

The Ontario Securities Commission

# OSC Bulletin

November 21, 2013

Volume 36, Issue 47

(2013), 36 OSCB

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)

**The Ontario Securities Commission**

Cadillac Fairview Tower  
22nd Floor, Box 55  
20 Queen Street West  
Toronto, Ontario  
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Contact Centre - Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:

**Carswell, a Thomson Reuters business**

One Corporate Plaza  
2075 Kennedy Road  
Toronto, Ontario  
M1T 3V4

416-609-3800 or 1-800-387-5164

Fax: 416-593-8122  
TTY: 1-866-827-1295

Fax: 416-593-2318



THOMSON REUTERS

The OSC Bulletin is published weekly by Carswell, a Thomson Reuters business, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of \$649 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$175
Outside North America	\$400

Single issues of the printed Bulletin are available at \$20 per copy as long as supplies are available.

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on *SecuritiesSource*<sup>™</sup>, Canada's pre-eminent web-based securities resource. *SecuritiesSource*<sup>™</sup> also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*<sup>™</sup>, as well as ordering information, please go to:

<http://www.westlawecarswell.com/SecuritiesSource/News/default.htm>

or call Carswell Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Carswell up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2013 Ontario Securities Commission  
ISSN 0226-9325  
Except Chapter 7 ©CDS INC.



THOMSON REUTERS

---

One Corporate Plaza  
2075 Kennedy Road  
Toronto, Ontario  
M1T 3V4

Customer Relations  
Toronto 1-416-609-3800  
Elsewhere in Canada/U.S. 1-800-387-5164  
Fax 1-416-298-5082  
[www.carswell.com](http://www.carswell.com)  
Email [www.carswell.com/email](http://www.carswell.com/email)

# Table of Contents

<p><b>Chapter 1 Notices / News Releases ..... 11189</b></p> <p><b>1.1 Notices ..... 11189</b></p> <p>1.1.1 Current Proceedings before the Ontario Securities Commission ..... 11189</p> <p>1.1.2 OSC Staff Notice 45-713 – Reports of Exempt Distribution – Compliance with Filing Requirements ..... 11195</p> <p>1.1.3 CSA Staff Notice 13-321 – Update on New Service Provider for the Operation of the CSA National Systems and Implementation of Related Consequential Amendments to CSA National Systems Rules ..... 11197</p> <p>1.1.4 Notice of Correction – Counsel Portfolio Services Inc. .... 11199</p> <p><b>1.2 Notices of Hearing ..... 11200</b></p> <p>1.2.1 Systematech Solutions Inc. et al. – ss. 127(1), 127.1 ..... 11200</p> <p>1.2.2 Victor George DeLaet and Stanley Kenneth Gitzel – ss. 127(1), 127(10) ..... 11201</p> <p><b>1.3 News Releases ..... 11205</b></p> <p>1.3.1 Ontario Securities Commission Publishes Final Derivatives Rule: Product Determination and Derivatives Trade Repositories and Data Reporting ..... 11205</p> <p>1.3.2 Transition to New Service Provider for the Operation of the CSA National Systems ..... 11206</p> <p><b>1.4 Notices from the Office of the Secretary ..... 11208</b></p> <p>1.4.1 Systematech Solutions Inc. et al. .... 11208</p> <p>1.4.2 Victor George DeLaet and Stanley Kenneth Gitzel ..... 11208</p> <p>1.4.3 Weizhen Tang ..... 11209</p> <p>1.4.4 Systematech Solutions Inc. et al. .... 11209</p> <p><b>Chapter 2 Decisions, Orders and Rulings ..... 11211</b></p> <p><b>2.1 Decisions ..... 11211</b></p> <p>2.1.1 Counsel Portfolio Services Inc. .... 11211</p> <p>2.1.2 Transglobe Apartment Real Estate Investment Trust ..... 11215</p> <p>2.1.3 TD Waterhouse Canada Inc. and InvestorPOS Inc. .... 11219</p> <p>2.1.4 Goodman &amp; Company, Investment Counsel Inc. and CMP 2013 Resource Limited Partnership ..... 11223</p> <p>2.1.5 Stewards Canada ..... 11226</p> <p>2.1.6 RBC Bank (Georgia), N.A. .... 11230</p> <p>2.1.7 Fiera Quantum Limited Partnership and Fiera Quantum Income Opportunities Fund ..... 11233</p> <p><b>2.2 Orders ..... 11235</b></p> <p>2.2.1 Weizhen Tang – ss. 127(1), 127(10) ..... 11235</p> <p>2.2.2 Systematech Solutions Inc. et al. .... 11236</p> <p><b>2.3 Rulings ..... (nil)</b></p>	<p><b>Chapter 3 Reasons: Decisions, Orders and Rulings ..... 11237</b></p> <p><b>3.1 OSC Decisions, Orders and Rulings ..... 11237</b></p> <p>3.1.1 Systematech Solutions Inc. et al. .... 11237</p> <p>3.1.2 Sterling Grace &amp; Co. Ltd. and Graziana Casale – s. 31 ..... 11243</p> <p><b>3.2 Court Decisions, Order and Rulings ..... (nil)</b></p> <p><b>Chapter 4 Cease Trading Orders ..... 11249</b></p> <p>4.1.1 Temporary, Permanent &amp; Rescinding Issuer Cease Trading Orders ..... 11249</p> <p>4.2.1 Temporary, Permanent &amp; Rescinding Management Cease Trading Orders ..... 11249</p> <p>4.2.2 Outstanding Management &amp; Insider Cease Trading Orders ..... 11249</p> <p><b>Chapter 5 Rules and Policies ..... (nil)</b></p> <p><b>Chapter 6 Request for Comments ..... (nil)</b></p> <p><b>Chapter 7 Insider Reporting ..... 11251</b></p> <p><b>Chapter 8 Notice of Exempt Financings ..... 11321</b></p> <p>Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 ..... 11321</p> <p><b>Chapter 9 Legislation ..... (nil)</b></p> <p><b>Chapter 11 IPOs, New Issues and Secondary Financings ..... 11327</b></p> <p><b>Chapter 12 Registrations ..... 11333</b></p> <p>12.1.1 Registrants ..... 11333</p> <p><b>Chapter 13 SROs, Marketplaces and Clearing Agencies ..... (nil)</b></p> <p><b>13.1 SROs ..... (nil)</b></p> <p><b>13.2 Marketplaces ..... (nil)</b></p> <p><b>13.3 Clearing Agencies ..... (nil)</b></p> <p><b>Chapter 25 Other Information ..... 11335</b></p> <p><b>25.1 Approvals</b></p> <p>25.1.1 Stratigis Capital Advisors Inc. – s. 213(3)(b) of the LTCA ..... 11335</p> <p><b>Index ..... 11337</b></p>
---	--



