subsection (1) applies to a registered dealer or a registered adviser, the dealer or adviser must deliver a statement that includes the information in subsection (2) to a client at least once every 3 months, except that if a client has requested to receive statements on a monthly basis, the adviser must deliver a statement to the client every month.

(4) If subsection (1) applies to a registered dealer or a registered adviser that is also required to deliver a statement to a client under subsection 14.14(1) or (3), a statement delivered under subsection (1) must be delivered to the client in one of the following ways:

(a) combined with a statement delivered to the client under subsection 14.14(1) or (3) for the period ending on the same date;

(b) as a separate document accompanying a statement delivered to the client under subsection 14.14(1) or (3) for the period ending on the same date;

(c) as a separate document delivered within 10 days after the statement delivered to the client under subsection 14.14(1) or (3) for the period ending on the same date.

(5) For the purposes of this section, a security is considered to be held for a client by a party other than the registered firm if any of the following apply:

(a) the other party is the registered owner of the security as nominee on behalf of the client;

(b) ownership of the security is recorded on the books of its issuer in the client's name;

(c) the other party has physical possession of a certificate evidencing ownership of the security;

(d) the client has physical possession of a certificate evidencing ownership of the security.

(6) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

14.14.2 Position cost information

(1) If a registered dealer or registered adviser is required to deliver a statement to a client that includes information required under subsection 14.14(5) [*account statements*] or 14.14.1(2) [*additional statements*], the dealer or adviser must deliver the information referred to in subsection (2) to a client at least once every 3 months.

(2) The information delivered under subsection (1) must disclose the following:

(a) for each security position in the statement opened on or after July 15, 2015,

(i) the cost of the position, determined as at the end of the period for which the information under subsection 14.14(5) or 14.14.1(2) is provided, presented on an average cost per unit or share basis or on an aggregate basis, or

(ii) if the security position was transferred from another registered firm, the information referred to in subparagraph (i) or the market value of the security position as at the date of the position's transfer if it is also disclosed in the statement that it is the market value as of the transfer date, not the cost of the security position, that is being disclosed;

(b) for each security position in the statement opened before July 15, 2015,

(i) the cost of the position, determined as at the end of the period for which the information under subsection 14.14(5) or 14.14.1(2) is provided, presented on an average cost per unit or share basis or on an aggregate basis, or

(ii) the market value of the security position as at July 15, 2015 or an earlier date, if the same date and value are used for all clients of the firm holding that security and it is also disclosed in the statement that it is the market value as of that date, not the cost of the security position, that is being disclosed;

(c) the total cost of all of the security positions in the statement, determined in accordance with paragraphs (a) and (b);

(d) for each security position for which the registered firm reasonably believes it cannot determine the cost in accordance with paragraphs (a) and (b), disclosure of that fact in the statement.

(3) The cost of security positions required to be disclosed under subsection (2) must be either the book cost or the original cost and must be accompanied by the definition of "book cost" in section 1.1 or the definition of "original cost" in section 1.1, as applicable.

(4) The information delivered under subsection (1) must be delivered to the client in one of the following ways:

(a) combined with a statement delivered to the client that includes the information required under subsection 14.14(5) or 14.14.1(2) for the period ending on the same date;

(b) in a separate document accompanying a statement delivered to the client that includes information required under subsection 14.14(5) or 14.14.1(2) for the period ending on the same date;

(c) in a separate document delivered within 10 days after a statement delivered to the client that includes information required under subsection 14.14(5) or 14.14.1(2) for the period ending on the same date.

(5) If the information under subsection (1) is delivered to the client in a separate document in accordance with paragraph (4)(c), the separate document must also include the following:

(a) the market value of each security in the statement and, if applicable, the notification in subsection 14.11.1(2) [*determining market value*];

(b) the total market value of each security position in the statement;

(c) the total market value of all cash and securities in the statement.

(6) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

14.15 Security holder statements

If there is no dealer or adviser of record for a security holder on the records of a registered investment fund manager, the investment fund manager must deliver to the security holder at least once every 12 months a statement that includes the following:

(a) the information required under subsection 14.14(4) [*account statements*] for each transaction that the registered investment fund manager made for the security holder during the period;

(b) the information required under subsection 14.14.1(2) [*additional statements*] for the securities of the security holder that are on the records of the registered investment fund manager;

(c) the information required under section 14.14.2 [*position cost information*].

14.16 Scholarship plan dealer statements

Sections 14.14 [*account statements*], 14.14.1 [*additional statements*] and 14.14.2 [*position cost information*] do not apply to a scholarship plan dealer if both of the following apply:

(a) the scholarship plan dealer is not registered in another dealer or adviser category;

(b) the scholarship plan dealer delivers to a client a statement at least once every 12 months that provides the information required under subsections 14.14(4) and 14.14.1(2).

21. ***Division 5 of Part 14 is amended by adding the following sections:***

14.17 Report on charges and other compensation

(1) For each 12-month period, a registered firm must deliver to a client a report on charges and other compensation containing the following information, except that the first report delivered after a client has opened an account may cover a period of less than 12 months:

(a) the registered firm's current operating charges which might be applicable to the client's account;

(b) the total amount of each type of operating charge related to the client's account paid by the client during the period covered by the report, and the total amount of those charges;

(c) the total amount of each type of transaction charge related to the purchase or sale of securities paid by the client during the period covered by the report, and the total amount of those charges;

(d) the total amount of the operating charges reported under paragraph (b) and the transaction charges reported under paragraph (c);

(e) if the registered firm purchased or sold debt securities for the client during the period covered by the report, either of the following:

(i) the total amount of any mark-ups, mark-downs, commissions or other service charges the firm applied on the purchases or sales of debt securities;

(ii) the total amount of any commissions charged to the client by the firm on the purchases or sales of debt securities and, if the firm applied mark-ups, mark-downs or any service charges other than commissions on the purchases or sales of debt securities, the following notification or a notification that is substantially similar:

"For debt securities purchased or sold for you during the period covered by this report, dealer firm remuneration was added to the price you paid (in the case of a purchase) or deducted from the price you received (in the case of a sale). This amount was in addition to any commissions you were charged.";

(f) if the registered firm is a scholarship plan dealer, the unpaid amount of any enrolment fee or other charge that is payable by the client;

(g) the total amount of each type of payment, other than a trailing commission, that is made to the registered firm or any of its registered individuals by a securities issuer or another registrant in relation to registerable services to the client during the period covered by the report, accompanied by an explanation of each type of payment;

(h) if the registered firm received trailing commissions related to securities owned by the client during the period covered by the report, the following notification or a notification that is substantially similar:

"We received $[amount] in trailing commissions in respect of securities you owned during the 12-month period covered by this report.

Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased the fund. You are not directly charged the trailing commission or the management fee. But, these fees affect you because they reduce the amount of the fund's return to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund."

(2) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14(5) [*account statements*] must be delivered in a separate report on charges and other compensation for each of the client's accounts.

(3) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14.1(1) [*additional statements*] must be delivered in a report on charges and other compensation for the client's account through which the securities were transacted.

(4) Subsections (2) and (3) do not apply if the registered firm provides a report on charges and other compensation that consolidates, into a single report, the required information for more than one of a client's accounts and any securities of the client required to be reported under subsection 14.14(5) or 14.14.1(1) and if the following apply:

(a) the client has consented in writing to the form of disclosure referred to in this subsection;

(b) the consolidated report specifies the accounts and securities with respect to which information is required to be reported under subsection 14.14.1(1) [*additional statements*].

(5) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

14.18 Investment performance report

(1) A registered firm must deliver an investment performance report to a client every 12 months, except that the first report delivered after a registered firm first makes a trade for a client may be sent within 24 months after that trade.

(2) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14(5) [*account statements*] must be delivered in a separate report for each of the client's accounts.

(3) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14.1(1) [*additional statements*] must be delivered in the report for each of the client's accounts through which the securities were transacted.

(4) Subsections (2) and (3) do not apply if the registered firm provides a report that consolidates, into a single report, the required information for more than one of a client's accounts and any securities of the client required to be reported under subsections 14.14(5) or 14.14.1(1) and if the following apply:

(a) the client has consented in writing to the form of disclosure referred to in this subsection;

(b) the consolidated report specifies the accounts and securities with respect to which information is required to be reported under subsection 14.14.1(1) [*additional statements*].

(5) This section does not apply to

(a) a client's account that has existed for less than a 12-month period;

(b) a registered dealer in respect of a client's account in which the dealer executes trades only as directed by a registered adviser acting for the client; and

(c) a registered firm in respect of a permitted client that is not an individual.

(6) If a registered firm reasonably believes there are no securities of a client with respect to which information is required to be reported under subsection 14.14(5) [*account statements*] or subsection 14.14.1(1) [*additional statements*] and for which a market value can be determined, the firm is not required to deliver a report to the client for the period.

14.19 Content of investment performance report

(1) An investment performance report required to be delivered under section 14.18 by a registered firm must include all of the following in respect of the securities referred to in a statement in respect of which subsections 14.14(1), (2) or (3) [*account statements*] or 14.14.1(1) [*additional statements*] apply:

(a) the market value of all cash and securities in the client's account as at the beginning of the 12-month period covered by the investment performance report;

(b) the market value of all cash and securities in the client's account as at the end of the 12-month period covered by the investment performance report;

(c) the market value of all deposits and transfers of cash and securities into the client's account, and the market value of all withdrawals and transfers of cash and securities out of the account, in the 12-month period covered by the investment performance report;

(d) subject to paragraph (e), the market value of all deposits and transfers of cash and securities into the client's account, and the market value of all withdrawals and transfers of cash and securities out of the account, since opening the account;

(e) if the client's account was opened before July 15, 2015 and the registered firm reasonably believes market values are not available for all deposits, withdrawals and transfers since the account was opened, the following:

(i) the market value of all cash and securities in the client's account as at July 15, 2015;

(ii) the market value of all deposits and transfers of cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, since July 15, 2015;

(f) the annual change in the market value of the client's account for the 12-month period covered by the investment performance report, determined using the following formula

$$A – B – C + D$$

where

A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;

B = the market value of all cash and securities in the account at the beginning of that 12-month period;

C = the market value of all deposits and transfers of cash and securities into the account in that 12-month period; and

D = the market value of all withdrawals and transfers of cash and securities out of the account in that 12-month period;

(g) subject to paragraph (h), the cumulative change in the market value of the account since the account was opened, determined using the following formula

$$A – E + F$$

where

A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;

E = the market value of all deposits and transfers of cash and securities into the account since account opening; and

F = the market value of all withdrawals and transfers of cash and securities out of the account since account opening;

(h) if the registered firm reasonably believes the market value of all deposits and transfers of cash and securities into the account since the account was opened or the market value of all withdrawals and transfers of cash and securities out of the account since the account was opened required in paragraph (g) is not available to the registered firm, the cumulative change in the market value of the account determined using the following formula

$$A – G – H + I$$

where

A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;

G = the market value of all cash and securities in the account as at July 15, 2015;

H = the market value of all deposits and transfers of cash and securities into the account since July 15, 2015; and

I = the market value of all withdrawals and transfers of cash and securities out of the account since July 15, 2015;

(i) the amount of the annualized total percentage return for the client's account calculated net of charges, using a money-weighted rate of return calculation method generally accepted in the securities industry;

(j) the definition of "total percentage return" in section 1.1 and a notification indicating the following:

(i) that the total percentage return in the investment performance report was calculated net of charges;

(ii) the calculation method used;

(iii) a general explanation in plain language of what the calculation method takes into account.

(2) The information delivered for the purposes of paragraph (1)(i) must be provided for each of the following periods:

(a) the 12-month period covered by the investment performance report;

(b) the 3-year period preceding the end of the 12-month period covered by the report;

(c) the 5-year period preceding the end of the 12-month period covered by the report;

(d) the 10-year period preceding the end of the 12-month period covered by the report;

(e) the period since the client's account was opened if the account has been open for more than one year before the date of the report or, if the account was opened before July 15, 2015 and the registered firm reasonably believes the annualized total percentage return for the period before July 15, 2015 is not available, the period since July 15, 2015.

(3) Despite subsection (2), if any portion of a period referred to in paragraphs (2)(b), (c) or (d) was before July 15, 2015, the registered firm is not required to report the annualized total percentage return for that period.

(4) Despite subsection (1), the information a scholarship plan dealer is required to deliver under section 14.18 [*investment performance report*] in respect of each scholarship plan in which a client has invested through the scholarship plan dealer is the following:

(a) the total amount that the client has invested in the plan as at the date of the investment performance report;

(b) the total amount that would be returned to the client if, as at the date of the investment performance report, the client ceased to make prescribed payments into the plan;

(c) a reasonable projection of future payments that the plan might pay to the client's designated beneficiary under the plan, or to the client, at the maturity of the client's investment in the plan;

(d) a summary of any terms of the plan that, if not met by the client or the client's designated beneficiary under the plan, might cause the client or the designated beneficiary to suffer a loss of contributions, earnings or government contributions in the plan.

(5) The information delivered under section 14.18 [*investment performance report*] must be presented using text, tables and charts, and must be accompanied by notes in the investment performance report explaining

(a) the content of the report and how a client can use the information to assess the performance of the client's investments; and

(b) the changing value of the client's investments as reflected in the information in the report.

(6) If a registered firm delivers information required under this section in a report to a client for a period of less than one year, the firm must not calculate the disclosed information on an annualized basis.

(7) If the registered firm reasonably believes the market value cannot be determined for a security position, the market value must be assigned a value of zero in the calculation of the information delivered under subsection 14.18(1) and the fact that its market value could not be determined must be disclosed to the client.

14.20 Delivery of report on charges and other compensation and investment performance report

(1) A report under section 14.17 [*report on charges and other compensation*] and a report under section 14.18 [*investment performance report*] must include information for the same 12-month period and the reports must be delivered together in one of the following ways:

(a) combined with a statement delivered to the client that includes information required under subsection 14.14(1), (2) or (3) [*account statements*], subsection 14.14.1(2) [*additional statements*] or section 14.16 [*scholarship plan dealer statements*];

(b) accompanying a statement delivered to the client that includes information required under subsection 14.14(1), (2) or (3) [*account statements*], subsection 14.14.1(2) [*additional statements*] or section 14.16 [*scholarship plan dealer statements*];

(c) within 10 days after a statement delivered to the client that includes information required under subsection 14.14(1),(2) or (3) [*account statements*], subsection 14.14.1(2) [*additional statements*] or section 14.16 [*scholarship plan dealer statements*].

(2) Subsection (1) does not apply in respect of the first report under section 14.17 [*report on charges and other compensation*] and the first report under section 14.18 [*investment performance report*] for a client.

Coming into force

22. ***(1) Subject to subsection (2), this Instrument comes into force on July 15, 2013.***

(2) The provisions of this Instrument listed in column 1 of the following table come into force on the date set out in column 2 of the table:

Column 1 **Provisions of this Instrument**	**Column 2** **Date**
2(b), 6(k), 13, 17(a), 17(c)	July 15, 2014
2(c), 4(g), 15, 19, 20	July 15, 2015
2(d), 4(h), 5, 16, 17(b), 21	July 15, 2016

ANNEX D

AMENDMENTS TO COMPANION POLICY 31-103 CP
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

The Canadian Securities Administrators are publishing changes to the Companion Policy. The changes come into effect on the implementation of the corresponding changes to the Rule.

This Annex shows, by way of black-line, the amendments to the Companion Policy against the relevant portions of the unofficial consolidation of NI 31-103 published on September 28, 2012 and also two new appendices to the Companion Policy.

Part 14 Handling client accounts – firms

If a client consents, documents required in this Part can be delivered in electronic form. For further guidance, see National Policy 11-201 *Delivery of Documents by Electronic Means*.

Division 1 Investment fund managers

Section 14.1 sets out the limited application of Part 14 to investment fund managers that are not also registered in other categories, including section 14.1.1 [*duty to provide information*], section 14.6 [*holding client assets in trust*], subsection 14.12(5) [*content and delivery of trade confirmation*] and section 14.15 [*security holder statements*].

Section 14.1.1 requires investment fund managers to provide, within a reasonable period of time, information concerning deferred sales charges and any other charges deducted from the net asset value of the securities, and trailing commissions to dealers and advisers in order that they may comply with their obligations under paragraphs 14.12(1)(c) [*content and delivery of trade confirmation*] and 14.17(1)(h) [*report on charges and other compensation*]. This is a principles-based requirement. An investment fund manager must work with the dealers and advisers who distribute fund products to determine what information they need from the investment fund manager in order to satisfy their client reporting obligations. The information and arrangements for its delivery may vary, reflecting different operating models and information systems.

Division 2 Disclosure to clients

14.2 Relationship disclosure information

Registrants should ensure that clients understand who they are dealing with. They should carry on all registerable activities in their full legal or registered trade name. Contracts, confirmation and account statements, among other documents, should contain the registrant's full legal name.

~~**14.2 Relationship disclosure information**~~

Content of relationship disclosure information

There is no prescribed form for the relationship disclosure information required under section ~~14.2.~~ 14.2 [*relationship disclosure information*]. A registered firm may provide this information in a single document, or in separate documents, which together give the client the prescribed information.

~~**Disclosure of costs**~~

~~Under subsection 14.2(2)(g), registered firms must provide clients with a description of the costs they will pay in making, holding and selling investments. We expect this description to include all costs a client may pay during the course of holding a particular investment. For example, for a mutual fund, the description should briefly explain each of the following and how they may affect the investment:~~

- ~~the management expense ratio~~
- ~~the sales charge options available to the client~~
- ~~the trailing commission~~

- ~~any short term trading fees~~
- ~~any switch or change fees~~

~~**Permitted clients**~~

~~Under subsection 14.2(6), registrants do not have to provide relationship disclosure information to permitted clients if:~~

- ~~the permitted client has waived the requirements in writing, and~~
- ~~the registrant does not act as an adviser for a managed account of the permitted client~~

Relationship disclosure information should be communicated in a manner consistent with the guidance on client communications under section 1.1 of this Companion Policy. We encourage registrants to avoid the use of technical terms and acronyms when communicating with clients. To satisfy their obligations under section 14.2, registered individuals must spend sufficient time with clients as part of an in-person or telephone meeting, or other method that is consistent with their operations, to adequately explain the information that is delivered to them. We expect a firm to have policies and procedures requiring its registered individuals to demonstrate they have done so. What is considered "sufficient" will depend on the circumstances, including a client's understanding of the delivered documents.

Evidence of compliance with client disclosure requirements at account opening, prior to trades and at other times, can include detailed notes of meetings or discussions with clients, signed client acknowledgements and tape-recorded phone conversations.

Promoting client participation

Registered firms should help their clients understand the registrant-client relationship. They should encourage clients to actively participate in the relationship and provide them with clear, relevant and timely information and communications.