## Chapter 1

# Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

November 21, 2013

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

-----

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

Ontario Securities Commission  
Cadillac Fairview Tower  
20 Queen Street West, 17<sup>th</sup> Floor  
Toronto, Ontario  
M5H 3S8

Telephone: 416-597-0681 Telecopier: 416-593-8348

#### CDS

#### TDX 76

#### THE COMMISSIONERS

Howard I. Wetston, Chair	—	HIW
James E. A. Turner, Vice Chair	—	JEAT
Lawrence E. Ritchie, Vice Chair	—	LER
Mary G. Condon, Vice Chair	—	MGC
Sinan O. Akdeniz	—	SOA
Catherine E. Bateman	—	CEB
James D. Carnwath	—	JDC
Sarah B. Kavanagh	—	SBK
Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Deborah Leckman	—	DL
Alan J. Lenczner	—	AJL
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
AnneMarie Ryan	—	AMR
Charles Wesley Moore (Wes) Scott	—	CWMS

### SCHEDULED OSC HEARINGS

November 25 – December 2,  
December 4-5,  
December 9-16,  
December 18-20, 2013,  
January 15-27,  
January 30 – February 7,  
March 3-7 and  
April 28-30, 2014

**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

C. Price/A. Pelletier in attendance for Staff

10:00 a.m.

Panel: EPK/DL/AMR

November 26, 2013

**Children's Education Funds Inc.**

s. 127

D. Ferris in attendance for Staff

2:00 p.m.

Panel: JEAT

November 27, 2013

**Victor George DeLaet and Stanley Kenneth Gitzel**

11:00 a.m.

s. 127(1) and 127(10)

D. Campbell in attendance for Staff

Panel: JEAT

November 28-29, 2013

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

10:00 a.m.

s. 127 and 127(1)

D. Ferris in attendance for Staff

Panel: MGC/CP

December 5, 2013 10:00 a.m.	<b>Quadrex Asset Management Inc., Quadrex Secured Assets Inc., Offshore Oil Vessel Supply Services LP, Quibik Income Fund and Quibik Opportunities Fund</b>  s. 127  D. Ferris in attendance for Staff  Panel: JEAT	December 17, 2013 3:30 p.m.	<b>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</b>  s. 127  C. Watson in attendance for Staff  Panel: EPK
December 9, 2013 10:00 a.m.	<b>Bradon Technologies Ltd., Joseph Compta, Ensign Corporate Communications Inc. and Timothy German</b>  s. 127 and 127.1  C. Weiler in attendance for Staff  Panel: JEAT	January 6, 2014 2:00 p.m.	<b>Kevin Warren Zietsoff</b>  s. 127  J. Feasby in attendance for Staff  Panel: TBA
December 10, 2013 10:00 a.m.	<b>Andrea Lee McCarthy, BFM Industries Inc. and Liquid Gold International Corp. (aka Liquid Gold International Inc.)</b>  s. 127  J. Feasby/C. Watson in attendance for Staff  Panel: JDC	January 13, January 15-27, January 29 – February 10, February 12-14 and February 18-21, 2014 10:00 a.m.	<b>International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.</b>  s. 127  C. Watson in attendance for Staff  Panel: TBA
December 12, 2013 10:00 a.m.	<b>Pro-Financial Asset Management Inc.</b>  s. 127  D. Ferris in attendance for Staff  Panel: JEAT	January 21, 2014 10:00 a.m.	<b>Weizhen Tang</b>  s. 127  C. Rossi in attendance for Staff  Panel: TBA
December 16, 2013 10:00 a.m.	<b>Heritage Education Funds Inc.</b>  s. 127  D. Ferris in attendance for Staff  Panel: JEAT	January 27, 2014 10:00 a.m.	<b>Welcome Place Inc., Daniel Maxsood also known as Muhammad M. Khan, Tao Zhang, and Talat Ashraf</b>  s. 127  G. Smyth in attendance for Staff  Panel: TBA

<p>February 3, 2014 10:00 a.m.</p>	<p><b>Tricoastal Capital Partners LLC, Tricoastal Capital Management Ltd. and Keith Macdonald Summers</b>  s. 127  C Johnson/G. Smyth in attendance for Staff  Panel: TBA</p>	<p>March 31 – April 7 and April 9-11, 2014  10:00 a.m.</p>	<p><b>Ronald James Ovenden, New Solutions Capital Inc., New Solutions Financial Corporation and New Solutions Financial (li) Corporation</b>  s. 127  Y. Chisholm in attendance for Staff  Panel: TBA</p>
<p>February 10 and February 12-18, 2014  10:00 a.m.</p>	<p><b>Portfolio Capital Inc., David Rogerson and Amy Hanna-Rogerso</b>  s. 127  J. Lynch in attendance for Staff  Panel: TBA</p>	<p>April 14-15, April 21, April 23 – May 5 and May 7, 2014  10:00 a.m.</p>	<p><b>Ground Wealth Inc., Michelle Dunk, Adrion Smith, Joel Webster, Douglas DeBoer, Armadillo Energy Inc., Armadillo Energy, Inc., and Armadillo Energy, LLC (aka Armadillo Energy LLC)</b>  s. 127  J. Feasby in attendance for Staff  Panel: TBA</p>
<p>March 17-24 and March 26, 2014  10:00 a.m.</p>	<p><b>Newer Technologies Limited, Ryan Pickering and Rodger Frey</b>  s. 127 and 127.1  B. Shulman in attendance for staff  Panel: TBA</p>	<p>May 5, May 7-16, May 21 – June 2 and June 4-12, 2014  10:00 a.m.</p>	<p><b>Fawad UI Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus</b>  s. 60 and 60.1 of the <i>Commodity Futures Act</i>  T. Center in attendance for Staff  Panel: TBA</p>
<p>March 27, 2014  10:00 a.m.</p>	<p><b>AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga</b>  s. 127  C. Rossi in attendance for Staff  Panel: JEAT</p>		
<p>March 31 – April 7, April 9-17, April 21 and April 23-30, 2014  10:00 a.m.</p>	<p><b>Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh</b>  s. 127 and 127.1  M. Vaillancourt in attendance for Staff  Panel: TBA</p>		

<p>June 2, 4-6, 10-16, 18-20, 24-30, July 3-4, 8-14, 16-18, 22-25, August 11, 13-15, 19-25, 27-29, September 2-8, 10-15, October 15-17, 28-31, November 3, 5-7, 11, 19-21, 25-28, December 1, 3-5, 9-15, 17-19, 2014, January 7-12, 14-16, 20-26, 28-30, February 3-9, 11-13 and February 17-20, 2015</p> <p>10:00 a.m.</p>	<p><b>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	<p>May 1, 2015</p> <p>10:00 a.m.</p> <p>In writing</p>	<p><b>Ernst &amp; Young LLP (Audits of Zungui Haixi Corporation)</b></p> <p>s. 127 and 127.1</p> <p>J. Friedman in attendance for Staff</p> <p>Panel: TBA</p> <p><b>Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: EPK</p>
<p>September 15-22, September 24, September 29 – October 6, October 8-10, October 14-20, October 22 – November 3 and November 5-7, 2014</p> <p>10:00 a.m.</p>	<p><b>Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)</b></p> <p>s. 127</p> <p>T. Center/D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>	<p>In writing</p>	<p><b>Blackwood &amp; Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay)</b></p> <p>s. 37, 127 and 127.1</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: JEAT</p> <p><b>Bunting &amp; Waddington Inc., Arvind Sanmugam and Julie Winget</b></p> <p>s. 127 and 127.1</p> <p>M. Britton/A. Pelletier in attendance for Staff</p> <p>Panel: EPK</p>
<p>November 11-17, 19-21, November 25 – December 1, December 3-5, 9-15, 17-19, 2014, January 14-16, 20-26, 28-30, February 3-9, 11-13, 17-23, 25-27 and March 3-6, 2015</p> <p>10:00 a.m.</p>	<p><b>Ernst &amp; Young LLP</b></p> <p>s. 127 and 127.1</p> <p>Y. Chisholm / H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	<p>In writing</p>	<p><b>Global Consulting and Financial Services, Global Capital Group, Crown Capital Management Corp., Michael Chomica, Jan Chomica and Lorne Banks</b></p> <p>s. 127</p> <p>C. Rossi in attendance for Staff</p> <p>Panel: AJL</p>



TBA	<p><b>Yama Abdullah Yaqeen</b></p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>David M. O'Brien</b></p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b></p> <p>s. 127</p> <p>Panel: TBA</p>	TBA	<p><b>Crown Hill Capital Corporation and Wayne Lawrence Pushka</b></p> <p>s. 127</p> <p>A. Perschy/A. Pelletier in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Frank Dunn, Douglas Beatty, Michael Gollogly</b></p> <p>s. 127</p> <p>Panel: TBA</p>	TBA	<p><b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b></p> <p>s. 127</p> <p>H Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International and Sandra Gale</b></p> <p>s. 127</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Global RESP Corporation and Global Growth Assets Inc.</b></p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein</b></p> <p>s. 127</p> <p>J. Friedman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</b></p> <p>s. 127</p> <p>H. Craig/C. Rossi in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Jowdat Waheed and Bruce Walter</b></p> <p>s. 127</p> <p>J. Lynch in attendance for Staff</p> <p>Panel: TBA</p>

TBA            **Alexander Christ Doulis  
(aka Alexander Christos Doulis,  
aka Alexandros Christodoulidis)  
and Liberty Consulting Ltd.**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA            **David Charles Phillips and John  
Russell Wilson**

s. 127

Y. Chisholm/B. Shulman in  
attendance for Staff

Panel: TBA

TBA            **Conrad M. Black, John A  
Boulton and Peter Y. Atkinson**

s. 127 and 127.1

J. Friedman in attendance for Staff

Panel: TBA

TBA            **Oversea Chinese Fund Limited  
Partnership, Weizhen Tang and  
Associates Inc., Weizhen Tang  
Corp., and Weizhen Tang**

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

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

s. 127

D. Campbell in attendance for Staff

Panel: TBA

**ADJOURNED SINE DIE**

**Global Privacy Management Trust and Robert  
Cranston**

TBA            **North American Financial Group  
Inc., North American Capital Inc.,  
Alexander Flavio Arconti, and  
Luigino Arconti**

s. 127

M. Vaillancourt in attendance for  
Staff

Panel: TBA

**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**

**1.1.2 OSC Staff Notice 45-713 – Reports of Exempt Distribution – Compliance with Filing Requirements**

OSC Staff Notice 45-713 – *Reports of Exempt Distribution – Compliance with Filing Requirements* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

This page intentionally left blank

## REPORTS OF EXEMPT DISTRIBUTION COMPLIANCE WITH FILING REQUIREMENTS

OSC Staff Notice 45-713

November 21, 2013

### Purpose of notice

We have prepared this notice to provide guidance on filing reports of exempt distribution (Reports) under National Instrument 45-106 – *Prospectus and Registration Exemptions* (NI 45-106)<sup>1</sup>. In particular, we wish to remind issuers, underwriters and their advisors of:

- the importance of filing Reports and applicable filing fees on time, and
- recent changes to the applicable filing fees.

### Background of exempt market and importance of Reports

One of the key principles of Ontario securities law is that securities may not be distributed unless a prospectus is filed with and received by the OSC. Only in limited circumstances may securities be distributed without a prospectus. This is typically referred to as an “exempt distribution” that occurs in the “exempt market”.

NI 45-106 includes a number of exemptions from the prospectus requirement under which exempt distributions may be made. Issuers, including investment funds, and underwriters are required to report exempt distributions made in reliance on certain of those prospectus exemptions, including the accredited investor and minimum amount investment exemptions.

Exempt market activity is significant. Based on Reports filed with the OSC, approximately \$104 billion was raised in the exempt market in Ontario in 2012. Approximately one-third of this amount was raised by issuers other than investment funds<sup>2</sup>.

---

<sup>1</sup> The guidance in this staff notice also applies to reports of exempt distribution required to be filed under OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions*. Part 6 of that Rule requires that issuers file a report of exempt distribution on or before the 10<sup>th</sup> day after a distribution in the form prescribed in Form 45-501F1.

<sup>2</sup> This data reflects purchases but not redemptions of investment fund securities. The data for distributions of investment fund securities reflects distributions to both individual and institutional investors of both public and private investment fund securities.