In particular, registered firms should help and encourage clients to:

- **Keep the firm up to date.** Clients should be encouraged to
  - provide full and accurate information to the firm and the registered individuals acting for the firm
  - ~~Keep the firm up to date. Clients should provide full and accurate information to the firm and the registered individuals acting for the firm. Clients should~~ promptly inform the firm of any change to their information that could ~~reasonably~~ result in a change to the types of investments appropriate for them, such as a change to their income, investment objectives, risk tolerance, time horizon or net worth~~.~~
- **Be informed.** Clients should be
  - helped to understand the potential risks and returns on investments
  - encouraged to carefully review sales literature provided by the firm
  - ~~Be informed. Clients should understand the potential risks and returns on investments. They should carefully review sales literature provided by the firm. Where appropriate, clients should~~encouraged to consult professionals, such as a lawyer or an accountant, for legal or tax advice~~.~~ where appropriate
- **Ask questions.** Clients should be encouraged to
  - ~~Ask questions. Clients should ask questions and~~ request information from the firm to resolve ~~questions~~concerns about their account, transactions or investments, or their relationship with the firm or a registered individual acting for the firm~~.~~
- **Stay on top of their investments.** Clients should be encouraged to
  - ~~Stay on top of their investments. Clients should pay for securities purchases by the settlement date. They should~~ review all account documentation provided by the firm ~~and regularly review portfolio holdings and performance.~~
  - regularly review portfolio holdings and performance

Disclosure of charges and other compensation

Under paragraphs 14.2(2)(f), (g) and (h), registered firms must provide clients with information on the operating and transaction charges they might pay in making, holding and selling investments, and a general description of any compensation paid to the firm by any other party. We expect this disclosure to include all charges a client might pay during the course of holding a particular investment.

A registered firm's charges to a client and the compensation it may receive from third parties in respect of the client will vary depending on the type of relationship with the client and the nature of the services and investment products offered. At account opening, registered firms must provide clients with general information on the operating charges and transaction charges that the clients may be required to pay, as well as other compensation the firms may receive as a result of their business relationship. A firm is not expected to provide information on all the types of accounts that it offers and the fees related to these accounts if it is not relevant to the client's situation.

"Operating charge" is defined broadly in section 1.1 and examples include (but are not exclusive to) service charges, administration fees, safekeeping fees, management fees, transfer fees, account closing fees, annual registered plan fees and any other charges associated with maintaining and using an account that are paid to the registrant. For registered firms that charge an all-in fee for the operation of the account, such as a percentage of assets under management, that fee *is* the operating charge. We do not expect firms with an all-in operating charge to provide a breakdown of the items covered by the fee.

"Transaction charges" is also defined broadly in section 1.1 and examples include (but are not exclusive to) commissions, transaction fees, switch or change fees, performance fees, short-term trading fees, and sales charges or redemption fees that are paid to the registrant. Although we do not consider "foreign exchange spreads" to be a transaction charge, we encourage firms to include a general notification in trade confirmations and reports on charges and other compensation that the firm may have incurred a gain or loss from a foreign exchange transaction as a best practice.

Operating charges and transaction charges include only charges paid to the registered firm by the client. Third-party charges, such as custodian fees that are not paid to the registered firm, are not included in operating charges or transaction charges. Operating and transaction charges include any sales taxes that are paid on the amounts charged to the client. Registrants may wish to inform clients where a charge includes sales tax, or separately disclose the components of the charge. Withholding taxes would not be considered a charge.

Providing general information on charges is appropriate at the time of account opening. However, section 14.2.1 [*pre-trade disclosure of charges*] requires that, before a registered firm accepts an instruction from a client to purchase or sell a security, the firm must provide more specific information as to the nature and amount of the actual charges that will apply. Registrants are encouraged to explain charges to their clients.

For example, if a client will be investing in a mutual fund security, the description should briefly explain each of the following and how they may affect the investment:

- the management fee
- the sales charge or deferred sales charge option available to the client and an explanation as to how such charges work. This means registered firms should advise clients that mutual funds sold on a deferred sales charge basis are subject to charges upon redemption that are applied on a declining rate scale over a specified period of years, until such time as the charges decrease to zero. Any other redemption fees or short-term trading fees that may apply should also be discussed
- any trailing commission, or other embedded fees
- any options regarding front end loads
- any fees related to the client changing or switching investments ("switch or change fees")

Registrants may also wish to explain to clients that trailing commissions are included in the management fees that are charged to their investment funds and are not additional charges paid by the client to the registrant. "Trailing commission" is defined for purposes of NI 31-103 in section 1.1 in broad terms designed to ensure that payments similar to what are generally known as trailing commissions will be subject to similar reporting requirements under this instrument.

Registrants should advise clients with managed accounts whether the registrant will receive compensation from third parties, such as trailing commissions, on any securities purchased for the client and, if so, whether the fee paid by the client to the

registrant will be affected by this. For example, the management fee paid by a client on the portion of a managed account related to mutual fund holdings may be lower than the overall fee on the rest of the portfolio.

Description of content and frequency of client reporting

Under paragraph 14.2(2)(i), a registered firm is required to provide a description of the content and frequency of reporting to the client. Reporting to clients includes, as applicable:

- trade confirmations under section 14.12
- account statements under section 14.14
- additional statements under section 14.14.1
- position cost information under section 14.14.2
- annual report on charges and other compensation under section 14.17
- investment performance reports under section 14.18

Guidance about registered firm's client reporting obligations is provided in Division 5 of this Part.

KYC information

Paragraph 14.2(2)(l) requires registrants to provide their clients with a copy of their KYC information at the time of account opening. We would expect registered firms to also provide a description to the client of the various terms which make up the KYC information, and explain how this information will be used in assessing the client's financial situation, investment objectives, investment knowledge and risk tolerance in determining investment suitability.

Benchmarks

Paragraph 14.2(2)(m) requires registered firms to provide clients with a general explanation of how investment performance benchmarks might be used to assess the performance of a client's investments and any options available to the client to obtain information about benchmarks from the registered firm. Other than this general discussion, there is no requirement for registered firms to provide benchmark information to clients. Nonetheless, we encourage firms to do so as a best practice. Guidance on the provision of benchmarks is set out in this Companion Policy at the end of the discussion of the content of investment performance reports under section 14.19.

Scholarship plan dealers

Paragraph 14.2(2)(n) requires an explanation of the important aspects of the scholarship plan that, if not fulfilled, would cause loss to the client. To be complete, this prescribed disclosure could include any options that would allow the investor to retain notional earnings in the event that they do not maintain prescribed payments under the plan and any fees associated with those options.

Order execution trading

Subsections 14.2(7) and (8) provide that only limited relationship disclosure information must be delivered by a dealer whose relationship with a client is limited to executing trades as directed by a registered adviser acting for the client. In a relationship of this kind, each registrant must explain to the client its role and responsibility to the client, and what services and reporting the client can expect of it.

14.2.1 Pre-trade disclosure of charges

For non-managed accounts, section 14.2.1 requires disclosure to a client of charges specific to a transaction prior to the acceptance of a client's instruction. This disclosure is not required to be in writing. Oral disclosure of charges is sufficient for the purposes of disclosing charges at the time of a transaction. Specific charges must be reported in writing on the trade confirmation as required in section 14.12.

For a purchase of a security on a deferred sales charge basis, disclosure that a deferred sales charge might be triggered upon the redemption of the security, and the schedule that would apply if it is sold within the time period that a deferred sales charge would be applicable, must be presented. The actual amount of the deferred sales charge, if any, would need to be disclosed

once the security is redeemed. For the purposes of disclosing trailing commissions, the dealing representative may draw attention to the information in the prospectus or the fund facts document if that document is provided at the point of sale.

With respect to a transaction involving a debt security, pre-trade disclosure should include a discussion of any commission the registered firm will receive on the trade. This discussion should include both the number of basis points that the charge represents as well as the corresponding dollar amount, or a reasonable estimate of the amount if the actual amount of the charges is not known to the firm at the time.

Switch or change transactions

Processing a switch or change transaction without client knowledge is contrary to a registrant's duty to act fairly, honestly and in good faith. In our view, compliance with this duty requires that clients are informed, before any switch or change transaction is processed, of charges associated with the transaction, dealers' incentives for such a transaction (including increased trailing commissions), and any tax or other implications of such a transaction. In each case, we expect dealers to explain why a proposed switch or change transaction is appropriate for the client. We consider that providing clients with clear and complete disclosure of the charges at the time of a transaction will help clients to be aware of the implications of proposed transactions and deter registrants from transacting for the purpose of generating commissions. Registrants are also reminded that their obligations in connection with suitability and conflicts of interest apply to such transactions, as well as their obligations under any applicable SRO requirements or guidance.

We expect all changes or switches to a client's investments to be accurately reported in trade confirmations by reporting each of the purchase and sale transactions making up the change or switch, as required in section 14.12, with a description of the associated charges.

….

Division 5 ~~*Account activity reporting*~~*Reporting to clients*

~~Each trade should be reported in the currency in which it was executed. If a trade is executed in a foreign currency through a Canadian dollar account, the exchange rate should be reported to the client.~~

Reporting to clients is on an account basis, except that

- securities that are not held in an account (i.e., securities reported under an additional statement) must be included in a report for the account through which they were traded, and
- subsection 14.18(4) permits performance reports for more than one account of a client and also securities not held in an account to be combined with the client's written consent.

Registered firms may choose how they meet their client reporting obligations within the framework set out in the Instrument. We encourage firms to combine client statements, position cost information and client reports into comprehensive documents or send them together. For example, an account statement and an additional statement for securities traded through (but not held) in an account might be combined, perhaps along with position cost information, each quarter. Once a year, an integrated statement such as this could be further combined with the report on charges and other compensation and the performance report, or delivered along with a separate document that combines the two reports.

We believe that integrating client reporting as much as possible within the limitations of firms' systems capabilities will better enable clients to make use of the information and that it is in the interests of registrants to have clients that are well informed about the services they provide. When client reporting information is combined or delivered together, we expect registered firms will give each element sufficient prominence among the others that a reasonable investor can readily locate it.

Consistent with the guidance on clear and meaningful disclosure to clients in section 1.1 of this Companion Policy, we expect registrants to present client statements and reports in an understandable manner and to explain, if applicable, what securities are included in different statements. Registered firms should encourage clients to contact their dealing or advising representative or the firm directly with questions about their statements and reports. We expect registered firms to ensure that clients know how their investments will be held (for example, by the firm or at an issuing fund company) and understand the different implications that this will have for them in such matters as client reporting, investor protection fund coverage and custody of their assets. If a registered firm trades in exempt market securities for a client, the firm should also explain the reasons why it is not always possible for the firm to determine a market value for products sold in the exempt market or whether the client still owns the security, and the implications that this may have for reporting on exempt-market securities.

It is the responsibility of the registered firm to produce these client statements and reports, not that of individual representatives. Registered firms should have policies and procedures in place to ensure that they are adequately supervising their registered representatives' communications with clients about the prescribed information.

The requirement to produce and deliver a trade confirmation under section 14.12, an account statement under section 14.14, an additional statement under section 14.14.1, position cost information under section 14.14.2, a security holder statement under section 14.15, a scholarship plan dealer statement under section 14.16 or client reports under sections 14.17 and 14.18 may be outsourced by a registered firm to a third-party service provider that acts as its agent. Third-party pricing providers may also be used to value securities for these purposes. Like all outsourcing arrangements, the registrant is ultimately responsible for the function and must supervise the service provider. See Part 11 of this Companion Policy for more guidance on outsourcing.

14.11.1 Determining market value

Section 14.11.1 sets out the basis on which market value must be determined for client reporting purposes.

Paragraph 14.11.1(1)(a) requires the market value of a security that is issued by an investment fund not listed on an exchange to be determined by reference to the net asset value provided by the investment fund manager of the fund on the relevant date.

For other securities, a hierarchy of valuation methods that depend on the availability of relevant information is prescribed in paragraph 14.11.1(1)(b). Registrants are required to act reasonably in applying these methodologies and we understand that this process will often require a registrant to exercise professional judgement.

Where possible, market value should be determined by reference to a quoted value on a marketplace. The quoted value will be the last bid or ask price on the relevant date or the last trading day prior to the relevant date. Registered firms should ensure that any quoted values used to determine market value do not represent stale or old prices that are not reflective of current values. If no current value for a security is quoted on a marketplace, market value should be determined by reference to published market reports or inter-dealer quotes.

We recognize that it is not always possible to obtain a market value by these methods. In such cases, we will accept a valuation policy that is consistently applied and includes procedures that assess the reliability of any valuation inputs and assumptions. If available, valuation inputs and assumptions should be based on observable market data or inputs, such as market prices or yield rates for comparable securities and quoted interest rates. If observable inputs are not available, valuation can be based on unobservable inputs and assumptions. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value (e.g. a market event or new capital raising by the issuer). "Observable" and "unobservable" inputs are concepts under International Financial Reporting Standards (IFRS), and we expect them to be applied consistent with IFRS.

Subsection 14.11.1(3) provides that where the registered firm reasonably believes that it cannot determine the market value of a security, the firm must report that no value can be determined and the security must not be included in the calculation of the total market value of cash and securities in the client's account or in calculations for the investment performance report (see also subsection 14.19(7)).

If the market value for a security subsequently becomes determinable, a registered firm must begin to report it in client statements and add that value to the opening market values or deposits included in the calculations in subsection 14.19(1). This would be expected if the firm had previously assigned the security a value of zero in the calculation of opening market values or deposits because it could not determine the security's market value, as required by subsection 14.19(7). This would reduce the risk of presenting a misleading improvement in the performance of the investment by only adding the value of the security to the other calculations required under section 14.19. If the deposits used to purchase the security were already included in the calculation of opening market values or deposits, the registered firm would not need to adjust these figures.

We encourage firms to disclose the foreign exchange rate used in calculating the market value of non-Canadian dollar denominated securities as a best practice.

14.12 Content and delivery of trade confirmation

Section 14.12 requires registered dealers to deliver trade confirmations. ~~A dealer may enter into an outsourcing arrangement for the sending of trade confirmations to its clients. Like all outsourcing arrangements, the registrant is ultimately responsible for the function and must supervise the service provider. See Part 11 of this Companion Policy for more guidance on outsourcing.~~

Under paragraph 14.12(1)(b.1), registered dealers must provide the yield on a purchase of a debt security in a trade confirmation. For non-callable debt securities, the yield to maturity would be appropriate. For callable securities, the yield to call may be more useful.

Under paragraph 14.12(1)(c.1), registrants may disclose the total dollar amount of compensation (which may consist of any mark-up or mark-down, commission or other service charge) or, alternatively, the total dollar amount of commission, if any, and if the registrant applied a mark-up or mark-down or any service charge other than a commission, a prescribed general notification. The notification is a minimum requirement and a firm may elect to provide more information in its trade confirmations.

Each trade should be reported in the currency in which it was executed. If a trade is executed in a foreign currency through a Canadian dollar account, the exchange rate should be reported to the client.

14.14 Account statements

Section 14.14 requires registered dealers and advisers to deliver statements to clients at least once every three months. There is no prescribed form for these statements but they must contain the information referred to in subsections 14.14(4) and (5). The types of transactions that must be disclosed in an account statement include any purchase, sale or transfer of securities, dividend or interest payment received or reinvested, any fee or charge, and any other account activity. A firm must deliver an account statement with the information referred to in subsection (4) if any transaction was made for the client in the reporting period. Effective July 15, 2015, a firm is only required to provide the account balance information referred to in subsection (5) if it holds securities owned by a client in an account of the client.

~~We expect all dealers and advisers to provide client account statements. For example, an exempt market dealer should provide an account statement that contains the information prescribed for all transactions the exempt market dealer has entered into or arranged on a client's behalf.~~

~~The requirement to produce and deliver an account statement may be outsourced. Portfolio managers frequently enter into outsourcing arrangements for the production and delivery of account statements. Third-party pricing providers may also be used to value securities for the purpose of account statements. Like all outsourcing arrangements, the registrant is ultimately responsible for the function and must supervise the service provider. See Part 11 of this Companion Policy for more guidance on outsourcing.~~

14.14.1 Additional statements

A firm is required to deliver additional statements if the circumstances described in subsection 14.14.1(1) apply. The additional statements must be delivered once every three months, except that an adviser must deliver the statements on a monthly basis if requested by the client as provided in subsection 14.14.1(3). The requirements set out for the frequency of delivering account statements and additional statements are minimum standards. Firms may choose to provide the statements more frequently.

Firms may choose to include securities that must be reported under the additional statement requirement in a document that it refers to as an account statement, consistent with their clients' expectations that their accounts are not limited to securities held by the firm, provided it satisfies the requirements for content of statements set out in sections 14.14 and 14.14.1.

14.14.2 Position cost information

Section 14.14.2 requires the delivery on a quarterly basis of position cost information for securities reported in account statements and additional statements. Position cost may be either the book cost or the original cost, as defined in section 1.1. Position cost information provides investors with a comparison to the market value of each security position they have open.

Where securities were transferred from another registrant firm and the information required to calculate position cost is unavailable, a registrant may elect to use market value information as at the date of the transfer as the position cost going forward.

Firms must include the definition of book cost or original cost in client statements. Firms can comply with that requirement by making reference to the definition in a footnote.

Position cost information must be delivered at least quarterly, within 10 days after an account statement or additional statement. A firm may combine position cost information with the statement(s) for the period, or it may send it separately. If it chooses to send position cost information separately, the firm must also include the market value information from the statement(s) for the period in order that the client will be able to readily compare the information. Although a firm may deliver statements under section 14.14 or section 14.14.1 more frequently than quarterly, it is not required to provide position cost information except on a quarterly basis.

14.15 Security holder statements

Section 14.15 sets out the client reporting requirements applicable to a registered investment fund manager where there is no dealer or adviser of record for a security holder on the records of the investment fund manager.

14.16 Scholarship plan dealer statements

Section 14.16 provides that sections 14.14 [*account statements*], 14.14.1 [*additional statements*] and 14.14.2 [*position cost information*] do not apply to a scholarship plan dealer that delivers prescribed information to a client at least once every 12 months. Subsection 14.19(4) sets out performance reporting requirements for scholarship plans.

14.17 Report on charges and other compensation

Registered firms must provide clients with an annual report on the firm's charges and other compensation received by the firm in connection with their investments. Examples of operating charges and transaction charges are provided in the discussion of the disclosure of charges and other compensation in section 14.2 of this Companion Policy.

The discussion of debt security disclosure requirements in section 14.12 of this Companion Policy is also relevant with respect to paragraph 14.17(1)(e).

Scholarship plans often have enrolment fees payable in instalments in the first few years of a client's investment in the plan. Paragraph 14.17(1)(f) requires that scholarship plan dealers include a reminder of the unpaid amount of any such fees in their annual reports on charges and other compensation.

Payments that a registered firm or its registered representatives receive from issuers of securities or other registrants in relation to registerable services to a client must be reported under paragraph 14.17(1)(g). Examples of payments that would be included in this part of the report on charges and other compensation include some referral fees, success fees on the completion of a transaction or finder's fees. This part of the report does not include trailing commissions, as they are specifically addressed in paragraph 14.17(1)(h).