### Importance of Reports

Reports are our primary source of information about activity in the exempt market. They include information about the issuer, the underwriter (if any), the distribution, commissions and finders' fees and the investors.

This information provides us with a more comprehensive understanding of activity in the exempt market, helps us to effectively oversee that market, and informs any future changes we may recommend to the exempt market regulatory regime. As a result, it is important that complete and accurate Reports are filed with the OSC in a timely manner.

### Snapshot of requirements to file Reports

Topic	Reminder regarding requirement
<b>Requirement to file a Report</b>	A Report must be filed in connection with a distribution made in reliance on certain prospectus exemptions, including the accredited investor and minimum amount investment exemptions (see Part 6 of NI 45-106).
<b>Form of Report</b>	<p>In Ontario, the prescribed form of Report under NI 45-106 is Form 45-106F1 (see section 6.3 of NI 45-106). Reports can be filed either in paper form or online using the e-form available at: <a href="https://eforms2.osc.gov.on.ca/exemptdistribution/ProcessFormsServlet?action=open&amp;filename=45-106F1CF.xfdl&amp;mode=html">https://eforms2.osc.gov.on.ca/exemptdistribution/ProcessFormsServlet?action=open&amp;filename=45-106F1CF.xfdl&amp;mode=html</a></p> <p>On October 31, 2013, the OSC published OSC Rule 11-501 - <i>Electronic Delivery of Documents to the Ontario Securities Commission</i> in final form and, subject to Ministerial approval, it will come into effect on February 19, 2014. The rule contemplates mandatory electronic filing of certain documents, including Reports. Electronic filing is a convenience to filers and allows for the efficient collection and use of information by the OSC. Electronic filing will:</p> <ul style="list-style-type: none"><li>• streamline the submission process and regulatory burden for market participants in Ontario,</li><li>• improve our data analysis, compliance and enforcement capabilities by requiring more reports in a machine-readable format, and</li><li>• reduce the effort and time required to process and analyze the documents, allowing the Commission to focus resources on more substantive matters.</li></ul>

Topic	Reminder regarding requirement
<b>Deadline for filing Report</b>	<p>A Report must be filed no later than 10 days after a distribution (see subsection 6.1(2) of NI 45-106). An investment fund relying on the accredited investor, minimum amount investment or additional investment in investment funds exemption may instead file a Report no later than 30 days after its financial year end (see subsection 6.2(2) of NI 45-106).</p> <p>A Report in paper form is considered to be filed when it is received in our office. A Report that uses the e-form is considered to be filed when the e-form has been successfully submitted online to the OSC. A payment is considered to have been made when it is received in our office. If the deadline for filing a Report falls on a Saturday, Sunday, or another day when the OSC is not open, the deadline is the next day the OSC is open.</p>
<b>One Report for multiple distributions</b>	<p>One Report may be used for multiple distributions that occur within 10 days of each other provided the Report is filed on or before the 10<sup>th</sup> day following the first of those distributions. Distributions that occur over periods longer than 10 days must be split into two or more Reports to meet this requirement (see Instruction 4 to Form 45-106F1).</p>
<b>Filing fee</b>	<p>A \$500 fee must be filed with each Report by the deadline (see section 4.1 and section B of Appendix C of OSC Rule 13-502 – <i>Fees</i> (OSC Rule 13-502)).</p>
<b>Late filing fee</b>	<p>If a Report is filed after the deadline, a late fee of \$100 per business day applies, up to a maximum of \$5,000 per fiscal year of an issuer for all of the issuer's Reports together with reports of exempt distribution required under OSC Rule 45-501 – <i>Ontario Prospectus and Registration Exemptions</i> (OSC Rule 45-501) (see section 4.3 and section A.1 of Appendix D of OSC Rule 13-502).</p>

### Summary of changes to filing fees and late filing fees applicable to Reports

Recent changes to OSC Rule 13-502 became effective on April 1, 2013. The following table summarizes the recent changes in filing fees and late filing fees applicable to filing Reports.

Previous Requirements	Amended Requirements
<p>An activity fee of \$500 for filing a Report was required to be paid by issuers other than those that paid, or in the case of an investment fund, whose investment fund manager paid, participation fees.</p>	<p>Now, an activity fee of \$500 is required to be paid with each Report filed, regardless of whether an issuer (reporting or non-reporting), or in the case of an investment fund, the fund's investment fund manager, paid a participation fee. The activity fee is intended to reflect the average cost to the OSC of reviewing Reports (see section 4.1 and section B of Appendix C of OSC Rule 13-502).</p>

Previous Requirements	Amended Requirements
<p>Only reporting issuers were subject to a late fee when a Report was filed after the deadline.</p> <p>The maximum late fee of \$5,000 per fiscal year was an aggregate fee that applied to the late filing of several documents (such as financial statements, annual information forms, participation fee forms, Reports, etc.).</p>	<p>Now, all issuers (reporting and non-reporting) are subject to a late fee when a Report is filed after the deadline.</p> <p>The fee for a late Report is \$100 per business day, up to a maximum of \$5,000 per fiscal year of an issuer. This maximum fee now only applies to Reports, and reports of exempt distribution under OSC Rule 45-501, and is in addition to any other late fees that may be charged in connection with other documents (see section 4.3 and section A.1 of Appendix D of OSC Rule 13-502).</p>

## Questions

Questions may be referred to:

<p><b>Jo-Anne Matear, Manager</b> Corporate Finance Branch Tel: 416.593.2323 Email: <a href="mailto:jmatear@osc.gov.on.ca">jmatear@osc.gov.on.ca</a></p>	<p><b>Moses Seer, Administrative Support Clerk</b> Corporate Finance Branch Tel: 416.593.3684 Email: <a href="mailto:mseer@osc.gov.on.ca">mseer@osc.gov.on.ca</a></p>
<p><b>Lisa Piebalgs, Accountant</b> Corporate Finance Branch Tel: 416.593.8147 Email: <a href="mailto:lpiebalgs@osc.gov.on.ca">lpiebalgs@osc.gov.on.ca</a></p>	<p><b>Rick Whiler, Senior Accountant</b> Corporate Finance Branch Tel: 416.593.8127 Email: <a href="mailto:rwhiler@osc.gov.on.ca">rwhiler@osc.gov.on.ca</a></p>
<p><b>Shaill Bahuguna, Administrative Support Clerk</b> Investment Funds Branch Tel: 416.593.3678 Email: <a href="mailto:sbahuguna@osc.gov.on.ca">sbahuguna@osc.gov.on.ca</a></p>	



1.1.3 CSA Staff Notice 13-321 – Update on New Service Provider for the Operation of the CSA National Systems and Implementation of Related Consequential Amendments to CSA National Systems Rules



**CSA Staff Notice 13-321**  
**Update on new service provider**  
**for the operation of the CSA National Systems**  
**and**  
**implementation of**  
**Related Consequential Amendments to**  
**CSA National Systems Rules**

**November 21, 2013**

This notice provides an update on the transition of the operation of SEDAR, SEDI and NRD (the CSA National Systems) from CDS INC. to CGI Information Systems and Management Consultants Inc. (CGI) and the implementation of related amendments to:

- National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* (NI 13-101),
- National Instrument 31-102 *National Registration Database* (NI 31-102), and
- National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* (NI 55-102),

(the Consequential Amendments).

On October 8, 2013, the Canadian Securities Administrators (CSA) announced that the implementation date of the change-over for hosting, operating and maintaining the CSA National Systems to CGI was delayed to December 2, 2013. To ensure a smooth transition for all market participants, the CSA is further deferring implementing this change. The CSA will publish a further notice to advise market participants of the new change-over date.

Until the change-over takes place, the CSA will delay implementing the Consequential Amendments. CSA members, other than the Ontario Securities Commission (OSC), have either amended the Consequential Amendments or intend to issue blanket orders to delay the effective date of the Consequential Amendments.

While the OSC cannot delay the effective date of the amendments, OSC staff request that, until further notice is given, Ontario market participants continue to treat CDS INC. as the SEDAR filing service contractor under NI 13-101, the SEDI operator under NI 55-102 and the NRD administrator under NI 31-102 and OSC Rule 31-509 *National Registration Database (Commodity Futures Act)*, as if the Consequential Amendments were not in force.

The system fees that are described in Multilateral Instrument 13-102 *System Fees for SEDAR and NRD* were implemented on October 12, 2013 as planned.

*Questions*

Please refer your questions to any of the following:

*Autorité des marchés financiers*  
Mathieu Laberge  
Legal Counsel  
Legal Affairs  
514-395-0337 ext.2537  
1-877-525-0337 ext. 2537  
[mathieu.laberge@lautorite.qc.ca](mailto:mathieu.laberge@lautorite.qc.ca)

*Alberta Securities Commission*

Samir Sabharwal  
Associate General Counsel  
403-297-7389  
[samir.sabharwal@asc.ca](mailto:samir.sabharwal@asc.ca)

*British Columbia Securities Commission*

David M. Thompson  
General Counsel  
604-899-6537  
[dthompson@bcsc.bc.ca](mailto:dthompson@bcsc.bc.ca)

*Manitoba Securities Commission*

Chris Besko  
Legal Counsel – Deputy Director  
204-945-2561  
[Chris.Besko@gov.mb.ca](mailto:Chris.Besko@gov.mb.ca)

*Ontario Securities Commission*

Robert Galea  
Legal Counsel  
General Counsel's Office  
416-593-2321  
[rgalea@osc.gov.on.ca](mailto:rgalea@osc.gov.on.ca)

**1.1.4 Notice of Correction – Counsel Portfolio Services Inc.**

The headnote for *Counsel Portfolio Services Inc.* (2013), 36 OSCB 10782 contained errors and should have read:

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from sections 2.3(f), 2.3(h), 2.5(2)(a), 2.5(2)(b) and 2.5(2)(c) of National Instrument 81-102 Mutual Funds to permit mutual funds to invest in commodities up to 10% of net assets. The Fund already had existing relief for trading in in leveraged ETFs, inverse ETFs, gold ETFs, silver ETFs, leveraged gold ETFs and leveraged silver ETFs traded on Canadian or US stock exchanges, subject to 10 % total exposure in gold and silver, and certain conditions. The decision revokes and replaces the prior decision.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds, ss. 2.3(f), 2.3(h), 2.5(2)(a), 2.5(2)(b) 2.5(2)(c), 19.1.

1.2 Notices of Hearing

1.2.1 Systematech Solutions Inc. et al. – ss. 127(1), 127.1

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

**AND**

**IN THE MATTER OF  
SYSTEMATECH SOLUTIONS INC.,  
APRIL VUONG AND HAO QUACH**

**NOTICE OF HEARING  
(SECTIONS 127(1) and 127.1)**

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127(1) 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 Thursday, November 14, 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 to consider whether it is in the public interest for the Commission to approve the settlement agreement between Staff of the Commission and the Systematech Solutions Inc., April Vuong and Hao Quach (collectively, the “Respondents”);

**BY REASON OF** the allegations set out in the Statement of Allegations dated October 31, 2012 and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that the Respondents 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 listed above, 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 12th day of November, 2013.

“John Stevenson”  
Secretary to the Commission

**1.2.2 Victor George DeLaet and Stanley Kenneth Gitzel – 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  
VICTOR GEORGE DeLAET and  
STANLEY KENNETH GITZEL**

**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 November 27, 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 Victor George DeLaet (“DeLaet”) that:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by DeLaet cease permanently;
  - b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by DeLaet be prohibited permanently;
  - c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to DeLaet permanently;
  - d. pursuant to paragraph 7 of subsection 127(1) of the Act, DeLaet resign any positions that he holds as director or officer of an issuer; and
  - e. pursuant to paragraph 8 of subsection 127(1) of the Act, DeLaet be prohibited permanently from becoming or acting as a director or officer of an issuer;
2. to make an order against Stanley Kenneth Gitzel (“Gitzel”) that:
  - a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Gitzel cease until May 27, 2018, except that this order does not preclude him from trading in securities through a registrant (who has first been given a copy of the decision of the Alberta Securities Commission dated May 27, 2013 (the “ASC Order”) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;
  - b. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Gitzel be prohibited until May 27, 2018, except that this order does not preclude him from purchasing securities through a registrant (who has first been given a copy of the ASC Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;
  - c. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Gitzel until May 27, 2023, except that this order does not preclude him from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;
  - d. pursuant to paragraph 7 of subsection 127(1) of the Act, Gitzel resign any positions that he holds as director or officer of an issuer; and
  - e. pursuant to paragraph 8 of subsection 127(1) of the Act, Gitzel be prohibited until May 27, 2023 from becoming or acting as a director or officer of an issuer, except that this order does not preclude him from acting as a director or officer of 1290569 Alberta Inc. and 1531663 Alberta Inc., for the purpose of moving forward the Sundre Project, as described in the ASC Order, so as to generate funds for the benefit of public

investors in that project, provided that such efforts do not involve trading in securities or raising money from the investing public;