Registered firms must disclose the amount of trailing commissions they received related to a client's holdings. The disclosure of trailing commissions received in respect of a client's investments must be included with a notification prescribed in paragraph 14.17(1)(h). The notification must be in *substantially* the form prescribed, so a registered firm may modify it to be consistent with the actual arrangements. For example, a firm that receives a payment that falls within the definition of "trailing commission" in section 1.1 in respect of securities that are not investment funds can modify the notification accordingly. The notification set out is the required minimum and firms can provide further explanation if they believe it will be helpful to their clients.

Registered firms may want to organize the annual report on charges and other compensation with separate sections showing the charges paid by the client to the firm, and the other compensation received by the firm in respect of the client's account.

Appendix D of this Companion Policy includes a sample Report on Charges and Other Compensation, which registered firms are encouraged to use as guidance.

14.18 Investment performance report

Where more than one registrant provides services pertaining to a client's account, responsibility for performance reporting rests with the registered firm with the client-facing relationship. For example, if a registered adviser has trading authority over a client's account at a registered dealer, the adviser must provide the client with an annual investment performance report; this is not an obligation of the dealer that only executes adviser-directed trades or provides custodial services in respect of the client's account.

Performance reporting to clients is required to be provided separately for each account. Securities of a client required to be reported in an additional statement under section 14.14.1, if any, must be covered in a performance report that also includes any other securities in the account through which they were transacted. However, subsection 14.18(4) provides that with client consent, a registrant may provide consolidated performance reporting for that client. A registrant may also provide a consolidated performance report for multiple clients, such as a family group, but only as a supplemental report, in addition to reports required under section 14.18.

14.19 Content of investment performance report

Subsection 14.19(5) requires the use of each of text, tables and charts in the presentation of investment performance reports. Explanatory notes and the definition of "total percentage return" must also be included. The purpose of these requirements is to make the information as understandable to investors as possible.

To help investors get the most out of their investment performance reports and encourage informed discussion with their registered dealing representative or advising representative, we encourage registered firms to consider including:

- additional definitions of the various performance measures used by the registrant
- additional disclosure that enhances the performance presentation
- a discussion with clients about what the information means to them

Registrants should not mislead a client by presenting a return of the client's capital in a manner that suggests it forms part of the client's return on an investment.

Registered representatives are also encouraged to meet with clients, as part of an in-person or telephone meeting, to help ensure they understand their investment performance reports and how the information relates to the client's investment objectives and risk tolerance.

Appendix E of this Companion Policy includes a sample Investment Performance Report which registered firms are encouraged to use as guidance.

Opening market value, deposits and withdrawals

As part of paragraphs 14.19(1)(a) and (b), registered firms must disclose the market value of cash and securities in the client's account as at the beginning and the end of the 12-month period covered by the investment performance report. The market value of cash and securities at account opening is assumed to be zero.

Under paragraphs 14.19(1)(c) and (d), registered firms must also disclose the market value of all deposits and transfers of cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, for the 12-month period covered by the performance report, as well as since account opening. Deposits and transfers into the account (which do not include reinvested distributions or interest income) should be shown separately from withdrawals and transfers out of the account. Where an account was opened before July 15, 2015 and market values are not available for all deposits, withdrawals and transfers since account opening, under paragraph 14.19(1)(e) registered firms must present the market value of all cash and securities in the client's account as at July 15, 2015, and the market value of all deposits, withdrawals and transfers of cash and securities since July 15, 2015.

Subsection 14.19(7) requires a registered firm that cannot determine the market value for a security position to assign the security a value of zero for the performance reporting purposes and the reason for doing so must be disclosed to the client. The explanation may be included as a note in the performance report. As described in section 14.11.1 of this Companion Policy, if a registered firm is subsequently able to value that security it may need to adjust the calculation of the market values or deposits to avoid presenting a misleading improvement in the performance of the account.

Change in market value

The opening market value, plus deposits and transfers in, less withdrawals and transfers out, should be compared to the market value of the account as at the end of the 12-month period for which the performance reporting is provided and also since inception in order to provide clients, in dollar terms, with the performance of their account.

The change in the market value of the account since inception is the difference between the closing market value of the account and total of opening market value plus deposits less withdrawals since inception. The change in the value of the account for the 12-month period is the difference between the closing market value of the account and total of opening market value plus deposits less withdrawals during the period. Where market values since inception are not available, registered firms are required to disclose the change in value of a client's account since July 15, 2015.

The change in market value includes components such as income (dividends, interest) and distributions, including reinvested income or distributions, realized and unrealized capital gains or losses in the account, and the effect of operating charges and transaction charges if these are deducted directly from the account. Rather than show the change in value as a single amount, registered firms may opt to break this out into its components to provide more detail to clients.

Percentage return calculation method

Paragraph 14.19(1)(i) requires firms to provide the annualized total percentage return using a money-weighted rate of return calculation method. No specific formula is prescribed, but the method used by a firm must be one that is generally accepted in the securities industry. A registered firm may, if it so chooses, provide percentage returns calculated using both money-weighted and time-weighted methods. In such cases, the firm should explain in plain language the difference between the two sets of performance returns.

Paragraph 14.19(1)(j) requires that performance reports provide specified information about how the client's percentage return was calculated. This includes an explanation in general terms of what the calculation method takes into account. For example, a firm could explain that under a money weighted method, decisions a client made about deposits and withdrawals to and from the client's account have affected the returns calculated in the report. A firm that also uses a time weighted method could explain that the returns calculated under this method may not be the same as the actual returns in the client's account because they do not necessarily show the effect of deposits and withdrawals to and from the account. We do not expect firms to include a formula or an exhaustive list. We expect firms to use this notification to help clients understand the most important implications of the calculation methodology.

Performance reporting periods

Subsection 14.19(2) outlines the minimum reporting periods of 1, 3, 5 and 10 years and the period since the inception of the account. Registered firms may opt to provide more frequent performance reporting. However performance returns for periods of less than one year can be misleading and therefore, must not be presented on an annualized basis, consistent with subsection 14.19(6).

Scholarship plans

Under paragraph 14.19(4)(c), for scholarship plans, the information required to be delivered in the investment performance report includes a reasonable projection of future scholarship payments that the plan may pay to the client or the client's designated beneficiary upon the maturity of the client's investment in the plan.

A scholarship plan dealer is also required under paragraph 14.19(4)(d) to provide a summary of any terms of the plan, which if not met by the client or the client's designated beneficiary under the plan, may cause the client or the designated beneficiary to suffer a loss of contributions, earnings or government contributions in the plan. The disclosure here is not intended to be as detailed as the disclosure at account opening. It is intended to remind the client of the unique risks of the plan and the ways in which the client's scholarship plan may be seriously impaired. This disclosure must be consistent with other disclosures required to be delivered to clients under applicable securities legislation.

To the extent that a scholarship plan dealer and the plan itself are not the same legal entity but are affiliates of one another, the dealer may meet obligations to deliver annual investment performance reports by drawing attention to the plan's direct mailing of reports to a client by the plan's administrator.

Benchmarks and investment performance reporting

The use of benchmarks for investment performance reporting is optional. There is no requirement to provide benchmarks to clients in any of the reports required under NI 31-103.

However, we encourage registrants to use benchmarks that are relevant to a client's investments as a useful way for a client to assess the performance of their portfolio. Benchmarks need to be explained to clients in terms they will understand, including factors that should be considered by the client when comparing their investment returns to benchmark returns. For example, a registrant could discuss the differences between the composition of a client's portfolio that reflects the investment strategy they have agreed upon and the composition of an index benchmark, so that a comparison between them is fair and not misleading. A discussion of the impact of operating charges and transaction charges as well as other expenses related to the client's investments would also be helpful to clients, since benchmarks generally do not factor in the costs of investing.

If a registered firm chooses to present benchmark information, the firm should ensure that it is not misleading. We expect registrants to use benchmarks that are

- discussed with clients to ensure they understand the purpose of comparing the performance of their portfolio to the chosen benchmarks and determine if their information needs will be met
- reasonably reflective of the composition of the client's portfolio so as to ensure that a relevant comparison of performance is presented

- relevant in terms of the investing time horizon of the client
- based on widely recognized and available indices that are credible and not manufactured by the registrant or any of its affiliates using proprietary data
- broad-based securities market indices which can be linked to the major asset classes into which the client's portfolio is divided. The determination of a major asset class should be based on the firm's own policies and procedures and the client's portfolio composition. An asset class for benchmarking purposes may be based on the type of security and geographical region. We do not expect an asset class to be determined by industry sector
- presented for the same reporting periods as the client's annualized total percentage returns
- clearly named
- applied consistently from one reporting period to the next for comparability reasons, unless there has been a change to the pre-determined asset classes. In this case, the change in the benchmark(s) presented should be discussed with the client and included in the explanatory notes, along with the reasons for the change

Examples of acceptable benchmarks would include, but are not limited to, the S&P/TSX Composite index for Canadian equities, the S&P 500 index for U.S. equities, and the MSCI EAFE index as a measure of the equity markets outside of North America.

14.20 Delivery of report on charges and other compensation and investment performance report

Registered firms must deliver the annual report on charges and other compensation under section 14.17 and the investment performance report under section 14.18 for a client together. These client reports may be combined with or accompany an account statement or additional statement for a client, or must be sent within 10 days after an account statement or additional statement for the client.

COMPANION POLICY APPENDIX D

[Name of Firm]
Annual Charges and Compensation Report

Client name
Address line 1
Address line 2
Address line 3

Your Account Number: 123456

This report summarizes the compensation that we received directly and indirectly in 20XX. Our compensation comes from two sources:

1. **What we charge you directly. Some of these charges are associated with the operation of your account. Other charges are associated with purchases, sales and other transactions you make in the account.**

2. **What we receive through third parties.**

Charges are important because they reduce your profit or increase your loss from investing. If you need an explanation of the charges described in this report, your representative can help you.

Charges you paid directly to us

RSP administration fee	$100	
Total charges associated with the operation of your account		**$100**
Commissions on purchases of mutual funds with a sales charge	$101	
Switch fees	$45	
Total charges associated with transactions we executed for you		**$146**
Total charges you paid directly to us		**$246**

Compensation we received through third parties

Commissions from mutual fund managers on purchases of mutual funds (see note 1)	$503
Trailing commissions from mutual fund managers (see note 2)	$286
Total compensation we received through third parties	**$789**

Total charges and compensation we received in 20XX	**$1,035**

Notes:

1. When you purchased units of mutual funds on a deferred sales charge basis, we received a commission from the investment fund manager. During the year, these commissions amounted to $503.

2. We received $286 in trailing commissions in respect of securities you owned during the 12-month period covered by this report.

   Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased the fund. You are not directly charged the trailing commission or the management fee. But, these fees affect you because they reduce the amount of the fund's return to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund.

Our current schedule of operating charges

[*As part of the annual report of charges and compensation, registrants are required to provide their current operating charges that may be applicable to their clients' accounts. For the purposes of this sample document, we are not providing such a list.*]

COMPANION POLICY APPENDIX E

Your investment performance report **For the period ending December 31, 2030**
Investment account 123456789

Client name
Address line 1
Address line 2
Address line 3

This report tells you how your account has performed to December 31, 2030. It can help you assess your progress toward meeting your investment goals.

Speak to your representative if you have questions about this report. It is important that you tell your representative if your personal or financial circumstances have changed. Your representative can recommend adjustments to your investments to keep you on track to meeting your goals.

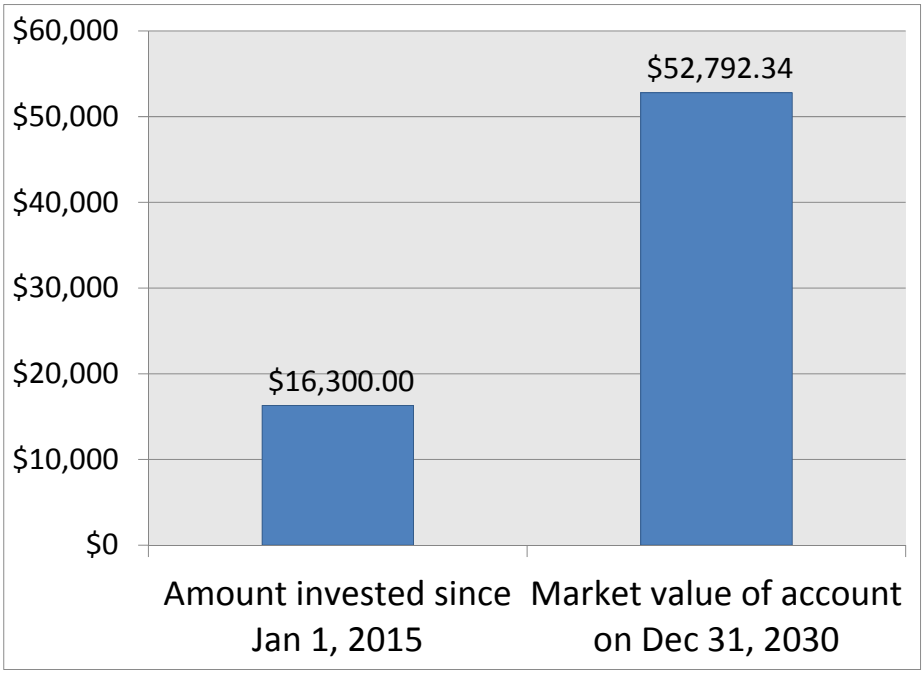
Amount invested means opening market value plus deposits including:
the market value of all deposits and transfers of securities and cash into your account, not including interest or dividends reinvested.

Less withdrawals including:
the market value of all withdrawals and transfers out of your account.

Total value summary

Your investments have increased by $36,492.34 since you opened the account
Your investments have increased by $2,928.85 during the past year

Amount invested since you opened your account on January 1, 2015	$16,300.00
Market value of your account on December 31, 2030	**$52,792.34**



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Change in the value of your account

This table is a summary of the activity in your account. It shows how the value of your account has changed based on the type of activity.

	Past year	Since you opened your account
Opening market value	$51,063.49	$0.00
Deposits	$4,000.00	$21,500.00
Withdrawals	$(5,200.00)	$(5,200.00)
Change in the market value of your account	$2,928.85	$36,492.34
Closing market value	**$52,792.34**	**$52,792.34**

Your personal rates of return

What is a total percentage return?
This represents gains and losses of an investment over a specified period of time, including realized and unrealized capital gains and losses plus income, expressed as a percentage.

For example, an annual total percentage return of 5% for the past three years means that the investment effectively grew by 5% a year in each of the three years.

The table below shows the total percentage return of your account for periods ending December 31, 2030. Returns are calculated after charges have been deducted. These include charges you pay for advice, transaction charges and account-related charges, but not income tax.

Keep in mind your returns reflect the mix of investments and risk level of your account. When assessing your returns, consider your investment goals, the amount of risk you're comfortable with, and the value of the advice and services you receive.

	Past year	Past 3 years	Past 5 years	Past 10 years	Since you opened your account
Your account	5.51%	10.92%	12.07%	12.90%	13.09%

Calculation method
We use a money weighted method to calculate rates of return. Contact your representative if you want more information about this calculation.

The returns in this table are your personal rates of return. Your returns are affected by changes in the value of the securities you have invested in, dividends and interest that they paid, and also deposits and withdrawals to and from your account.

If you have a personal financial plan, it will contain a target rate of return, which is the return required to achieve your investment objectives. By comparing the rates of return you actually achieved (shown in the table) with your target rate of return, you can see whether you are on track to meet your investment objectives.

Contact your representative to discuss your rate of return and investment objectives.

ANNEX E

LOCAL MATTERS

Notice of Commission Approval

On March 12, 2013, the Ontario Securities Commission (the Commission) approved the amending instrument to NI 31-103 (the Amending Instrument) pursuant to section 143 of the Securities Act (Ontario) (the Act). Also on that day, the Commission adopted the changes to 31-103CP. Immaterial changes to 31-103CP were adopted by a quorum of the Commission on March 15, 2013. On March 22, 2013, a quorum of the Commission approved immaterial changes to the Amending Instrument and adopted further immaterial changes to 31-103CP.

Delivery to the Minister

The Materials were delivered to the Minister of Finance on March 28, 2013. The Minister may approve or reject the Amending Instrument or return it for further consideration. If the Minister approves the Amending Instrument or does not take any further action by May 27, 2013, the Amending Instrument will come into force on July 15, 2013. The changes to 31-103CP will also take effect on July 15, 2013.

BLACK-LINE OF AMENDMENTS TO

NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

This document shows the amendments to NI 31-103 against the relevant portions of the unofficial consolidation of NI 31-103 published on September 28, 2012. Unless otherwise stated, the amendments come into force on July 15, 2013.

1.1 Definitions of terms used throughout this Instrument

….

The following defined term is added to section 1.1 on July 15, 2015:

"book cost" means the total amount paid to purchase a security, including any transaction charges related to the purchase, adjusted for reinvested distributions, returns of capital and corporate reorganizations;

….

"operating charge" means any amount charged to a client by a registered firm in respect of the operation, transfer or termination of a client's account and includes any federal, provincial or territorial sales taxes paid on that amount;

The following defined term is added to section 1.1 on July 15, 2015:

"original cost" means the total amount paid to purchase a security, including any transaction charges related to the purchase;

….

The following defined term is added to section 1.1 on July 15, 2016:

"total percentage return" means the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage;

The following defined term is added to section 1.1 on July 15, 2014:

"trailing commission" means any payment related to a client's ownership of a security that is part of a continuing series of payments to a registered firm or registered individual by any party;

"transaction charge" means any amount charged to a client by a registered firm in respect of a purchase or sale of a security and includes any federal, provincial or territorial sales taxes paid on that amount;

….

Part 14 Handling client accounts – firms

Division 1 ~~*Exemption for investment fund managers*~~*Investment fund managers*

14.1 ~~Investment fund managers exempt from Part 14~~Application of this Part to investment fund managers

Other than ~~sections~~section 14.6 ~~[*holding client assets in trust*]~~, subsection 14.12(5) ~~[*content and delivery of trade confirmation*]~~ and section 14.14~~14.14 [*account statements*]~~, this Part does not apply to an investment fund manager in respect of its activities as an investment fund manager.

Section 14.1 is modified as follows on July 15, 2015:

Other than section 14.6, subsection 14.12(5) and ~~section 14.14~~section 14.15, this Part does not apply to an investment fund manager in respect of its activities as an investment fund manager.

Section 14.1 is modified as follows on July 15, 2016:

Other than section 14.1.1, section 14.6, subsection 14.12(5) and section 14.15, this Part does not apply to an investment fund manager in respect of its activities as an investment fund manager.

The following section comes into force on July 15, 2016:

14.1.1 Duty to provide information

An investment fund manager of an investment fund must, within a reasonable period of time, provide a registered dealer, or a registered adviser, who has a client that owns securities of the investment fund, with the information concerning deferred sales charges and any other charges deducted from the net asset value of securities, and the information concerning trailing commissions paid to the dealer or adviser, that is required by the dealer or adviser in order to comply with paragraphs 14.12(1)(c) and 14.17(1)(h).

Division 2 Disclosure to clients

14.2 Relationship disclosure information

(1) A registered firm must deliver to a client all information that a reasonable investor would consider important about the client's relationship with the registrant.

(2) ~~The information~~Without limiting subsection (1), the information ~~required to be~~ delivered under that subsection ~~(1) includes all of~~must include the following:

(a) a description of the nature or type of the client's account;

(b) a ~~discussion that identifies~~general description of the products ~~or~~and services the registered firm offers to ~~a client~~the client;

(c) a general description of the types of risks that a client should consider when making an investment decision;

(d) a description of the risks to a client of using borrowed money to finance a purchase of a security;

(e) a description of the conflicts of interest that the registered firm is required to disclose to a client under securities legislation;

~~(f) disclosure of all costs to a client for the operation of an account;~~

(f) disclosure of the operating charges the client might be required to pay related to the client's account;

~~(g) a description of the costs a client will pay in making, holding and selling investments;~~

(g) a general description of the types of transaction charges the client might be required to pay;

(h) a general description of ~~the compensation~~any compensation paid to the registered firm by any other party in relation to the different types of products that a client may purchase through the registered firm;

(i) a description of the content and frequency of reporting for each account or portfolio of a client;

(j) if section 13.16 [*dispute resolution service*] applies to the registered firm, disclosure that independent dispute resolution or mediation services are available at the ~~registered firm's expense~~firm's expense, to resolve any dispute that might arise between the client and the firm about any trading or advising activity of the firm or one of its representatives;

(k) a statement that the registered firm has an obligation to assess whether a purchase or sale of a security is suitable for a client prior to executing the transaction or at any other time;

(l) the information a registered firm must collect about the client under section 13.2 [*know your client*].

The following paragraphs come into force on July 15, 2014:

(m) a general explanation of how investment performance benchmarks might be used to assess the performance of a client's investments and any options for benchmark information that might be made available to clients by the registered firm;

(n) if the registered firm is a scholarship plan dealer, an explanation of any terms of the scholarship plan offered to the client by the registered firm that, if those terms are not met by the client or the client's designated beneficiary under the plan, might cause the client or the designated beneficiary to suffer a loss of contributions, earnings or government contributions in the plan.

(3) A registered firm must deliver ~~to a client~~ the information in ~~subsection (1)~~subsection (1), if applicable, and subsection (2) to the client in writing, except that the information in paragraph (2)(b) may be provided orally or in writing, before the firm first

(a) purchases or sells a security for the client, or

(b) advises the client to purchase, sell or hold a security.

(4) If there is a significant change ~~to~~in respect of the information delivered to a client under ~~subsection~~subsections (1) or (2), the registered firm must take reasonable steps to notify the client of the change in a timely manner and, if possible, before the firm next

(a) purchases or sells a security for the client~~,~~; or

(b) advises the client to purchase, sell or hold a security.

(5) (repealed)

(5.1) A registered firm must not impose any new operating charge in respect of an account of a client, or increase the amount of any operating charge in respect of an account of a client, unless written notice of the new or increased operating charge is provided to the client at least 60 days before the date on which the imposition or increase becomes effective.

~~**(6)** This section does not apply to a registrant in respect of a permitted client if~~

~~(a) the permitted client has waived, in writing, the requirements under this section, and~~

~~(b) the registrant does not act as an adviser in respect of a managed account of the permitted client.~~

(6) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

(7) Except for subsections (5.1), (6) and (8), this section does not apply to a registered dealer in respect of a client for whom the dealer purchases or sells securities only as directed by a registered adviser acting for the client.

(8) A registered dealer referred to in subsection (7) must deliver the information required under paragraphs (2)(a) and (e) to (j) to the client in writing, and the information in paragraph (2)(b) orally or in writing, before the dealer first purchases or sells a security for the client.

The following section comes into force on July 15, 2014:

14.2.1 Pre-trade disclosure of charges

(1) Before a registered firm accepts an instruction from a client to purchase or sell a security in an account other than a managed account, the firm must disclose to the client

(a) the charges the client will be required to pay in respect of the purchase or sale, or a reasonable estimate if the actual amount of the charges is not known to the firm at the time of disclosure,

(b) in the case of a purchase to which deferred charges apply, that the client might be required to pay a deferred sales charge on the subsequent sale of the security and the fee schedule that will apply, and

(c) whether the firm will receive trailing commissions in respect of the security.

(2) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

(3) This section does not apply to a dealer in respect of a client for whom the dealer purchases or sells securities only as directed by a registered adviser acting for the client.

….

Division 5 ~~*Account activity reporting*~~*Reporting to clients*

The following section comes into force on July 15, 2015:

14.11.1 Determining market value

(1) For the purposes of this Division, the market value of a security

(a) that is issued by an investment fund which is not listed on an exchange must be determined by reference to the net asset value provided by the investment fund manager of the fund on the relevant date,

(b) in any other case, is the amount that the registered firm reasonably believes to be the market value of the security

(i) after referring to a price quotation on a marketplace, if one is published for the security, using the last bid price in the case of a long security and the last ask price in the case of a short security, as shown on a consolidated pricing list or exchange quotation sheet as of the close of business on the relevant date or the last trading day before the relevant date, and after making any adjustments considered by the registered firm to be necessary to accurately reflect the market value,

(ii) if no reliable price for the security is quoted on a marketplace, after referring to a published market report or inter-dealer quotation sheet, on the relevant date or the last trading day before the relevant date, and after making any adjustments considered by the registered firm to be necessary to accurately reflect the market value,

(iii) if the market value for the security cannot be reasonably determined in accordance with subparagraphs (i) or (ii), after applying the policy of the registered firm for determining market value, which must include procedures to assess the reliability of valuation inputs and assumptions and provide for

(A) the use of inputs that are observable, and

(B) the use of unobservable inputs and assumptions, if observable inputs are not reasonably available.

(2) If a registered firm determines the market value of a security in accordance with subparagraph (1)(b)(iii), when it refers to the market value in a statement under section 14.14 [*account statements*], 14.14.1 [*additional statements*], 14.14.2 [*position cost information*], 14.15 [*security holder statements*] or 14.16 [*scholarship plan dealer statements*], the registered firm must include the following notification or a notification that is substantially similar:

"There is no active market for this security so we have estimated its market value."

(3) If a registered firm reasonably believes that it cannot determine the market value of a security in accordance with subsection (1), the market value of the security must be reported in a statement delivered under section 14.14 [*account statements*], 14.14.1 [*additional statements*], 14.14.2 [*position cost information*], 14.15 [*security holder statements*] or 14.16 [*scholarship plan dealer statements*] as not determinable, and the market value of the security must be excluded from the calculations in paragraphs 14.14(5)(b), 14.14.1(2)(b) and 14.14.2(5)(a).

Subsection 14.11.1(3) is modified as follows on July 15, 2016:

(3) If a registered firm reasonably believes that it cannot determine the market value of a security in accordance with subsection (1), the market value of the security must be reported in a statement delivered under section 14.14 [account statements], 14.14.1 [*additional statements*], 14.14.2 [*position cost information*], 14.15 [*security holder statements*] or 14.16 [*scholarship plan dealer statements*] and in an investment performance report delivered under section 14.18 [*investment performance report*] as not determinable, and the market value of the security must be excluded from the calculations in paragraphs 14.14(5)(b), 14.14.1(2)(b) and 14.14.2(5)(a) and subsection 14.19(1) [*content of investment performance report*].

14.12 Content and delivery of trade confirmation

(1) A registered dealer that has acted on behalf of a client in connection with a purchase or sale of a security must promptly deliver to the client or, if the client consents in writing, to a registered adviser acting for the client, a written confirmation of the transaction, setting out the following:

(a) the quantity and description of the security purchased or sold;

(b) the price per security paid or received by the client;

(c) the commission, sales charge, service charge and any other amount charged in respect of the transaction;

(d) whether the registered dealer acted as principal or agent;

(e) the date and the name of the marketplace, if any, on which the transaction took place, or if applicable, a statement that the transaction took place on more than one marketplace or over more than one day;

(f) the name of the dealing representative, if any, involved in the transaction;

(g) the settlement date of the transaction;

(h) if applicable, that the security is a ~~security of~~security issued by the ~~registrant~~registered dealer, a ~~security of~~security issued by a related issuer of the ~~registrant~~registered dealer or, if the transaction occurred during the security's distribution, a ~~security of~~security issued by a connected issuer of the registered dealer.

The following paragraphs come into force on July 15, 2014:

(b.1) in the case of a purchase of a debt security, the security's annual yield;

(c.1) in the case of a purchase or sale of a debt security, either of the following:

(i) the total amount of any mark-up or mark-down, commission or other service charges the registered dealer applied to the transaction;

(ii) the total amount of any commission charged to the client by the registered dealer and, if the dealer applied a mark-up or mark-down or any service charge other than a commission, the following notification or a notification that is substantially similar:

"Dealer firm remuneration has been added to the price of this security (in the case of a purchase) or deducted from the price of this security (in the case of a sale). This amount was in addition to any commission this trade confirmation shows was charged to you.";

Paragraph (c) is replaced with the following on July 15, 2016:

(c) the amount of each transaction charge, deferred sales charge or other charge in respect of the transaction, and the total amount of all charges in respect of the transaction;

….

14.14 Account statements

(1) A registered dealer must deliver a statement to a client at least once every 3 months.

(2) Despite subsection (1), a registered dealer must deliver a statement to a client ~~at~~after the end of a month if any of the following apply:

(a) the client has requested ~~receiving~~to receive statements on a monthly basis;

(b) during the month, a transaction was effected in the account other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan.

(2.1) Subsection (2) does not apply to a mutual fund dealer in connection with its activities as a dealer in respect of the securities listed in section 7.1(2)(b).

(3) ~~Except if the client has otherwise directed, a~~A registered adviser must deliver a statement to a client at least once every 3 months, except that if the client has requested to receive statements on a monthly basis, the adviser must deliver a statement to the client every month.

(3.1) If there is no dealer of record for a security holder on the records of a registered investment fund manager, the investment fund manager must deliver a statement to the security holder at least once every 12 months.

(4) A statement delivered under subsection (1), (2), (3), or (3.1) must include all of the following information for each transaction made for the client or security holder during the period covered by the statement:

(a) the date of the transaction;

(b) ~~the type of~~whether the transaction was a purchase, sale or transfer;

(c) the name of the security;

(d) the number of securities;

(e) the price per security if the transaction was a purchase or sale;

(f) the total value of the transaction if it was a purchase or sale.

(5) A statement delivered under subsection (1), (2), (3), or (3.1) must include all of the following information about the client's or security holder's account as at the end of the period for which the statement is made:

(a) the name and quantity of each security in the account;

(b) the market value of each security in the account;

(c) the total market value of each security position in the account;

(d) any cash balance in the account;

(e) the total market value of all cash and securities in the account.

(6) Subsections (1) and (2) do not apply to a scholarship plan dealer if both of the following apply:

(a) the dealer is not registered in another dealer or adviser category;

(b) the dealer delivers to the client a statement at least once every 12 months that provides the information in subsections (4) and (5).

Section 14.14 is modified as follows on July 15, 2015:

14.14 Account statements

(1) A registered dealer must ~~deliver a statement to a client at least once every 3 months~~deliver to a client a statement that includes the information referred to in subsections (4) and (5)

(a) at least once every 3 months, or

(b) if the client has requested to receive statements on a monthly basis, for each one-month period.

(2) ~~Despite subsection (1), a~~A registered dealer must ~~deliver a statement to a client after the end of a month if any of the following apply:~~

~~(a) the client has requested to receive statements on a monthly basis;~~

~~(b) during the month, a transaction was effected in the account other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan~~deliver to a client a statement that includes the information referred to in subsections (4) and (5) after the end of any month in which a transaction was effected in securities held by the dealer in the client's account, other than a transaction made under an automatic withdrawal plan or an automatic payment plan, including a dividend reinvestment plan.

(2.1) ~~Subsection (2) does~~Paragraph 1(b) and subsection (2) do not apply to a mutual fund dealer in connection with its activities as a dealer in respect of the securities listed in ~~section 7.1(2)(b)~~paragraph 7.1(2)(b) [*dealer categories*].

(3) A registered adviser must ~~deliver a statement to a client~~deliver to a client a statement that includes the information referred to in subsections (4) and (5) at least once every 3 months, except that if the client has requested to receive statements on a monthly basis, the adviser must deliver a statement to the client ~~every month~~for each one-month period.

(3.1) (repealed)

(4) ~~A statement delivered under subsection (1), (2), (3), or (3.1) must include all of the following information for each transaction made for the client or security holder during the period covered by the statement~~If a registered dealer or registered adviser made a transaction for a client during the period covered by a statement delivered under subsections (1), (2) or (3), the statement must include the following:

(a) the date of the transaction;

(b) whether the transaction was a purchase, sale or transfer;

(c) the name of the security;

(d) the number of securities;

(e) the price per security if the transaction was a purchase or sale;

(f) the total value of the transaction if it was a purchase or sale.

(5) ~~A statement delivered under subsection (1), (2), (3), or (3.1) must include all of the following information about the client's or security holder's account as at the end of the period for which the statement is made~~If a registered dealer or registered adviser holds securities owned by a client in an account of the client, a statement delivered under subsections (1), (2) or (3) must indicate that the securities are held for the client by the registered firm and must include the following information about the client's account determined as at the end of the period for which the statement is made:

(a) the name and quantity of each security in the account;

(b) the market value of each security in the account and, if applicable, the notification in subsection 14.11.1(2) [*determining market value*];

(c) the total market value of each security position in the account;

(d) any cash balance in the account;

(e) the total market value of all cash and securities in the account;

(f) whether the account is covered under an investor protection fund approved or recognized by the securities regulatory authority and, if it is, the name of the investor protection fund;

(g) which securities in the account might be subject to a deferred sales charge if they are sold.

(6) (repealed)

(7) For the purposes of this section, a security is considered to be held by a registered firm for a client if

(a) the firm is the registered owner of the security as nominee on behalf of the client, or

(b) the firm has physical possession of a certificate evidencing ownership of the security.

The following sections come into force on July 15, 2015:

14.14.1 Additional statements

(1) A registered dealer or registered adviser must deliver a statement that includes the information referred to in subsection (2) to a client if any of the following apply in respect of a security owned by the client that is held or controlled by a party other than the dealer or adviser:

(a) the dealer or adviser has trading authority over the security or the client's account in which the security is held or was transacted;

(b) the dealer or adviser receives continuing payments related to the client's ownership of the security from the issuer of the security, the investment fund manager of the issuer or any other party;

(c) the security is issued by a scholarship plan, a mutual fund or an investment fund that is a labour-sponsored investment fund corporation, or labour-sponsored venture capital corporation, under legislation of a jurisdiction of Canada and the dealer or adviser is the dealer or adviser of record for the client on the records of the issuer of the security or the records of the issuer's investment fund manager.

(2) A statement delivered under subsection (1) must include the following in respect of the securities or the account referred to in subsection (1), determined as at the end of the period for which the statement is made:

(a) the name and quantity of each security;

(b) the market value of each security and, if applicable, the notification in subsection 14.11.1(2) [*determining market value*];

(c) the total market value of each security position;

(d) any cash balance in the account;

(e) the total market value of all of the cash and securities;

(f) the name of the party that holds or controls each security and a description of the way it is held;

(g) whether the securities are covered under an investor protection fund approved or recognized by the securities regulatory authority and, if they are, the name of the fund;

(h) which of the securities might be subject to a deferred sales charge if they are sold.

(3) If subsection (1) applies to a registered dealer or a registered adviser, the dealer or adviser must deliver a statement that includes the information in subsection (2) to a client at least once every 3 months, except that if a client has requested to receive statements on a monthly basis, the adviser must deliver a statement to the client every month.

(4) If subsection (1) applies to a registered dealer or a registered adviser that is also required to deliver a statement to a client under subsection 14.14(1) or (3), a statement delivered under subsection (1) must be delivered to the client in one of the following ways:

(a) combined with a statement delivered to the client under subsection 14.14(1) or (3) for the period ending on the same date;

(b) as a separate document accompanying a statement delivered to the client under subsection 14.14(1) or (3) for the period ending on the same date;

(c) as a separate document delivered within 10 days after the statement delivered to the client under subsection 14.14(1) or (3) for the period ending on the same date.

(5) For the purposes of this section, a security is considered to be held for a client by a party other than the registered firm if any of the following apply:

(a) the other party is the registered owner of the security as nominee on behalf of the client;

(b) ownership of the security is recorded on the books of its issuer in the client's name;

(c) the other party has physical possession of a certificate evidencing ownership of the security;

(d) the client has physical possession of a certificate evidencing ownership of the security.

(6) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

14.14.2 Position cost information

(1) If a registered dealer or registered adviser is required to deliver a statement to a client that includes information required under subsection 14.14(5) [*account statements*] or 14.14.1(2) [*additional statements*], the dealer or adviser must deliver the information referred to in subsection (2) to a client at least once every 3 months.

(2) The information delivered under subsection (1) must disclose the following:

(a) for each security position in the statement opened on or after July 15, 2015,

(i) the cost of the position, determined as at the end of the period for which the information under subsection 14.14(5) or 14.14.1(2) is provided, presented on an average cost per unit or share basis or on an aggregate basis, or

(ii) if the security position was transferred from another registered firm, the information referred to in subparagraph (i) or the market value of the security position as at the date of the position's transfer if it is also disclosed in the statement that it is the market value as of the transfer date, not the cost of the security position, that is being disclosed;

(b) for each security position in the statement opened before July 15, 2015,

(i) the cost of the position, determined as at the end of the period for which the information under subsection 14.14(5) or 14.14.1(2) is provided, presented on an average cost per unit or share basis or on an aggregate basis, or

(ii) the market value of the security position as at July 15, 2015 or an earlier date, if the same date and value are used for all clients of the firm holding that security and it is also disclosed in the statement that it is the market value as of that date, not the cost of the security position, that is being disclosed;

(c) the total cost of all of the security positions in the statement, determined in accordance with paragraphs (a) and (b);

(d) for each security position for which the registered firm reasonably believes it cannot determine the cost in accordance with paragraphs (a) and (b), disclosure of that fact in the statement.

(3) The cost of security positions required to be disclosed under subsection (2) must be either the book cost or the original cost and must be accompanied by the definition of "book cost" in section 1.1 or the definition of "original cost" in section 1.1, as applicable.

(4) The information delivered under subsection (1) must be delivered to the client in one of the following ways:

(a) combined with a statement delivered to the client that includes the information required under subsection 14.14(5) or 14.14.1(2) for the period ending on the same date;

(b) in a separate document accompanying a statement delivered to the client that includes information required under subsection 14.14(5) or 14.14.1(2) for the period ending on the same date;

(c) in a separate document delivered within 10 days after a statement delivered to the client that includes information required under subsection 14.14(5) or 14.14.1(2) for the period ending on the same date.

(5) If the information under subsection (1) is delivered to the client in a separate document in accordance with paragraph (4)(c), the separate document must also include the following:

(a) the market value of each security in the statement and, if applicable, the notification in subsection 14.11.1(2) [*determining market value*];

(b) the total market value of each security position in the statement;

(c) the total market value of all cash and securities in the statement.