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 November 12, 2013 and by reason of the ASC Order, and such additional allegations as counsel may advise and the Commission may permit;

**AND TAKE FURTHER NOTICE** that at the hearing on November 27, 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's *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 aforesaid, 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 12th day of November, 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  
VICTOR GEORGE DeLAET and  
STANLEY KENNETH GITZEL**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

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

**I. OVERVIEW**

1. Victor George DeLaet ("DeLaet") and Stanley Kenneth Gitzel ("Gitzel") (together, the "Respondents") are subject to an order made by the Alberta Securities Commission ("ASC") dated May 27, 2013 (the "ASC Order") that imposes sanctions, conditions, restrictions or requirements on them.
2. In its findings on liability dated February 8, 2013 (the "Findings"), a panel of the ASC (the "ASC Panel") found that DeLaet and Gitzel both made misrepresentations to investors, and that DeLaet also perpetrated a fraud.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the ASC Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").
4. The conduct for which the Respondents were sanctioned took place from 2007 through 2008.

**II. THE ASC PROCEEDINGS**

**The ASC Findings**

5. In its Findings, the ASC Panel found the following:
  - a. DeLaet and Gitzel each made direct misrepresentations, contrary to section 92(4.1) of the Alberta *Securities Act*, R.S.A. 2000, c. S-4 (the "ASA"); and
  - b. DeLaet perpetrated a fraud, contrary to section 93(b) of the ASA.

**The ASC Order**

6. The ASC Order imposed the following sanctions, conditions, restrictions or requirements:
  - a. upon DeLaet:
    - i. under sections 198(1)(b) and (c) of the ASA, DeLaet must cease trading in or purchasing any securities or exchange contracts, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently;
    - ii. under sections 198(1)(d) and (e) of the ASA, DeLaet must resign any position that he currently holds as a director or officer of any issuer, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, permanently;
    - iii. under section 199 of the ASA, DeLaet must pay an administrative penalty of \$1.5 million; and
    - iv. under section 202 of the ASA, DeLaet must pay \$40,000 of the costs of the investigation and hearing;
  - b. upon Gitzel:
    - i. under section 198(1)(b) of the ASA, Gitzel must cease trading in or purchasing any securities or exchange contracts for 5 years, except that the ASC Order does not preclude him from trading in or

- purchasing securities or exchange contracts through a registrant (who has first been given a copy of the ASC Order) in RRSPs and RESPs for the benefit of one or more of himself, his spouse and dependent children;
- ii. under section 198(1)(c) of the ASA, all of the exemptions contained in Alberta securities laws do not apply to Gitzel for 10 years, except that the ASC Order does not preclude him from trading in or purchasing securities or exchange contracts through a registrant (who has first been given a copy of the ASC Order) in RRSPs and RESPs for the benefit of one or more of himself, his spouse and dependent children;
  - iii. under sections 198(1)(d) and (e), Gitzel must resign any position that he currently holds as a director or officer of any issuer, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, for 10 years, except that the ASC Order does not preclude him from acting as a director or officer (or both) of 1290569 Alberta Inc. and 1531663 Alberta Inc. (or both) for the purpose of moving the Sundre Project forward so as to generate funds for the benefit of public investors in that project, provided that such efforts do not involve trading in securities or raising money from the investing public;
  - iv. under section 199 of the ASA, Gitzel must pay an administrative penalty of \$75,000; and
  - v. under section 202 of the ASA, Gitzel must pay \$5,000 of the costs of the investigation and hearing.

### III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

7. The Respondents are subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements on them.
8. 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.
9. Staff allege that it is in the public interest to make an order against the Respondents.
10. 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.
11. 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's *Rules of Procedure*.

**DATED** at Toronto, this 12th day of November, 2013.



1.3 News Releases

1.3.1 Ontario Securities Commission Publishes Final Derivatives Rule: Product Determination and Derivatives Trade Repositories and Data Reporting

FOR IMMEDIATE RELEASE  
November 14, 2013

**ONTARIO SECURITIES COMMISSION PUBLISHES FINAL DERIVATIVES RULE:  
PRODUCT DETERMINATION AND DERIVATIVES TRADE REPOSITORIES AND DATA REPORTING**

**Toronto** – The Ontario Securities Commission (OSC) today published OSC Rule 91-506 *Derivatives: Product Determination* and OSC Rule 91-507 *Trade Repositories (TR) and Derivatives Data Reporting (DR)*, the first set of harmonized derivatives rules which intend to bring greater transparency to the OTC derivatives market and pave the way for future rules.

This marks one of the most important elements of OTC derivatives reform. The reporting of derivatives transactions to trade repositories will give the OSC access to data that will facilitate market surveillance and shed light on the nature and key characteristics of the Canadian derivatives market. This information will assist the OSC in developing a strong derivatives oversight regime.

“The first set of harmonized derivatives rules represents an important milestone for OTC derivatives reform. These rules will provide the OSC with the right tools to better monitor the derivatives market, address systemic issues before they become significant and protect investors,” said Howard Wetston, Q.C., Chair and CEO of the OSC. “We are delivering on our G-20 commitments and have harmonized these rules at both the international and local level.”

The TR and DR rules take effect December 31, 2013 and the reporting requirements will begin July 2, 2014.

The OSC is committed to guiding market participants through the transition to the new rules and will hold an educational seminar on January 15, 2014 to ensure that market participants are prepared to meet their reporting obligations. Further details on the seminar will be announced in the coming weeks.

The Autorité des marchés financiers and the Manitoba Securities Commission also published harmonized province-specific rules today.

The OSC Rules 91-506 and 91-507 can be found on the OSC’s website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

**For Media Inquiries:**

media\_inquiries@osc.gov.on.ca

Carolyn Shaw-Rimington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

Follow us on Twitter: OSC\_News

**For Investor Inquiries:**

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

1.3.2 Transition to New Service Provider for the Operation of the CSA National Systems

FOR IMMEDIATE RELEASE  
November 14, 2013

**TRANSITION TO NEW SERVICE PROVIDER  
FOR THE OPERATION OF THE CSA NATIONAL SYSTEMS**

**Toronto** – The Canadian Securities Administrators (CSA) announced a delay in the implementation date of the change-over for the hosting, operation and maintenance of the System for Electronic Documents Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI) and the National Registration Database (NRD) (collectively, the CSA National Systems) to CGI Information Systems and Management Consultants Inc. (CGI). The previously communicated transition date was December 2, 2013. The CSA will provide a revised implementation date when it is confident of a smooth transition for all market participants.