(6) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

14.15 Security holder statements

If there is no dealer or adviser of record for a security holder on the records of a registered investment fund manager, the investment fund manager must deliver to the security holder at least once every 12 months a statement that includes the following:

(a) the information required under subsection 14.14(4) [*account statements*] for each transaction that the registered investment fund manager made for the security holder during the period;

(b) the information required under subsection 14.14.1(2) [*additional statements*] for the securities of the security holder that are on the records of the registered investment fund manager;

(c) the information required under section 14.14.2 [*position cost information*].

14.16 Scholarship plan dealer statements

Sections 14.14 [*account statements*], 14.14.1 [*additional statements*] and 14.14.2 [*position cost information*] do not apply to a scholarship plan dealer if both of the following apply:

(a) the scholarship plan dealer is not registered in another dealer or adviser category;

(b) the scholarship plan dealer delivers to a client a statement at least once every 12 months that provides the information required under subsections 14.14(4) and 14.14.1(2).

The following sections come into force on July 15, 2016:

14.17 Report on charges and other compensation

(1) For each 12-month period, a registered firm must deliver to a client a report on charges and other compensation containing the following information, except that the first report delivered after a client has opened an account may cover a period of less than 12 months:

(a) the registered firm's current operating charges which might be applicable to the client's account;

(b) the total amount of each type of operating charge related to the client's account paid by the client during the period covered by the report, and the total amount of those charges;

(c) the total amount of each type of transaction charge related to the purchase or sale of securities paid by the client during the period covered by the report, and the total amount of those charges;

(d) the total amount of the operating charges reported under paragraph (b) and the transaction charges reported under paragraph (c);

(e) if the registered firm purchased or sold debt securities for the client during the period covered by the report, either of the following:

(i) the total amount of any mark-ups, mark-downs, commissions or other service charges the firm applied on the purchases or sales of debt securities;

(ii) the total amount of any commissions charged to the client by the firm on the purchases or sales of debt securities and, if the firm applied mark-ups, mark-downs or any service charges other than commissions on the purchases or sales of debt securities, the following notification or a notification that is substantially similar:

"For debt securities purchased or sold for you during the period covered by this report, dealer firm remuneration was added to the price you paid (in the case of a purchase) or deducted from the price you received (in the case of a sale). This amount was in addition to any commissions you were charged.";

(f) if the registered firm is a scholarship plan dealer, the unpaid amount of any enrolment fee or other charge that is payable by the client;

(g) the total amount of each type of payment, other than a trailing commission, that is made to the registered firm or any of its registered individuals by a securities issuer or another registrant in relation to registerable services to the client during the period covered by the report, accompanied by an explanation of each type of payment;

(h) if the registered firm received trailing commissions related to securities owned by the client during the period covered by the report, the following notification or a notification that is substantially similar:

"We received $[amount] in trailing commissions in respect of securities you owned during the 12-month period covered by this report.

Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased the fund. You are not directly charged the trailing commission or the management fee. But, these fees affect you because they reduce the amount of the fund's return to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund."

(2) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14(5) [*account statements*] must be delivered in a separate report on charges and other compensation for each of the client's accounts.

(3) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14.1(1) [*additional statements*] must be delivered in a report on charges and other compensation for the client's account through which the securities were transacted.

(4) Subsections (2) and (3) do not apply if the registered firm provides a report on charges and other compensation that consolidates, into a single report, the required information for more than one of a client's accounts and any securities of the client required to be reported under subsection 14.14(5) or 14.14.1(1) and if the following apply:

(a) the client has consented in writing to the form of disclosure referred to in this subsection;

(b) the consolidated report specifies the accounts and securities with respect to which information is required to be reported under subsection 14.14.1(1) [*additional statements*].

(5) This section does not apply to a registered firm in respect of a permitted client that is not an individual.

14.18 Investment performance report

(1) A registered firm must deliver an investment performance report to a client every 12 months, except that the first report delivered after a registered firm first makes a trade for a client may be sent within 24 months after that trade.

(2) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14(5) [*account statements*] must be delivered in a separate report for each of the client's accounts.

(3) For the purposes of this section, the information in respect of securities of a client required to be reported under subsection 14.14.1(1) [*additional statements*] must be delivered in the report for each of the client's accounts through which the securities were transacted.

(4) Subsections (2) and (3) do not apply if the registered firm provides a report that consolidates, into a single report, the required information for more than one of a client's accounts and any securities of the client required to be reported under subsections 14.14(5) or 14.14.1(1) and if the following apply:

(a) the client has consented in writing to the form of disclosure referred to in this subsection;

(b) the consolidated report specifies the accounts and securities with respect to which information is required to be reported under subsection 14.14.1(1) [*additional statements*].

(5) This section does not apply to

(a) a client's account that has existed for less than a 12-month period;

(b) a registered dealer in respect of a client's account in which the dealer executes trades only as directed by a registered adviser acting for the client; and

(c) a registered firm in respect of a permitted client that is not an individual.

(6) If a registered firm reasonably believes there are no securities of a client with respect to which information is required to be reported under subsection 14.14(5) [*account statements*] or subsection 14.14.1(1) [*additional statements*] and for which a market value can be determined, the firm is not required to deliver a report to the client for the period.

14.19 Content of investment performance report

(1) An investment performance report required to be delivered under section 14.18 by a registered firm must include all of the following in respect of the securities referred to in a statement in respect of which subsections 14.14(1), (2) or (3) [*account statements*] or 14.14.1(1) [*additional statements*] apply:

(a) the market value of all cash and securities in the client's account as at the beginning of the 12-month period covered by the investment performance report;

(b) the market value of all cash and securities in the client's account as at the end of the 12-month period covered by the investment performance report;

(c) the market value of all deposits and transfers of cash and securities into the client's account, and the market value of all withdrawals and transfers of cash and securities out of the account, in the 12-month period covered by the investment performance report;

(d) subject to paragraph (e), the market value of all deposits and transfers of cash and securities into the client's account, and the market value of all withdrawals and transfers of cash and securities out of the account, since opening the account;

(e) if the client's account was opened before July 15, 2015 and the registered firm reasonably believes market values are not available for all deposits, withdrawals and transfers since the account was opened, the following:

(i) the market value of all cash and securities in the client's account as at July 15, 2015;

(ii) the market value of all deposits and transfers of cash and securities into the account, and the market value of all withdrawals and transfers of cash and securities out of the account, since July 15, 2015;

(f) the annual change in the market value of the client's account for the 12-month period covered by the investment performance report, determined using the following formula

$$A - B - C + D$$

where

A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;

B = the market value of all cash and securities in the account at the beginning of that 12-month period;

C = the market value of all deposits and transfers of cash and securities into the account in that 12-month period; and

D = the market value of all withdrawals and transfers of cash and securities out of the account in that 12-month period;

(g) subject to paragraph (h), the cumulative change in the market value of the account since the account was opened, determined using the following formula

$$A - E + F$$

where

A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;

E = the market value of all deposits and transfers of cash and securities into the account since account opening; and

F = the market value of all withdrawals and transfers of cash and securities out of the account since account opening;

(h) if the registered firm reasonably believes the market value of all deposits and transfers of cash and securities into the account since the account was opened or the market value of all withdrawals and transfers of cash and securities out of the account since the account was opened required in paragraph (g) is not available to the registered firm, the cumulative change in the market value of the account determined using the following formula

$$A - G - H + I$$

where

A = the market value of all cash and securities in the account as at the end of the 12-month period covered by the investment performance report;

G = the market value of all cash and securities in the account as at July 15, 2015;

H = the market value of all deposits and transfers of cash and securities into the account since July 15, 2015; and

I = the market value of all withdrawals and transfers of cash and securities out of the account since July 15, 2015;

(i) the amount of the annualized total percentage return for the client's account calculated net of charges, using a money-weighted rate of return calculation method generally accepted in the securities industry;

(j) the definition of "total percentage return" in section 1.1 and a notification indicating the following:

(i) that the total percentage return in the investment performance report was calculated net of charges;

(ii) the calculation method used;

(iii) a general explanation in plain language of what the calculation method takes into account.

(2) The information delivered for the purposes of paragraph (1)(i) must be provided for each of the following periods:

(a) the 12-month period covered by the investment performance report;

(b) the 3-year period preceding the end of the 12-month period covered by the report;

(c) the 5-year period preceding the end of the 12-month period covered by the report;

(d) the 10-year period preceding the end of the 12-month period covered by the report;

(e) the period since the client's account was opened if the account has been open for more than one year before the date of the report or, if the account was opened before July 15, 2015 and the registered firm reasonably believes the annualized total percentage return for the period before July 15, 2015 is not available, the period since July 15, 2015.

(3) Despite subsection (2), if any portion of a period referred to in paragraphs (2)(b), (c) or (d) was before July 15, 2015, the registered firm is not required to report the annualized total percentage return for that period.

(4) Despite subsection (1), the information a scholarship plan dealer is required to deliver under section 14.18 [*investment performance report*] in respect of each scholarship plan in which a client has invested through the scholarship plan dealer is the following:

(a) the total amount that the client has invested in the plan as at the date of the investment performance report;

(b) the total amount that would be returned to the client if, as at the date of the investment performance report, the client ceased to make prescribed payments into the plan;

(c) a reasonable projection of future payments that the plan might pay to the client's designated beneficiary under the plan, or to the client, at the maturity of the client's investment in the plan;

(d) a summary of any terms of the plan that, if not met by the client or the client's designated beneficiary under the plan, might cause the client or the designated beneficiary to suffer a loss of contributions, earnings or government contributions in the plan.

(5) The information delivered under section 14.18 [*investment performance report*] must be presented using text, tables and charts, and must be accompanied by notes in the investment performance report explaining

(a) the content of the report and how a client can use the information to assess the performance of the client's investments; and

(b) the changing value of the client's investments as reflected in the information in the report.

(6) If a registered firm delivers information required under this section in a report to a client for a period of less than one year, the firm must not calculate the disclosed information on an annualized basis.

(7) If the registered firm reasonably believes the market value cannot be determined for a security position, the market value must be assigned a value of zero in the calculation of the information delivered under subsection 14.18(1) and the fact that its market value could not be determined must be disclosed to the client.

14.20 Delivery of report on charges and other compensation and investment performance report

(1) A report under section 14.17 [*report on charges and other compensation*] and a report under section 14.18 [*investment performance report*] must include information for the same 12-month period and the reports must be delivered together in one of the following ways:

(a) combined with a statement delivered to the client that includes information required under subsection 14.14(1), (2) or (3) [*account statements*], subsection 14.14.1(2) [*additional statements*] or section 14.16 [*scholarship plan dealer statements*];

(b) accompanying a statement delivered to the client that includes information required under subsection 14.14(1), (2) or (3) [*account statements*], subsection 14.14.1(2) [*additional statements*] or section 14.16 [*scholarship plan dealer statements*];

(c) within 10 days after a statement delivered to the client that includes information required under subsection 14.14(1),(2) or (3) [*account statements*], subsection 14.14.1(2) [*additional statements*] or section 14.16 [*scholarship plan dealer statements*].

(2) Subsection (1) does not apply in respect of the first report under section 14.17 [*report on charges and other compensation*] and the first report under section 14.18 [*investment performance report*] for a client.

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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
06/14/2012 to 11/29/2012	1	1525104 Alberta Ltd. - Units	250,000.00	416,667.00
03/15/2013	6	Acheson Commercial Corner RRSP Inc. - Units	237,000.00	237.00
01/31/2013	43	AGCAPITA FARMLAND FUND III - Units	821,795.00	43.00
03/13/2013	2	Arsenal Energy Inc. - Common Shares	1,249,999.68	2,604,166.00
05/01/2012	32	Avison Young Apartment Co-Investment Fund, L.P. - Exchangeable Shares	2,850,000.00	32.00
02/02/2013	5	Biosign Technologies Inc. - Common Shares	68,500.00	1,370,000.00
02/19/2013 to 02/27/2013	36	Canadian Coyote Energy Trust - Trust Units	624,825.00	36.00
07/25/2012	7	Canadian Horizons First MIC Fund Inc. - Preferred Shares	394,668.00	N/A
03/12/2012	12	CardioComm Solutions Inc. (Amended) - Units	1,500,000.00	3,000,000.00
07/25/2012 to 07/30/2012	15	CareVest First MIC Fund Inc. - Preferred Shares	908,949.00	N/A
01/11/2013	10	Cline Mining Corporation - Bonds	13,000,000.00	10.00
12/11/2012 to 12/12/2012	9	Commerce Resources Corp. - Flow-Through Units	2,489,599.72	13,775,554.00
02/21/2013 to 02/28/2013	26	Creative Wealth Monthly Pay Trust - Trust Units	810,432.00	26.00
01/16/2013	8	Daimler Canada Finance Inc. - Notes	100,000,000.00	8.00
03/15/2013	2	Darnley Bay Resources Limited - Units	500,000.00	10,000,000.00
02/25/2013	35	Desert Star Resources Ltd. - Units	499,999.98	35.00
02/28/2013	13	East Coast Energy Inc. - Units	126,000.00	180,000.00
03/07/2013	2	EUROMAX Resources Ltd. - Common Shares	8,000,000.10	2.00
01/10/2012	10	Exploration Aurtois Inc. - Common Shares	42,500.00	1,700,000.00
03/06/2013	1	First Nickel Inc. - Common Shares	150,000.00	3,425,831.00
01/10/2013 to 01/16/2013	2	Forests Pacific BioChemicals Corporation - Preferred Shares	35,000.00	43,333.00
02/05/2013	12	Forum Uranium Corp. - Flow-Through Shares	336,000.00	840,000.00
02/22/2013	78	Forum Uranium Corp. - Flow-Through Shares	1,605,100.00	78.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
02/05/2013	5	Forum Uranium Corp. - Units	92,050.00	263,000.00
12/10/2012	31	Golden Cariboo Resources Ltd. - Units	1,500,000.00	6,000,000.00
02/19/2013	28	Goldstrike Resources Ltd. - Exchangeable Shares	1,700,000.00	28.00
01/11/2013	132	Harbour First Mortgage Investment Trust - Trust Units	7,212,500.00	72,125.00
02/28/2013	18	Integral Urgent Care Beta, LLC (Amended) - Units	1,252,452.00	244.00
01/17/2013	27	JBI, Inc. - Common Shares	7,560,354.00	2,192,329.00
03/14/2013	9	Largo Resources Ltd. - Common Shares	6,381,999.29	27,747,823.00
01/10/2013	1	League Opportunity Fund Ltd. - Notes	150,000.00	150,000.00
01/31/2011 to 12/31/2011	5	Loch Lomond Members Golf Club - Common Shares	928,704.64	368,952.00
12/31/2012	23	Markinch Resources Inc. - Units	280,500.00	23.00
02/07/2013	12	McCain Finance (Canada) Ltd. - Debentures	250,000.00	12.00
01/01/2007 to 12/31/2007	29	MFS McLean Budden Balanced Growth - Units	315,174,919.34	22,286,001.23
01/01/2008 to 12/31/2008	29	MFS McLean Budden Balanced Growth - Units	261,621,668.20	21,463,172.19
01/01/2009 to 12/31/2009	20	MFS McLean Budden Balanced Growth - Units	149,659,513.09	13,308,595.27
01/01/2010 to 12/31/2010	18	MFS McLean Budden Balanced Growth - Units	175,665,473.15	14,280,555.21
01/01/2011 to 12/31/2011	14	MFS McLean Budden Balanced Growth - Units	150,615,540.11	11,961,490.62
01/01/2006 to 12/31/2006	29	MFS McLean Budden Balanced Growth - Units	331,852,635.89	23,934,958.63
01/01/2007 to 12/31/2007	18	MFS McLean Budden Balanced Plus Fund - Units	5,785,903.19	508,353.83
01/01/2006 to 12/31/2006	13	MFS McLean Budden Balanced Plus Fund - Units	5,473,419.78	492,839.45
01/01/2008 to 12/31/2008	11	MFS McLean Budden Balanced Plus Fund - Units	3,652,827.55	389,067.95
01/01/2010 to 12/31/2010	4	MFS McLean Budden Balanced Plus Fund - Units	968,729.05	98,778.94
01/01/2009 to 12/31/2009	20	MFS McLean Budden Balanced Plus Fund - Units	8,836,426.73	991,967.45
01/01/2006 to 12/31/2006	11	MFS McLean Budden Balanced Value Fund - Units	41,103,943.43	3,884,080.28
01/01/2007 to 12/31/2007	4	MFS McLean Budden Balanced Value Fund - Units	48,685,748.18	4,446,348.35

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2008 to 12/31/2008	7	MFS McLean Budden Balanced Value Fund - Units	17,879,134.01	1,861,712.67
01/01/2009 to 12/31/2009	8	MFS McLean Budden Balanced Value Fund - Units	440,551,249.35	50,151,669.00
01/01/2010 to 12/31/2010	8	MFS McLean Budden Balanced Value Fund - Units	57,052,008.35	6,155,594.78
01/01/2011 to 12/31/2011	9	MFS McLean Budden Balanced Value Fund - Units	27,912,970.63	2,907,385.64
01/01/2006 to 12/31/2006	77	MFS McLean Budden Balanced (Core) Fund - Units	327,333,963.53	27,040,255.83
01/01/2007 to 12/31/2007	81	MFS McLean Budden Balanced (Core) Fund - Units	191,794,828.76	15,674,452.76
01/01/2008 to 12/31/2008	79	MFS McLean Budden Balanced (Core) Fund - Units	190,812,040.55	18,055,883.88
01/01/2009 to 12/31/2009	60	MFS McLean Budden Balanced (Core) Fund - Units	139,253,045.28	13,879,698.03
01/01/2010 to 12/31/2010	61	MFS McLean Budden Balanced (Core) Fund - Units	252,128,150.40	23,682,947.89
01/01/2011 to 12/31/2011	51	MFS McLean Budden Balanced (Core) Fund - Units	238,336,507.12	21,974,170.71
01/01/2011 to 12/31/2011	162	MFS McLean Budden Canadian Equity Fund - Units	355,440,676.06	34,531,248.89
01/01/2010 to 12/31/2010	149	MFS McLean Budden Canadian Equity Fund - Units	182,855,203.09	16,795,578.98
01/01/2009 to 12/31/2009	168	MFS McLean Budden Canadian Equity Fund - Units	207,414,735.18	22,894,768.76
01/01/2008 to 12/31/2008	237	MFS McLean Budden Canadian Equity Fund - Units	340,909,693.80	33,262,265.62
01/01/2006 to 12/31/2006	192	MFS McLean Budden Canadian Equity Fund - Units	338,412,929.53	26,189,096.04
01/01/2007 to 12/31/2007	188	MFS McLean Budden Canadian Equity Fund - Units	295,567,498.91	21,142,179.29
01/11/2011 to 12/31/2011	71	MFS McLean Budden Canadian Equity Growth Fund - Units	446,595,239.30	5,999,873.34
01/01/2010 to 12/31/2010	53	MFS McLean Budden Canadian Equity Growth Fund - Units	289,772,744.33	3,759,057.26
01/01/2009 to 12/31/2009	69	MFS McLean Budden Canadian Equity Growth Fund - Units	503,215,669.59	7,454,721.84
01/01/2008 to 12/31/2008	86	MFS McLean Budden Canadian Equity Growth Fund - Units	652,616,757.28	8,645,351.91
01/01/2007 to 12/31/2007	72	MFS McLean Budden Canadian Equity Growth Fund - Units	544,384,947.16	5,642,459.28
01/01/2006 to 12/31/2006	87	MFS McLean Budden Canadian Equity Growth Fund - Units	284,161,320.90	3,261,629.79

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2006 to 12/31/2006	7	MFS McLean Budden Canadian Equity Plus Fund - Units	12,986,341.64	1,032,103.47
01/01/2007 to 12/31/2007	8	MFS McLean Budden Canadian Equity Plus Fund - Units	27,534,262.54	1,367,627.58
01/01/2008 to 12/31/2008	6	MFS McLean Budden Canadian Equity Plus Fund - Units	15,065,626.76	1,434,936.83
01/01/2009 to 12/31/2009	6	MFS McLean Budden Canadian Equity Plus Fund - Units	86,434,656.30	8,594,640.84
01/01/2010 to 12/31/2010	5	MFS McLean Budden Canadian Equity Plus Fund - Units	8,528,530.04	818,224.34
01/01/2011 to 12/31/2011	4	MFS McLean Budden Canadian Equity Plus Fund - Units	9,283,149.16	218,649.48
01/01/2006 to 12/31/2006	45	MFS McLean Budden Canadian Equity Value Fund - Units	161,066,851.47	12,468,231.29
01/01/2007 to 12/31/2007	54	MFS McLean Budden Canadian Equity Value Fund - Units	317,654,188.49	24,293,611.70
01/01/2008 to 12/31/2008	88	MFS McLean Budden Canadian Equity Value Fund - Units	265,976,860.16	25,243,486.03
01/01/2009 to 12/31/2009	48	MFS McLean Budden Canadian Equity Value Fund - Units	750,694,313.48	71,338,018.16
01/01/2010 to 12/31/2010	34	MFS McLean Budden Canadian Equity Value Fund - Units	121,059,706.47	10,289,772.37
01/01/2011 to 12/31/2011	52	MFS McLean Budden Canadian Equity Value Fund - Units	129,223,667.03	10,409,213.21
01/01/2011 to 12/31/2011	202	MFS McLean Budden Fixed Income Fund - Units	412,032,557.65	7,086,315.34
01/11/2010 to 12/31/2010	217	MFS McLean Budden Fixed Income Fund - Units	400,002,090.82	7,001,744.48
01/01/2008 to 12/31/2008	297	MFS McLean Budden Fixed Income Fund - Units	575,844,350.31	10,387,639.91
01/01/2009 to 12/31/2009	358	MFS McLean Budden Fixed Income Fund - Units	724,139,509.50	12,939,398.70
01/01/2007 to 12/31/2007	323	MFS McLean Budden Fixed Income Fund - Units	504,039,030.69	9,052,230.24
01/01/2006 to 12/31/2006	402	MFS McLean Budden Fixed Income Fund - Units	1,052,569,462.93	1,867,308.48
01/01/2007 to 12/31/2007	6	MFS McLean Budden Fixed Income Plus Fund - Units	2,091,746.35	221,160.09
01/01/2006 to 12/31/2006	8	MFS McLean Budden Fixed Income Plus Fund - Units	2,264,563.68	242,317.95
01/01/2010 to 12/31/2010	2	MFS McLean Budden Fixed Income Plus Fund - Units	573,682.06	58,506.31
01/01/2011 to 12/31/2011	1	MFS McLean Budden Fixed Income Plus Fund - Units	3,544.88	364.27

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2009 to 12/31/2009	4	MFS McLean Budden Fixed Income Plus Fund - Units	1,656,000.00	162,739.72
01/01/2008 to 12/31/2008	1	MFS McLean Budden Fixed Income Plus Fund - Units	450,000.00	48,180.90
01/11/2006 to 12/31/2006	9	MFS McLean Budden Global Equity Growth Fund - Units	6,084,500.76	620,774.88
01/01/2007 to 12/31/2007	9	MFS McLean Budden Global Equity Growth Fund - Units	9,266,552.76	966,214.17
01/01/2008 to 12/31/2008	19	MFS McLean Budden Global Equity Growth Fund - Units	14,795,478.75	2,152,547.88
01/01/2009 to 12/31/2009	14	MFS McLean Budden Global Equity Growth Fund - Units	15,312,385.37	2,645,960.48
01/01/2011 to 12/31/2011	9	MFS McLean Budden Global Equity Growth Fund - Units	1,663,974.48	233,830.32
01/01/2010 to 12/31/2010	6	MFS McLean Budden Global Equity Growth Fund - Units	6,700,355.00	871,410.68
01/01/2008 to 12/31/2008	59	MFS McLean Budden Global Equity Value Fund - Units	78,040,850.55	9,537,880.47
01/01/2007 to 12/31/2007	26	MFS McLean Budden Global Equity Value Fund - Units	75,119,555.22	6,715,953.63
01/01/2006 to 12/31/2006	22	MFS McLean Budden Global Equity Value Fund - Units	28,389,044.95	2,592,065.34
01/01/2011 to 12/31/2011	31	MFS McLean Budden Global Equity Value Fund - Units	29,809,692.59	4,021,341.79
01/01/2010 to 12/31/2010	22	MFS McLean Budden Global Equity Value Fund - Units	22,079,370.29	2,883,178.32
01/01/2009 to 12/31/2009	34	MFS McLean Budden Global Equity Value Fund - Units	26,236,631.86	3,880,048.02
01/01/2011 to 12/31/2011	1	MFS McLean Budden Global Equity Value (US Dollar) Fund - Units	79,419.31	11,195.61
01/01/2006 to 12/31/2006	1	MFS McLean Budden Global Equity Value (US Dollar) Fund - Units	90,239.31	8,312.85
01/01/2007 to 12/31/2007	1	MFS McLean Budden Global Equity Value (US Dollar) Fund - Units	36.69	3.07
01/01/2010 to 12/31/2010	6	MFS McLean Budden Global Research (C$ Hedged) Fund - Units	12,260,899.28	1,296,642.35
01/01/2011 to 12/31/2011	2	MFS McLean Budden Global Research (C$ Hedged) Fund - Units	23,777,000.00	2,650,849.47
01/01/2006 to 12/31/2006	58	MFS McLean Budden International Equity Fund - Units	107,755,812.02	11,877,960.09
01/01/2007 to 12/31/2007	45	MFS McLean Budden International Equity Fund - Units	99,150,410.68	10,045,641.26
01/01/2008 to 12/31/2008	40	MFS McLean Budden International Equity Fund - Units	51,893,749.67	7,543,365.41

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2011 to 12/31/2011	32	MFS McLean Budden International Equity Fund - Units	37,034,326.95	6,042,064.20
01/01/2009 to 12/31/2009	35	MFS McLean Budden International Equity Fund - Units	94,530,638.41	16,986,382.11
01/01/2010 to 12/31/2010	32	MFS McLean Budden International Equity Fund - Units	54,912,678.43	7,672,370.39
01/01/2006 to 12/31/2006	3	MFS McLean Budden LifePlan Growth Fund - Units	13,292,253.03	976,820.46
01/01/2008 to 12/31/2008	3	MFS McLean Budden LifePlan Growth Fund - Units	8,728,932.87	735,977.67
01/01/2007 to 12/31/2007	3	MFS McLean Budden LifePlan Growth Fund - Units	13,578,289.35	962,132.20
01/01/2009 to 12/31/2009	3	MFS McLean Budden LifePlan Growth Fund - Units	10,411,531.66	1,001,212.17
01/01/2010 to 12/31/2010	3	MFS McLean Budden LifePlan Growth Fund - Units	8,763,291.16	776,282.46
01/01/2011 to 12/31/2011	3	MFS McLean Budden LifePlan Growth Fund - Units	7,215,543.01	629,612.95
01/01/2010 to 12/31/2010	3	MFS McLean Budden LifePlan Growth & Income Fund - Units	14,269,955.61	1,318,729.66
01/01/2009 to 12/31/2009	3	MFS McLean Budden LifePlan Growth & Income Fund - Units	17,139,285.72	1,690,823.89
01/01/2007 to 12/31/2007	6	MFS McLean Budden LifePlan Growth & Income Fund - Units	24,054,880.14	1,907,573.17
01/01/2006 to 12/31/2006	4	MFS McLean Budden LifePlan Growth & Income Fund - Units	30,382,230.57	2,450,785.18
01/01/2011 to 12/31/2011	3	MFS McLean Budden LifePlan Growth & Income Fund - Units	12,097,814.60	1,098,982.30
01/01/2010 to 12/31/2010	4	MFS McLean Budden LifePlan Income Fund - Units	5,460,353.89	510,629.90
01/01/2011 to 12/31/2011	3	MFS McLean Budden LifePlan Income Fund - Units	4,193,300.57	388,802.72
01/01/2009 to 12/31/2009	4	MFS McLean Budden LifePlan Income Fund - Units	6,516,966.93	637,027.98
01/01/2008 to 12/31/2008	5	MFS McLean Budden LifePlan Income Fund - Units	5,594,015.70	526,158.73
01/01/2007 to 12/31/2007	3	MFS McLean Budden LifePlan Income Fund - Units	7,633,910.79	659,840.68
01/01/2006 to 12/31/2006	4	MFS McLean Budden LifePlan Income Fund - Units	9,034,334.49	790,348.81
01/01/2011 to 12/31/2011	4	MFS McLean Budden LifePlan Retiree Fund - Units	6,689,453.59	652,743.59
01/01/2010 to 12/31/2010	4	MFS McLean Budden LifePlan Retiree Fund - Units	29,911,793.77	3,077,516.20

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2008 to 12/31/2008	4	MFS McLean Budden LifePlan Retiree Fund - Units	11,450,608.53	1,187,085.70
01/01/2009 to 12/31/2009	4	MFS McLean Budden LifePlan Retiree Fund - Units	8,002,443.09	850,366.91
01/01/2007 to 12/31/2007	3	MFS McLean Budden LifePlan Retiree Fund - Units	753,903.88	74,040.96
01/01/2006 to 12/31/2006	1	MFS McLean Budden LifePlan Retiree Fund - Units	1,056,300.31	106,127.01
01/01/2006 to 12/31/2006	2	MFS McLean Budden LifePlan Retiree Fund - Units	1,091,885.21	109,545.41
01/01/2006 to 12/31/2006	2	MFS McLean Budden LifePlan Retirement 2010 Fund - Units	1,822,285.20	178,273.82
01/01/2007 to 12/31/2007	4	MFS McLean Budden LifePlan Retirement 2010 Fund - Units	3,211,045.17	302,077.63
01/01/2008 to 12/31/2008	4	MFS McLean Budden LifePlan Retirement 2010 Fund - Units	15,832,921.19	1,620,848.89
01/01/2009 to 12/31/2009	4	MFS McLean Budden LifePlan Retirement 2010 Fund - Units	10,933,032.32	1,168,717.90
01/01/2010 to 12/31/2010	4	MFS McLean Budden LifePlan Retirement 2010 Fund - Units	869,032.81	89,761.07
01/01/2011 to 12/31/2011	4	MFS McLean Budden LifePlan Retirement 2015 Fund - Units	12,995,072.16	1,338,734.62
01/01/2006 to 12/31/2006	2	MFS McLean Budden LifePlan Retirement 2015 Fund - Units	1,516,529.76	146,209.63
01/01/2007 to 12/31/2007	4	MFS McLean Budden LifePlan Retirement 2015 Fund - Units	3,946,251.50	366,214.27
01/01/2008 to 12/31/2008	4	MFS McLean Budden LifePlan Retirement 2015 Fund - Units	22,162,532.84	2,277,858.42
01/01/2009 to 12/31/2009	4	MFS McLean Budden LifePlan Retirement 2015 Fund - Units	24,521,170.08	2,682,732.25
01/01/2010 to 12/31/2010	4	MFS McLean Budden LifePlan Retirement 2015 Fund - Units	14,219,906.67	1,491,516.20
01/01/2011 to 12/01/2011	4	MFS McLean Budden LifePlan Retirement 2020 Fund - Units	17,232,961.22	1,784,182.75
01/01/2006 to 12/31/2006	2	MFS McLean Budden LifePlan Retirement 2020 Fund - Units	2,019,418.57	190,128.64
01/01/2008 to 12/31/2008	4	MFS McLean Budden LifePlan Retirement 2020 Fund - Units	20,509,043.96	2,114,610.51
01/01/2007 to 12/31/2007	4	MFS McLean Budden LifePlan Retirement 2020 Fund - Units	3,758,804.93	345,579.46
01/01/2009 to 12/31/2009	4	MFS McLean Budden LifePlan Retirement 2020 Fund - Units	23,156,472.97	2,582,647.82
01/01/2010 to 12/31/2010	4	MFS McLean Budden LifePlan Retirement 2020 Fund - Units	17,075,391.24	1,807,058.49

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2011 to 12/31/2011	4	MFS McLean Budden LifePlan Retirement 2025 Fund - Units	19,556,548.24	2,025,985.71
01/01/2011 to 12/31/2011	6	MFS McLean Budden Money Market Fund Class B - Units	12,785,000.00	1,278,500.00
01/01/2010 to 12/31/2010	13	MFS McLean Budden Money Market Fund Class B - Units	12,148,309.78	1,214,830.97
01/01/2009 to 12/31/2009	10	MFS McLean Budden Money Market Class B - Units	8,426,639.36	842,663.93
01/01/2011 to 12/31/2011	8	MFS McLean Budden Responsible Balanced Fund - Units	8,083,525.59	925,413.08
01/01/2009 to 12/31/2009	10	MFS McLean Budden Responsible Balanced Fund - Units	31,005,552.70	4,147,678.57
01/01/2010 to 12/31/2010	11	MFS McLean Budden Responsible Balanced Fund - Units	46,549,395.66	5,489,862.20
01/01/2007 to 12/31/2007	6	MFS McLean Budden Responsible Balanced Fund - Units	5,112,227.06	506,753.35
01/01/2008 to 12/31/2008	4	MFS McLean Budden Responsible Balanced Fund - Units	5,700,395.00	666,452.72
01/01/2006 to 12/31/2006	6	MFS McLean Budden Responsible Balanced Fund - Units	29,612,689.58	3,051,766.49
01/01/2008 to 12/31/2008	29	MFS McLean Budden Responsible Canadian Equity Fund - Units	19,044,209.97	2,391,777.24
01/01/2009 to 12/31/2009	30	MFS McLean Budden Responsible Canadian Equity Fund - Units	13,802,962.84	1,869,430.22
01/01/2011 to 12/31/2011	22	MFS McLean Budden Responsible Canadian Equity Fund - Units	20,913,810.00	2,358,613.69
01/01/2010 to 12/31/2010	27	MFS McLean Budden Responsible Canadian Equity Fund - Units	26,135,549.22	2,842,949.60
01/01/2006 to 12/31/2006	21	MFS McLean Budden Responsible Canadian Equity Fund - Units	29,423,440.49	2,885,739.94
01/01/2007 to 12/31/2007	30	MFS McLean Budden Responsible Canadian Equity Fund - Units	34,088,916.29	2,965,886.54
01/01/2010 to 12/31/2010	22	MFS McLean Budden Responsible Fixed Income Fund - Units	50,320,556.81	4,787,095.59
01/01/2011 to 12/31/2011	14	MFS McLean Budden Responsible Fixed Income Fund - Units	3,876,476.80	369,796.69
01/01/2006 to 12/31/2006	21	MFS McLean Budden Responsible Fixed Income Fund - Units	38,619,727.50	6,724,725.04
01/01/2007 to 12/31/2007	30	MFS McLean Budden Responsible Fixed Income Fund - Units	50,426,986.34	4,898,251.75
01/01/2008 to 12/31/2008	24	MFS McLean Budden Responsible Fixed Income Fund - Units	3,909,208.24	385,262.01
01/01/2009 to 12/31/2009	28	MFS McLean Budden Responsible Fixed Income Fund - Units	31,583,780.28	3,074,583.33