Questions concerning this release or relating to the transition in general may be directed to [CSAsystransition@csa-acvm.ca](mailto:CSAsystransition@csa-acvm.ca).

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:**

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

Mark Dickey  
Alberta Securities Commission  
403-297-4481

Sylvain Th  berge  
Autorit   des march  s financiers  
514-940-2176

Richard Gilhooley  
British Columbia Securities Commission  
604-899-6713

1.4 Notices from the Office of the Secretary

1.4.1 Systematech Solutions Inc. et al.

FOR IMMEDIATE RELEASE  
November 13, 2013

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

AND

IN THE MATTER OF  
SYSTEMATECH SOLUTIONS INC.,  
APRIL VUONG AND HAO QUACH

**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 Systematech Solutions Inc., April Vuong and Hao Quach in the above named matter.

The hearing will be held on November 14, 2013 at 3:00 p.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated November 12, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

1.4.2 Victor George DeLaet and Stanley Kenneth Gitzel

FOR IMMEDIATE RELEASE  
November 13, 2013

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

AND

IN THE MATTER OF  
VICTOR GEORGE DeLAET and  
STANLEY KENNETH GITZEL

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on November 12, 2013 setting the matter down to be heard on November 27, 2013 at 11:00 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated November 12, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated November 12, 2013 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

**1.4.3 Weizhen Tang**

**FOR IMMEDIATE RELEASE  
November 15, 2013**

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

**AND**

**IN THE MATTER OF  
WEIZHEN TANG**

**TORONTO** – The Commission issued an order in the above matter which provides that the hearing is adjourned to January 21, 2014 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 Order dated November 14, 2013 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

**1.4.4 Systematech Solutions Inc. et al.**

**FOR IMMEDIATE RELEASE  
November 15, 2013**

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

**AND**

**IN THE MATTER OF  
SYSTEMATECH SOLUTIONS INC.,  
APRIL VUONG AND HAO QUACH**

**TORONTO** – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and the Respondents.

A copy of the Order dated November 14, 2013 and Settlement Agreement dated November 11, 2013 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
Manager, Public Affairs  
416-593-2361

Aly Vitunski  
Senior Media Relations Specialist  
416-593-8263

Alison Ford  
Media Relations Specialist  
416-593-8307

For investor inquiries:

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

This page intentionally left blank

## Chapter 2

# Decisions, Orders and Rulings

---

---

### 2.1 Decisions

#### 2.1.1 Counsel Portfolio Services Inc.

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from certain specified derivatives and custodial requirements to permit mutual funds to enter into swap transactions that are cleared through a clearing corporation – relief required because of new U.S. requirements to clear over-the-counter derivatives including swaps – decision treats cleared swaps similar to other cleared derivatives – National Instrument 81-102 Mutual Funds.

##### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.7(1) and (4), 6.8(1), 19.1.

November 11, 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  
COUNSEL PORTFOLIO SERVICES INC.  
(the Filer)**

**DECISION**

##### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**), pursuant to section 19.1 of National Instrument 81-102 *Mutual Funds (NI 81-102)*, exempting each Existing Counsel Fund (as defined below) and all current and future mutual funds managed by the Filer that enter into Swaps (as defined below) in the future (each, a **Future Counsel Fund** and, together with the Existing Counsel Funds, each, a **Counsel Fund** and, collectively, the **Counsel Funds**):

- (i) from the requirement in subsection 2.7(1) of NI 81-102 that a mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, the option, debt-like security, swap or contract has a designated rating or the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating;
- (ii) from the limitation in subsection 2.7(4) of NI 81-102 that the mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counterparty other than an acceptable clearing corporation or a clearing corporation that settles transactions made on a futures exchange listed in Appendix A to NI 81-102 shall not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund; and
- (iii) from the requirement in subsection 6.1(1) of NI 81-102 to hold all portfolio assets of a mutual fund under the custodianship of one custodian in order to permit each Counsel Fund to deposit cash and other portfolio assets directly

with a Futures Commission Merchant (as defined below) and indirectly with a Clearing Corporation (as defined below) as margin,

in each case, with respect to cleared Swaps (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 subsection 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 **Other Jurisdictions**).

### **Interpretation**

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

“**CFTC**” means the U.S. Commodity Futures Trading Commission

“**Clearing Corporation**” means any of the Chicago Mercantile Exchange Inc., ICE Clear Credit LLC, LCH.Clearnet Limited and any other clearing organization that is permitted to operate in the Jurisdiction or the Other Jurisdiction, as the case may be, where the Counsel Fund is located

“**Dodd-Frank**” means the Dodd-Frank Wall Street Reform and Consumer Protection Act

“**Existing Counsel Funds**” means any of Counsel Fixed Income, Counsel U.S. Value, Counsel U.S. Growth, Counsel International Value, Counsel Global Small Cap and Counsel Managed Yield Portfolio

“**Futures Commission Merchant**” means any futures commission merchant that is registered with the CFTC and is a member of a Clearing Corporation

“**OTC**” means over-the-counter

“**Portfolio Advisor**” means each of the Filer and each affiliate of the Filer and each third party portfolio manager retained from time to time by the Filer to manage all or a portion of the investment portfolio of one or more Counsel Funds

“**Swaps**” means the swaps that are, or will become, subject to a clearing determination issued by the CFTC, including fixed-to-floating interest rate swaps, basis swaps, forward rate agreements in U.S. dollars, the Euro, Pounds Sterling or the Japanese Yen, overnight index swaps in U.S. dollars, the Euro and Pounds Sterling and untranching credit default swaps on certain North American indices (CDX.NA.IG and CDX.NA.HY) and European indices (iTraxx Europe, iTraxx Europe Crossover and iTraxx Europe HiVol) at various tenors

“**U.S. Person**” has the meaning attributed thereto by the CFTC

### **Representations**

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

1. The Filer is, or will be, the investment fund manager of each Counsel Fund. The Filer is registered as an investment fund manager and a portfolio manager in the Province of Ontario. The Filer is also registered as an investment fund manager in the Province of Newfoundland and Labrador. The head office of the Filer is in Mississauga, Ontario.
2. The Filer is, or will be, the portfolio manager to the Counsel Funds. Either an affiliate of the Filer or a third party portfolio manager is, or will be, the sub-advisor to all or a portion of the investment portfolio of certain of the Counsel Funds.
3. Each Counsel Fund is, or will be, a mutual fund created under the laws of the Province of Ontario and is, or will be, subject to the provisions of NI 81-102.
4. Neither the Filer nor the Counsel Funds are, or will be, in default of securities legislation in any Jurisdiction.