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2006 to 12/31/2006	20	MFS McLean Budden Responsible Global Research Fund - Units	19,287,968.42	2,560,009.09
01/01/2011 to 12/31/2011	20	MFS McLean Budden Responsible Global Research Fund - Units	12,328,555.55	2,157,552.56
01/01/2010 to 12/31/2010	16	MFS McLean Budden Responsible Global Research Fund - Units	37,209,299.55	6,551,118.86
01/01/2008 to 12/31/2008	22	MFS McLean Budden Responsible Global Research Fund - Units	18,917,435.00	3,001,497.70
01/01/2009 to 12/31/2009	25	MFS McLean Budden Responsible Global Research Fund - Units	15,399,120.42	3,076,235.25
01/01/2007 to 12/31/2007	23	MFS McLean Budden Responsible Global Research Fund - Units	27,608,373.91	3,347,056.29
01/01/2011 to 12/31/2011	32	MFS McLean Budden Short Term Fixed Income Fund - Units	42,252,712.48	4,175,562.68
01/01/2010 to 12/31/2010	33	MFS McLean Budden Short Term Fixed Income Fund - Units	42,216,075.42	4,173,128.23
01/01/2009 to 12/31/2009	28	MFS McLean Budden Short Term Fixed Income Fund - Units	19,596,055.57	1,932,159.67
01/01/2008 to 12/31/2008	20	MFS McLean Budden Short Term Fixed Income Fund - Units	31,577,106.18	1,257,386.52
01/01/2007 to 12/31/2007	11	MFS McLean Budden Short Term Fixed Income Fund - Units	12,275,897.03	1,255,425.66
01/01/2006 to 12/31/2006	16	MFS McLean Budden Short Term Fixed Income Fund - Units	48,119,932.00	4,903,568.12
01/01/2011 to 12/31/2011	11	MFS McLean Budden US Equity Core Pension Fund - Units	18,562,095.07	243,260.99
01/01/2010 to 12/31/2010	7	MFS McLean Budden US Equity Core Pension Fund - Units	28,477,941.74	384,668.90
01/01/2009 to 12/31/2009	15	MFS McLean Budden US Equity Core Pension Fund - Units	64,207,954.95	991,711.67
01/01/2007 to 12/31/2007	18	MFS McLean Budden US Equity Core Pension Fund - Units	38,425,003.47	351,440.42
01/01/2008 to 12/31/2008	19	MFS McLean Budden US Equity Core Pension Fund - Units	102,567,255.70	1,194,603.19
01/01/2006 to 12/31/2006	25	MFS McLean Budden US Equity Core Pension Fund - Units	63,057,056.49	597,366.12
01/01/2008 to 12/31/2008	2	MFS McLean Budden U.S. Equity Core Pension Fund (US Dollars) - Units	2,535,977.49	31,451.78
01/01/2006 to 12/31/2006	1	MFS McLean Budden U.S. Equity Core Pension Fund (US Dollars) - Units	11,501,274.00	109,712.25
01/01/2008 to 12/31/2008	5	MFS McLean Buden LifePlan Growth & Income Fund - Units	15,317,909.76	1,373,112.53
01/09/2013 to 02/04/2013	18	Micropharma Limited - Debentures	1,408,950.46	18.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/07/2012 to 12/05/2012	13	MinCore Inc. - Common Shares	1,735,000.00	17,350,000.00
02/20/2013	3	Montana Gold Mining Company Inc. - Units	100,000.00	2,000,000.00
02/20/2013	19	NexC Partners Corp. - Units	2,155,000.00	N/A
03/12/2013	42	Nightingale Informatix Corporation - Debentures	3,265,000.00	3,265.00
03/06/2013	1	Open Access Limited - Exchangeable Shares	250,000.00	1.00
03/19/2013	1	Orefinders Resources Inc. - Common Shares	16,000.00	40,000.00
02/19/2013	32	Pacific Imperial Mines Inc. - Units	350,000.00	32.00
03/11/2013	19	QSolar Limited - Units	523,500.00	698,000.00
06/01/2011	37	RAILHEAD RESOURCES LTD. - Units	603,800.00	37.00
03/14/2013	2	Rainy River Resources Ltd. - Common Shares	57,271.86	20,000.00
01/17/2013	1	Reliant Gold Corp. - Common Shares	10,000.00	200,000.00
03/07/2013	25	Ridgeline Energy Services Inc. - Units	1,503,734.59	3,199,436.00
03/12/2013	6	Rift Basin Resources Corp. - Units	380,000.00	3,800,000.00
03/06/2013	17	Royal Bank of Canada - Notes	4,705,370.00	47,053.70
02/25/2013 to 03/04/2013	17	SecureCare Investments Inc. - Bonds	701,028.00	N/A
02/14/2013 to 02/20/2013	18	SIF Capital Canada Inc. - Debentures	323,000.00	18.00
12/05/2012 to 12/13/2012	35	SIF Capital Canada Inc.(Amended) - Debentures	636,800.00	636.80
03/06/2013	4	Solomon Resources Limited - Common Shares	300,000.00	6,000,000.00
02/11/2013	8	Spartan Bioscience Inc. - Common Shares	777,608.19	8.00
03/13/2013	2	Sprott Inc. - Common Shares	25,000,001.40	7,575,758.00
03/08/2013	9	Strata Minerals Inc. - Common Shares	1,000,000.00	12,500,000.00
01/25/2013	11	Surmont Energy Ltd. - Common Shares	682,250.00	N/A
03/11/2013	2	Surrey Capital Corp. - Common Shares	0.00	200,000.00
03/11/2013	5	Surrey Capital Corp. - Loans	74,800.00	7,480.00
02/28/2013	3	The Coca-Cola Company - Notes	15,394,176.60	3.00
03/15/2013	11	Timbercreek U.S. Multi-Residential Opportunity Fund #1 - Units	5,675,000.00	567,500.00
02/11/2013	3	TomaGold Corporation - Units	170,000.00	1,700,000.00
01/31/2013	7	Venturion Oil Limited (Amended) - Common Shares	3,341,890.00	3,341,890.00
02/20/2013	23	Walker River Resources Corp - Units	431,499.60	3,453,331.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
02/21/2013	29	Walter NC Dutchman's Creek Investment Corporation - Common Shares	547,200.00	29.00
02/14/2013	13	Walter U.S. Dollar Income 1 Corporate - Bonds	217,191.86	13.00
02/21/2013	32	Walton AZ Coolidge Landing Investment Corporation - Common Shares	595,640.00	32.00
03/07/2013	14	Walton AZ Coolidge Landing LP - Units	1,250,230.08	14.00
02/21/2013	16	Walton CA Highland Falls LP - Units	1,094,692.85	16.00
03/07/2013	20	Walton CA Highland Falls LP - Units	1,390,549.05	53,793.00
02/14/2013	14	Walton CA Highland Falls LP - Units	752,384.93	14.00
03/07/2013	26	Walton Income 6 Investment Corporation - Common Shares	1,163,500.00	2,600.00
02/14/2013	28	Walton Income 6 Investment Corporation - Notes	1,520,500.00	28.00
01/10/2013	2	Walton International Group Inc. - Notes	325,000.00	325,000.00
12/20/2012	5	Walton NC Concord LP (amended) - Units	782,921.66	79,203.00
03/07/2013	15	Walton NC Dutchman's Creek Investment Corporation - Common Shares	369,550.00	36,955.00
01/10/2013	34	Walton U.S. Dollar Income 1 Corporation - Bonds	869,808.83	879,750.00
03/07/2013	19	Walton U.S. Dollar Income 1 Corporation - Bonds	412,100.70	19.00
03/07/2013	6	Walton U.S. Dollar Income 2 Corporation - Bonds	1,189,100.00	6.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Cortex Business Solutions Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 19, 2013
NP 11-202 Receipt dated March 19, 2013
Offering Price and Description:
$7,200,200.00 - 38,920,000 Units Price: $0.185 per Unit
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2029276

Issuer Name:
H&R Finance Trust
H&R Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated March 19, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
$2,000,000,000.00
Stapled Units
Preferred Units
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2030275;2030274

Issuer Name:
Industrial Alliance Insurance and Financial Services inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Base Shelf Prospectus dated March 22, 2013
NP 11-202 Receipt dated March 22, 2013
Offering Price and Description:
$1,000,000,000.00:
Debt Securities
Class A Preferred Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2031220

Issuer Name:
Melcor Real Estate Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated March 20, 2013
NP 11-202 Receipt dated March 20, 2013
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Promoter(s):
Melcor Developments Ltd.
Project #2030019

Issuer Name:
Redwood Flexible Bond Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 15, 2013
NP 11-202 Receipt dated March 19, 2013
Offering Price and Description:
Series X, Y, A and F Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Redwood Asset Management Inc.
Project #2028686

Issuer Name:
SoMedia Networks Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated March 21, 2013
NP 11-202 Receipt dated March 22, 2013
Offering Price and Description:
$ * - * Shares
Price: $ * per Share
and
Distribution of a Maximum of * Common Shares
issuable upon the exchange of * previously issued
Qualified Convertible Notes
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
George Fleming
Project #2030783

Issuer Name:
Trimel Pharmaceuticals Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 20, 2013
NP 11-202 Receipt dated March 20, 2013
Offering Price and Description:
$ * - * Units
Price: $ * per Unit
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
Promoter(s):
-
Project #2029731

Issuer Name:
Artek Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 22, 2013
NP 11-202 Receipt dated March 22, 2013
Offering Price and Description:
$30,015,000.00 - 8,700,000 Common Shares; and
$9,030,000.00 - 2,150,000 Flow Through Shares Price:
$3.45 per Common Share; $4.20 per Flow Through Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Peters & Co, Limited
National Bank Financial Inc.
Clarus Securities Inc.
Stifel Nicolaus Canada Inc.
GMP Securities L.P.
FirstEnergy Capital Corp.
Macquarie Capital Markets Canada Ltd.

Promoter(s):
-
Project #2027939

Issuer Name:
Aurania Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 20, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
$2,000,000.00 - 5,000,000 Common Shares $0.40 per
Common Share; and Distribution of 776,862 Common
Shares issuable upon the conversion of 776,862 previously
issued Special Warrants
Underwriter(s) or Distributor(s):
Maison Placements Canada Inc.
Promoter(s):
Keith M. Barron
Project #2005365

Issuer Name:
Canadian Credit Card Trust
Principal Regulator - Quebec
Type and Date:
Final Base Shelf Prospectus dated March 21, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
Up to $1,700,000,000 Credit Card Receivables-Backed
Notes
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
CASGRAIN & COMPANY LIMITED
CIBC WORLD MARKETS INC.
DESJARDINS SECURITIES INC.
HSBC SECURITIES (CANADA) INC.
LAURENTIAN BANK SECURITIES INC.
MERRILL LYNCH CANADA INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
NATIONAL BANK OF CANADA
Project #2022325

Issuer Name:
Crocodile Gold Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 20, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
$30,000,000.00 - 5% Convertible Second Lien Debentures
Due April 30, 2018
Price: $1,000.00
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
-
Project #2025279

Issuer Name:
Davis-Rea Balanced Fund
Davis-Rea Equity Fund
Davis-Rea Fixed Income Fund
Type and Date:
Final Simplified Prospectuses dated March 18, 2013
Receipted on March 20, 2013
Offering Price and Description:
Class A, Class F and Class O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Davis-Rea Ltd.
Project #1999266

Issuer Name:
DualEx Energy International Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 19, 2013
NP 11-202 Receipt dated March 19, 2013
Offering Price and Description:
MINIMUM $1,500,000.00 (10,000,000 Units)
MAXIMUM $3,000,000.00 (20,000,000 Units)
Price: $0.15 per Unit
Underwriter(s) or Distributor(s):
BEACON SECURITIES LIMITED
PI FINANCIAL CORP.
MAISON PLACEMENTS CANADA INC.
Promoter(s):
-
Project #2018212

Issuer Name:
Holland Global Capital Corporation
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated March 20, 2013
NP 11-202 Receipt dated March 20, 2013
Offering Price and Description:
$400,000.00 - 4,000,000 Common Shares
Price: $0.10 per Common Share
Minimum Subscription (per subscriber): $100.00 (1,000 Common Shares)
Maximum Subscription (per subscriber): $8,000.00 (80,000 Common Shares)
Underwriter(s) or Distributor(s):
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #2015197

Issuer Name:
Horizons S&P 500® Index (C$ Hedged) ETF
Horizons S&P/TSX 60 Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment dated March 19, 2013 to the Long Form Prospectus dated August 22, 2012
NP 11-202 Receipt dated March 25, 2013
Offering Price and Description:
Class A units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
HORIZONS ETFs MANAGEMENT (CANADA) INC.
Project #1934266

Issuer Name:
iShares S&P Global Consumer Discretionary Index Fund (CAD-Hedged)
iShares S&P Global Industrials Index Fund (CAD-Hedged)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 15, 2013
NP 11-202 Receipt dated March 20, 2013
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2005602

Issuer Name:
MacDonald, Dettwiler and Associates Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 21, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
$250,187,000.00 - 3,605,000 Common Shares $69.40 per Common Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
RAYMOND JAMES LTD.
CORMARK SECURITIES INC.
GMP SECURITIES L.P.
Promoter(s):
-
Project #2026827

Issuer Name:
NEI Select Canadian Balanced Corporate Class Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 1, 2013 to the Simplified Prospectus and Annual Information Form dated October 31, 2012
NP 11-202 Receipt dated March 22, 2013
Offering Price and Description:
Series A, F and T Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments L.P.
Project #1965610

Issuer Name:
Plate Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated March 19, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
5,000,000 Shares ($750,000) at $0.15 per Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
Charalambos (Harry) Katevatis
Project #1998678

Issuer Name:
Superior Plus Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 20, 2013
NP 11-202 Receipt dated March 20, 2013
Offering Price and Description:
$125,097,000.00 - 11,270,000 Common Shares Price of $11.10 per common share
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2026861

Issuer Name:
WesternOne Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 21, 2013
NP 11-202 Receipt dated March 21, 2013
Offering Price and Description:
$45,000,000.00 - 45,000 6.25% Convertible Series 3 Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
DUNDEE SECURITIES LTD.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
HSBC SECURITIES (CANADA) INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
M PARTNERS INC.
SORA GROUP WEALTH ADVISORS INC.
Promoter(s):
-
Project #2028664

Issuer Name:
Westshire Capital Corp.
Principal Regulator - Alberta
Type and Date:
Final CPC Prospectus dated March 22, 2013
NP 11-202 Receipt dated March 22, 2013
Offering Price and Description:
$200,000.00 - 2,000,000 common shares Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Jason P. Fuller
Project #2017018

Issuer Name:
Romarco Minerals Inc
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 19, 2013
Withdrawn on March 20, 2013
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
Promoter(s):
-
Project #2029116

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	ConstantIncome Investment Management Inc.	Portfolio Manager	March 18, 2013
New Registration	AHF Capital Partners Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	March 20, 2013
New Registration	Oldfield Partners LLP	Portfolio Manager	March 20, 2013
Suspension pursuant to Section 29(1) of the Securities Act	Northern Securities Inc.	Investment dealer	March 20, 2013
Change in Registration Category	Third Eye Capital Management Inc.	From: Portfolio Manager To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	March 21, 2013
New Registration	Value-Contrarian Asset Management Inc./Value-Contrarion, Conseillers En Placements	Investment Fund Manager and Exempt Market Dealer	March 21, 2013
Change in Registration Category	Windermere Capital (Canada) Inc.	From: Exempt Market Dealer To: Exempt Market Dealer and Portfolio Manager	March 22, 2013
New Registration	Acasta Capital Inc.	Exempt Market Dealer	March 25, 2013

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 TriAct Canada Marketplace LP – Notice of Proposed Changes and Request for Comment

TRIACT CANADA MARKETPLACE LP

NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT

TriAct Canada Marketplace LP ("TriAct") has announced plans to implement the changes described below on or about 60 days after approval. TriAct is publishing this Notice of Proposed Changes in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto". Market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by April 29, 2013 to

Market Regulation Branch
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Fax 416 595 8940
marketregulation@osc.gov.on.ca

and

Torstein Braaten
Chief Executive Officer and Chief Compliance Officer
130 King St West, Suite 1050
Toronto, ON M5X 1B1
Fax 416-861-8768
tbraaten@triactcanada.com

Comments received will be made public on the OSC website. Upon completion of the Review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

TriAct Canada Marketplace LP ("TriAct") has announced plans to implement the changes described below on or about 60 days after approval.

Any questions regarding the information below should be addressed to Torstein Braaten, Chief Executive Officer and Chief Compliance Officer, tbraaten@triactcanada.com 416-861-1010 extension 0260.

NOTICE OF PROPOSED CHANGES

TriAct is announcing that it intends to provide four new trading products on MATCH Now. These new features will provide increased flexibility to the price improvement options available for liquidity providers and additional terms on orders before they participate in a match.

TriAct continues to innovate and build on its leadership position within the Canadian dark trading landscape. TriAct is giving all subscribers more options on how they control their non-displayed orders and improve trading performance.

I. Summary of Proposed Changes

1. **Minimal Price Improvement**: This proposed order feature will allow Liquidity Providing orders to cap the price improvement to one cent when the spread is greater than two cents. For spreads less than 3 cents (or three

trading increments) these orders will continue to trade at mid-point. For stocks priced under 50 cents the price improvement will be capped at a ½ cent (half of a trading increment) in-line with the trading increment.

Liquidity orders marked as Minimal Price Improvement will only trade with Marketflow orders when the spread is greater than 2 trading increments. When spreads are 2 trading increments or less, Liquidity orders marked as Minimal Price Improvement will trade with both Marketflow orders and other Liquidity orders at mid-point.

Subscribers have the option to configure their Marketflow orders/trader IDs to trade only at mid-point. These mid-point only Marketflow orders will not trade with Minimal Price Improvement orders when the spread is greater than 2 trading increments.

Please see appendix A for examples and appendix B for matching priorities.

2. **Trading at the quote for listed Exchange Traded Funds (ETFs)**: This proposed order feature will allow "Large" ETF Marketflow Orders to trade with Passive Liquidity Providing Orders at the National Best Bid or Best Offer (NBBO). Trading at the NBBO (buy's trade at the ask and sell's trade at the bid) will be restricted to Canadian listed Exchange Traded Funds.

   Upon entry to MATCH Now, Large ETF Marketflow orders will need to qualify as being of sufficient size so they do not require price improvement as per the Provisions Respecting Dark Liquidity[1]. Liquidity Providers will have the same order entry size restrictions as Large Marketflow orders.

   The qualifying criteria is that the order be greater than 50 standard trading units (board lots) **or** have a value greater than $100,000 CAD. The order value for buys is determined by the original order quantity times the National Best Offer (NBO) and for sells is determined by the original order volume times the National Best Bid (NBB). MATCH Now will be applying the same qualifying filter to both Marketflow Orders and Liquidity Orders upon receipt before they can qualify for trading at the NBBO.

   Once a Marketflow or Liquidity order is qualified upon receipt it will remain eligible to trade at the NBBO until it is completed or cancelled. All Marketflow orders are Immediate or Cancel ("IOC") orders and will only participate in one matching session with one or many contra Liquidity Orders.

   The unfilled balances of Marketflow orders are returned to the Subscriber/Access Vendor for routing to other markets. The Large ETF Liquidity Orders will remain open until completed or cancelled.

   MATCH Now will qualify each Liquidity order upon receipt even if it is a correction to a former order. If a Large ETF Liquidity Order volume or limit is corrected lower so that it is below the qualifying criteria it will be rejected by MATCH Now.

   Liquidity orders offering mid-point price improvement will trade ahead of orders providing the minimal or no price improvement. Subscribers have the option to configure their Marketflow orders/trader IDs to trade only at mid-point even if the order qualifies as a large ETF order. These mid-point only Marketflow orders will not trade with either Minimal Price Improvement orders or at the quote ETF orders.

   Continuing with current practice, MATCH Now will not execute these trades at the NBBO when the NBBO is locked or crossed.

   Please see appendix A for examples and appendix B for matching priorities.

3. **Minimum Tradelet Size**: This proposed order term will set a minimum size for each pro-rata fill allocated against each counterparty. Traders can therefore control how their orders are traded in the MATCH Now pro-rata environment. The feature allows traders to prevent the size of any partial fill from being allocated below a threshold. Once the remaining volume of an order is equal to or less than the minimum tradelet size it will only execute against one counterparty to complete the order for the full amount remaining.

   This feature will help decrease the number of allocation splits and increase the resulting size of each fill in a pro-rata market. The downside is that these orders may not access all the liquidity available in MATCH Now.

   This feature can be set for both Liquidity and Marketflow orders as either an order message attribute or a default configuration per Trader ID.

   Please see appendix A for examples and appendix B for matching priorities.

[1] http://www.securities-administrators.ca/aboutcsa.aspx?id=1045&terms=Provisions+Respecting+Dark+Liquidity April 13, 2012

4. **Better than limit**: This proposed order term will only allow trades to execute at prices better than the limit submitted on the order. This is used to protect from trading in the dark when spreads adversely widen temporarily.

   For instance if a stock is quoted at $10.00 to $10.01 and you expect to buy at mid-point, placing a better than limit buy order at $10.01 would ensure all buy fills occur at $10.005 or lower.

   Placing a better than limit sell order at $10.00 would ensure all sell fills occur at $10.005 or higher.

   This feature can be set for both Liquidity and Marketflow orders as either an order message attribute or a default configuration per Trader ID.

   Please see appendix A for examples and appendix B for matching priorities.

II. Expected Date of Implementation

The four proposed order features and terms will be implemented into the MATCH Now production systems no earlier than 60 days after the review by the Ontario Securities Commission is completed.

The 60 day window will coincide with the availability of testing facilities as specified by National Instrument 21-101 for implementing material changes to our technology. This will provide subscribers and access vendors a reasonable amount of time to fully understand these features and prepare for implementation. All four features can be configured on request by Trader ID to allow access vendors additional time to implement any required changes.

A roll-out schedule will be communicated to subscribers along with information regarding test facilities. TriAct is planning to start testing with Subscribers and Access Vendors in the middle of April 2013 targeting a production launch for the first week of July 2013.

III. Rationale and Relevant Supporting Analysis

1) Minimal Price Improvement

   Before the dark rule changes on October 15, 2012, a majority of the executions on MATCH Now were based on providing 20% price improvement to Marketflow orders. Since most of the executions on MATCH Now at that time were on stocks trading less than a three cent spread MATCH Now decided to execute all trades at mid-point.

   Subsequent to our decision we received feedback that MATCH Now should offer more flexibility for the less liquid securities with wide spreads (e.g. a stock trading 10.00 to 10.10 would require five cents of price improvement under the new model). Alternatives were considered that included; reintroducing a percentage structure or allowing for a value to be submitted with the order (similar to a peg order). After discussions and feedback from our clients TriAct is proposing to allow traders to decide if they want to cap the price improvement to the minimums required by IIROC; as required by Universal Market Integrity Rule 6.6, Provision of Price Improvement by a Dark Order.

   MATCH Now will offer this option to subscribers as an order attribute or as a default setting per trader ID.

   Alternatively Subscribers have the option to configure their Marketflow orders/trader IDs to trade only at mid-point. These mid-point only Marketflow orders will not trade with Minimal Price Improvement orders.

2) Trading at the quote for listed Exchange Traded Funds (ETFs)

   This product is being introduced to bring more liquidity to Canadian ETF trading. We have observed that ETFs usually trade close to their Net Asset Value which is typically between the National Best Bid and Best Offer. We also note that many of the active ETFs are trading at spreads of less than 3 trading increments and that a majority of the liquidity offered on the transparent markets are provided by Electronic Market Makers, Designated Brokers, and other professional traders. Since MATCH Now moved all executions to mid-point, we observed that the providers of liquidity in MATCH Now could easily trade at a price worse than NAV when all trades are being executed at mid-point. We therefore made the decision to propose an additional execution option for ETF liquidity providers that would allow them to trade at the NBBO.

   For ETF Marketflow Orders to qualify for trading at the NBBO, the originating order sent to MATCH Now must be of sufficient size as designated by IIROC Universal Market Integrity Rules. The qualifying criteria is that the order be greater than 50 standard trading units (board lots) **or** a value greater than $100,000 CAD. The order value for buys is

determined by the original order quantity times the National Best Offer (NBO) and for sells is determined by the original order volume times the National Best Bid (NBB). Qualifying Marketflow ETF orders will first trade with Liquidity Orders at the mid-point, followed by orders providing Minimal Price Improvement and will then trade at the NBBO after all price improvement opportunities have been captured.

TriAct has also decided to set the same qualifying criteria for the ETF Liquidity Orders than can be posted at the NBBO. TriAct wants to ensure Large ETF Marketflow orders receive sufficient size when they do not receive price improvement. By forcing Liquidity Providers to submit orders greater than 5,000 shares or $100,000 Subscribers will be confident that they will be able to get reasonable size executed against their Large ETF Marketflow Orders.

MATCH Now will offer this option to subscribers as an order attribute or as a default setting per trader ID.

Alternatively Subscribers have the option to configure their Marketflow orders/trader IDs to trade only at mid-point. These mid-point only Marketflow orders will not trade with Minimal Price Improvement orders either.

3) Minimum Tradelet Size Executed:

This feature will allow a subscriber to set the minimum size for each pro-rata allocated fill reported against each counterparty. Traders can therefore control how their orders are traded in the MATCH Now pro-rata environment. Minimum Tradelet Size can be set in conjunction with Minimum Shares and both restrictions will apply to each matching session. Subscribers can provide a minimum tradelet size in their order instructions or set a pre-defined default for their Trader ID.

4) Better than Limit:

The Better than Limit order is only eligible to trade at a better price than the limit set by the order. The execution price is still determined by the amount of price improvement level set by the terms of the Liquidity Providing orders. Better than Limit orders will simply not trade at the limit price. Subscribers will be able to indicate this condition on their limit price in their order instructions or by a pre-authorized default for their Trader ID.

IV. Expected Impact on Market Structure, Members, Investors, Issuers and the Capital Markets

These four proposed features will not change Canadian market structure. MATCH Now continues to offer equal, fair and unrestricted access to dark liquidity, mid-point pricing so that Canadian Investment Dealers can get more trades done at better price and achieve better execution results. As a non-displayed market MATCH Now strives to provide innovation to reduce market impact and provide price improvement in a cost effective alternative to the displayed markets. MATCH Now provides these benefits to help Canadian Investment Dealers achieve their objectives of Best Execution. After the introduction of the proposed features and terms, Subscribers can always continue to restrict their MATCH Now trading to mid-point pricing on all trades.

Subscribers will be able to request, at their option, to take advantage of the proposed features or restrictions being offered by sending instructions with their orders or requested TriAct to configure their Trading ID defaults. The new price improvement tiers will provide subscribers with more choices to ensure that the amount of price improvement is aligned with the trading characteristics of the security (i.e. Exchange Traded funds, Highly Liquid and Illiquid Securities all have different trading characteristics and require different market models.)

V. Impact on Exchange's Compliance with the Securities Law, Especially Fair Access and Maintenance of Fair and Orderly Markets

The proposed Minimal Price Improvement and Trading at the quote for ETFs conform to the regulations outlined in "Provisions Respecting Dark Liquidity". MATCH Now does not have any displayed orders so there will be no conflict with providing priority to a visible order book when trading on MATCH Now.

The Minimum Tradelet Size feature simply provides a variance to the implementation of a minimum quantity terms order that is a common feature across all Canadian Marketplaces (lit and Dark) as a special terms order.

The Better than Limit order conforms to the Universal Market Integrity Rule 6.1(1) that currently prohibits an order to "be entered to trade on a marketplace at a price that includes a fraction or a part of a cent other than an increment of one-half of one cent in respect of an order with a price of less than $0.50". The Better than Limit order is a special terms order type that simply prevents the order from being included in a match at the limit price.

All of the four proposed order features are dark orders and by definition will not be displayed and therefore will not contribute to quote traffic or have an adverse impact on the maintenance of fair and orderly markets.

VI. Consultation and Review

TriAct has received feedback from many of its subscribers and its User Advisory Committee requesting more price improvement options.

TriAct has also received feedback that traders would like the option to place terms or restrictions on their orders to decrease the number of pro-rata allocation splits. These traders are willing to miss trading opportunities that would allocate below a threshold (e.g. less than 300 shares). By decreasing the number of splits the average order fill size will increase and there will be subsequent savings on trade reporting to CDS.

The Better than Limit feature was designed to conform with UMIR 6.1(1) while still ensuring that a trader will only trade at the mid-point fractional price they are targeting at order entry. These traders do not want to worry about a flickering quote setting an execution price higher than their original intentions based on the quote at order entry.

VII. Technology Implementation Impact on Members and Service Vendors

The technology implementation impact will be minimal, Subscribers will be able to set these features by providing TriAct with standing instructions for one or many of their Trading IDs until their technology or Access Vendors can include the settings in the execution management systems or algorithms. These features are designed to allow for Trader ID configuration and order by order override. This approach will provide the flexibility for each subscriber to set their development priorities while still making all the features available to all Subscribers at the same time.

VIII Alternatives Considered

MATCH Now provides a unique source of dark liquidity for Canadian investment dealers looking to achieve best execution on their equity trades. The proposed features provide more options to traders, increasing flexibility of how they want to trade on MATCH Now. The implementation of these features allows a Subscriber to continue trading in the current model or selectively take advantage of the new features. There are always different ways to provide solutions to the feedback we have received from our customers and the User Advisory Committee so we take this opportunity to present these features and seek comment and or support on these initiatives.

IX. Comparable Rules or Products offered in domestic and foreign markets

In Canada the Provisions Respecting Dark Liquidity set the requirement for meaning full price improvement when small orders trade with dark orders. The Canadian rules have set a higher requirement than set in the United States and most Global Markets. Many jurisdictions are considering similar price improvement rules (i.e. the “trade at rule” in the US). The proposed Minimal Price Improvement feature would meet the current Canadian requirements as well as the ones being discussed in the US and other jurisdictions.

Trading ETFs at the quote provides Investment Dealers an alternative to the upstairs markets and the limitations around pre-arranged crosses for larger orders. Currently we observe significant amounts of ETF block trades are executed at the quote or through negotiate principal or agency executions. In many jurisdictions these trades are done over-the-counter with little to no post trade transparency.

All of the Canadian display markets allow participants to post intentional crosses and the recent UMIR Guidance has exempted fractional cross reporting as long as the provision for price improvement are followed when required. Alpha Instraspread currently offers trading “against both Dark and Lit orders at the NBBO”[2]

The proposed Minimum Tradelet Size feature is a differentiating feature that increases the executed pro-rata allocation fill sizes at the option of the trader. Alpha Intraspread has an allocation rule “Smart-Size Priority” that provides preference to orders with sufficient size to complete an incoming order. In a case where a participant has multiple clients that are equally eligible to trade, MATCH Now will pro-rate fairly across all of the Subscriber clients when allocating the larger fill size and therefore rewarding the provision of size and equal treatment of order priority.

To our knowledge, Better than Limit orders will be a unique to Canadian Markets. In other jurisdictions orders can be entered and executed off exchange (OTC Markets) at fractional prices and are not restricted to order entry requirements set for displayed markets (i.e. Reg NMS and decimalization in the US prohibits fractional quoting and trading on Exchange). In Canada UMIR 6.4 requires all orders not be entered in fractional increments even though trades can execute at fractional increments when trading with a dark order at a one increment spread.

[2] http://www.alphatradingsystems.ca/en/IntraSpreadOrderBook_W

Appendix A

Examples to illustrate how the proposed Feature will work

Minimal Price Improvement:

Example #1 ten cent spread: Marketflow Buy order for 2,000 XYZ at price limit of $10.12 is sent to MATCH Now. The current NBB is 5,000 shares at $10.00 and the NBO is $10.10 for 900 shares. There are two resting liquidity orders in MATCH Now a sell for 1,000 XYZ at market to trade at mid-point and a sell for 4,000 XYZ with a price limit of $10.07 marked with Minimal Price Improvement.

The Marketflow order will receive two fills: 1,000 @ $10.05 (mid-point) and 1,000 at $10.09 (NBO less 1 increment). The Marketflow order has been filled for an average price of $10.07 which is better than the posted offer and has not impacted the market.

Example #2 two cent spread: Marketflow Buy order for 2,000 XYZ at price limit of $10.02 is sent to MATCH Now. The current NBB is 5,000 shares at $10.00 and the NBO is $10.02 for 900 shares. There are two resting liquidity orders in MATCH Now a sell for 1,000 XYZ at market to trade at mid-point and a sell for 4,000 XYZ with a price limit of $10.00 marked with Minimal Price Improvement.

The Marketflow order will receive two fills: 1,000 @ $10.01 (mid-point) and 1,000 at $10.01 (NBO less 1 increment or in this case mid-point). The Marketflow order has been filled for an average price of $10.01 which is better than the posted offer and has not impacted the market. The Minimal Price Improvement order trades at the same price and priority as the mid-point order.

Trading at the quote for listed Exchange Traded Funds (ETFs)

Example: Marketflow Buy order for 6,000 XIUs at price limit of $18.61 is sent to MATCH Now with the order attribute permitting the order to trade at the NBO. The current NBB is 1,000 shares at18.60 and the NBO is 18.61 for 500 shares. There are two resting liquidity orders in MATCH Now a sell for 2,000 XIU at market to trade at mid-point and a sell for 20,000 XIU with a price limit of 18.61 to trade at the offer price.

The Marketflow order will receive two fills: 2,000 @ $18.605 (mid-point) and 4,000 at $18.61 (NBO). The Marketflow order has been filled for an average price of 18.6083 which is better than the posted offer and has not impacted the market.

Minimum Tradelet Size Executed

Example: A Marketflow buy order for 1,000 ABX at a limit price of $29.60 is sent to MATCH. There are 10 sell orders resting in MATCH Now. The Marketflow buy order maybe at worst is allocated as 10x100 share fills due to the pro-rata allocation methodology.

By specifying a Minimum Tradelet Size of 400 shares, this trade will be allocated to no more than 3 fills.

Scenario A: 2x400 fills and a 1x200 fill (Since the first 2 fills leave 200 shares, the Min Tradelet Size is automatically reduced to the remaining quantity of 200 shares)

Scenario B: a 1x1,000 fill

Scenario C: a 1x600 fill and a 1x400 fill

The fill quantity scenario is based on what liquidity is resting in MATCH Now.

Better Than Limit

Example # 1, a buy order: Stock NBBO quote is $10.00 to $10.01, you place a buy order in MATCH Now with a $10.01 limit expecting fills at the mid-point of $10.005. The quote widens out to $10.00 to $10.02, mid-point is now at $10.01 which equals your limit price. By specifying the order as a better than limit order, you will not trade at your limit price of $10.01 when the quote fluctuates allowing you to control how you use MATCH Now.

Example # 2, a sell order: Stock NBBO quote is $10.00 to $10.01, you place a sell order in MATCH Now with a better than $10.00 limit expecting fills at the current mid-point of $10.005 or better. The quote widens out to $9.99 to $10.01, mid-point is now at $10.00 which is at your limit price but your order cannot trade until the mid-point is $10.005 or better. If the quote moves in your favour to $10.00 to $10.02 your sell order can trade at the $10.01 the new mid-point. By specifying the order as a better than limit order, you will always trade at prices better than your limit price of $10.00.

Appendix B

Order Priority and Allocation Methodology

Match Allocation Priority for Marketflow and Liquidity ("LP") Orders is based on Broker and Size. Orders that are executed at each level of a match will be allocated based on a pro rata basis while maximizing participation on every trade. Each tradelet (partial fill reported) will be a minimum of one board lot. For the pro-rata algorithm, the allocation of tradelets will be randomized for orders of equal priority. The first four levels of Matching Priority apply to all types of matches (i.e. Market Flow to Liquidity orders and Liquidity to Liquidity orders). The fifth and sixth levels of Matching Priority are only relevant to the remaining balance of a Large ETF Marketflow order that is trading with a Large ETF Liquidity order that is posted at the NBBO.

Matching Priority	Match Allocation	Match Details
First	Traded at mid-point same broker	Broker preferencing applied to matching (priority to execution broker for attributed and anonymous orders.) Fills will be allocated on a pro-rata basis within the same broker.
Second	Traded at mid-point among brokers	Remaining unfilled quantity will be matched on a pro-rata basis across all other brokers.
Third	Traded at Minimal Price Improvement[3] with same broker	Broker preferencing applied to matching (priority to execution broker for attributed and anonymous orders.) Fills will be allocated on a pro-rata basis within the same broker.
Fourth	Traded at Minimal Price Improvement with same among brokers	Remaining unfilled quantity will be matched on a pro-rata basis across all other brokers.
Fifth (only available to Large ETF Marketflow orders trading with Large ETF LP Orders)	Traded at the national best bid or best offer with same broker	Broker preferencing applied to matching (priority to execution broker for attributed and anonymous orders.) Fills will be allocated on a pro-rata basis within the same broker.
Sixth (only available to Large ETF Marketflow orders trading with Large ETF LP Orders)	Traded at the national best bid or best offer among brokers	Remaining unfilled quantity will be matched on a pro-rata basis across all other brokers.

Order Priority is not based on price or time priority. Price limits on an order will determine if the order is eligible to participate in the match. The execution price is determined by the amount of price improvement provided by the LP order(s) based on the national best bid or best offer.

Orders with the Better than Limit attribute will have equal standing in pro-rata allocation as other limit orders if they can be included in a match. The Better than Limit attribute does not change the priority of the order, it just determines if the order is tradable or not.

Trading restrictions, such as minimum size or minimum tradelet size do not change the priority of the order in the allocation process if the restrictions can be met.

Broker Preferencing allocation methodology:

Attributed and Anonymous Orders	Preferenced by execution broker
Jitney Orders	No Preferencing by broker

[3] Minimum Price Improvement as required by IIROC Provisions Respecting Dark Liquidity "a minimum of one trading increment except, when the difference between the best ask price and the best bid price is one trading increment, the amount shall be a minimum of one-half of one trading increment" http://www.securities-administrators.ca/aboutcsa.aspx?id=1045&terms=Provisions+Respecting+Dark+Liquidity" April 13, 2012

13.3 Clearing Agencies

13.3.1 CDS – Notice of Effective Date – Technical Amendments to CDS Procedures – Tax Changes on CDS Forms

NOTICE OF EFFECTIVE DATE – TECHNICAL AMENDMENTS TO CDS PROCEDURES

TAX CHANGES ON CDS FORMS

A. DESCRIPTION OF THE PROPOSED CDS PROCEDURE AMENDMENTS

On August 26, 2011, the Government of British Columbia (BC) announced that it would be reinstating its provincial sales tax (PST) following the referendum on the elimination of the Harmonized Sales Tax (HST) in the province. Effective April 1, 2013, the Goods and Service Tax (GST) will be reinstated in BC at a rate of 5.0%.

On their budget tabled on April 18, 2012, the Government of Prince Edward Island (PEI) announced their intention to enter into negotiations with the federal government to harmonize its provincial sales tax with the GST on April 1, 2013. Effective April 1, 2013, a 14% HST will apply on taxable services in PEI.

The following amendments are housekeeping changes made in the ordinary course of review of CDS's Participant Procedures, and are required to amend the applicable taxes on the following forms, effective April 1, 2013:

- CDSX166 form – Notice of Record & Meeting Dates
- CDSX796 form – Application for Participation Form, Appendix F (Calculation of Entrance Fees)

CDS procedure amendments are reviewed and approved by CDS's strategic development review committee (SDRC). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on February 28, 2013.

The proposed procedure amendments are available for review and download on the User Documentation page on the CDS website at www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed in this Notice are considered technical in nature, and are required to ensure consistency or compliance with an existing rule, securities legislation or other regulatory requirement, as described in Section 3 (a) (iii) of the Rule Protocols regarding review and approval of CDS Clearing and Depository Services Inc. Rules issued by the Ontario Securities Commission, and in Section 3 (a) (iii) of the Rule Protocols issued by the *Autorité des marchés financiers.*

C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENTS

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act*, and by the British Columbia Securities Commission pursuant to section 24(d) of the British Columbia *Securities Act*, and as a clearing house by the *Autorité des marchés financiers* pursuant to Section 169 of the Quebec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX®, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act.* The Ontario Securities Commission, the British Columbia Securities Commission, the *Autorité des marchés financiers* and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

CDS has determined that these amendments will become effective on April 1, 2013.

D. QUESTIONS

Questions regarding this notice may be directed to:

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