5. The securities of each Counsel Fund are, or will be, qualified for distribution pursuant to a prospectus that was, or will be, prepared and filed in accordance with the securities legislation of the Jurisdictions. Accordingly, each Counsel Fund is, or will be, a reporting issuer or the equivalent in each Jurisdiction.
6. The investment objective and investment strategies of each Counsel Fund permit, or will permit, the Counsel Fund to enter into derivative transactions, including Swaps. Each Portfolio Advisor for the Existing Counsel Funds considers Swaps to be an important investment tool that is available to it to properly manage the portion of each Existing Counsel Fund's portfolio managed by it. Although the Existing Counsel Funds do not currently enter into Swaps, the Portfolio Advisors for the Existing Counsel Funds intend to put in place the arrangements required to permit the Existing Counsel Funds to enter into Swaps.
7. Dodd-Frank requires that certain OTC derivatives be cleared through a Futures Commission Merchant at a clearing organization recognized by the CFTC. Generally, where one party to a Swap is a U.S. Person and the other party to the Swap is a mutual fund, such as a Counsel Fund, that Swap must be cleared, absent an available exception, as of June 10, 2013. With respect to entities such as the Counsel Funds, the compliance date for the clearing of iTraxx CDS indices was July 25, 2013.
8. Currently, the Existing Counsel Funds may enter into derivatives on an OTC basis with Canadian, U.S. and other international counterparties. These OTC derivatives are entered into in compliance with the derivative provisions of NI 81-102.
9. In order to benefit from both the pricing benefits and reduced trading costs that a Portfolio Advisor may be able to achieve through its trade execution practices for its advised investment funds and other accounts and from the reduced costs associated with cleared OTC derivatives as compared to other OTC trades, the Filer wishes to have the Counsel Funds have the ability to enter into cleared Swaps.
10. In the absence of the Requested Relief, each Portfolio Advisor will need to structure the Swaps entered into by the Counsel Funds so as to avoid the clearing requirements of the CFTC. The Filer respectfully submits that this would not be in the best interests of the Counsel Funds and their investors for a number of reasons, as set out below.
11. The Filer strongly believes that it is in the best interests of the Counsel Funds and their investors to be able to execute OTC derivatives with U.S. Persons, including U.S. swap dealers.
12. In its role as a fiduciary for the Counsel Funds, the Filer has determined that central clearing represents the best choice for the investors in the Counsel Funds to mitigate the legal, operational and back office risks faced by investors in the global swap markets.
13. A Portfolio Advisor may use the same trade execution practices for all of its advised investment funds and other accounts, including the Counsel Funds. An example of these trade execution practices is block trading, where large number of securities are purchased or sold or large derivative trades are entered into on behalf of a number of investment funds and other accounts advised by one Portfolio Advisor. These practices include the use of cleared Swaps if such trades are executed with a U.S. swap dealer. If the Counsel Funds are unable to employ these trade execution practices, then each affected Portfolio Advisor will have to create separate trade execution practices only for the Counsel Funds and will have to execute trades for the Counsel Funds on a separate basis. This will increase the operational risk for the Counsel Funds, as separate execution procedures will need to be established and followed only for the Counsel Funds. In addition, the Counsel Funds will no longer be able to enjoy the possible price benefits and reduction in trading costs that a Portfolio Advisor may be able to achieve through a common practice for its advised funds and other accounts. In the Filer's opinion, best execution and maximum certainty can best be achieved through common trade execution practices, which, in the case of OTC derivatives, involve the execution of Swaps on a cleared basis.
14. As a member of the G20 and a participant in the September 2009 commitment of G20 nations to improve transparency and mitigate risk in derivatives markets, Canada has expressly recognized the systemic benefits that clearing OTC derivatives offers to market participants, such as the Counsel Funds. The Filer respectfully submits that the Counsel Funds should be encouraged to comply with the robust clearing requirements established by the CFTC by granting them the Requested Relief.
15. The Requested Relief is analogous to the treatment currently afforded under NI 81-102 to other types of derivatives that are cleared, such as clearing corporation options, options on futures and standardized futures. This demonstrates that, from a policy perspective, the Requested Relief is consistent with the views of the Canadian securities authorities in respect of cleared derivative trades.



16. For the reasons provided above, the Filer submits that it would not be prejudicial to the public interest to grant the Requested Relief.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that, in respect of the deposit of cash and portfolio assets as margin:

- (a) in Canada,
  - (i) the Futures Commission Merchant is a member of a SRO that is a participating member of CIPF; and
  - (ii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the Counsel Fund as at the time of deposit; and
- (b) outside of Canada,
  - (i) the Futures Commission Merchant is a member of a Clearing Corporation and, as a result, is subject to a regulatory audit;
  - (ii) the Futures Commission Merchant has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of \$50 million; and
  - (iii) the amount of margin deposited and maintained with the Futures Commission Merchant does not, when aggregated with the amount of margin already held by the Futures Commission Merchant, exceed 10 percent of the net asset value of the Counsel Fund as at the time of deposit.

This decision will terminate on the earlier of (i) the coming into force of any revisions to the provisions of NI 81-102 that address the clearing of OTC derivatives, and (ii) two years from the date of this decision.

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

## 2.1.2 Transglobe Apartment Real Estate Investment Trust

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief from continuous disclosure (other than requirements to file a material change report), certification and audit committee requirements – As a result of a privatization transaction the Filer is wholly-owned by a single entity that owns the only outstanding Trust Unit of the Filer, the Filer's Trust Units were delisted from the TSX and the Filer has no operating business and does not intend to operate a business in the future – Filer has issued and outstanding convertible unsecured subordinated debentures due September 30, 2018 – As a result of the defeasance of the debentures, the debentures are no longer payment obligations of the Filer and Filer's disclosure is of minimal relevance to the debenture holders – Filer required to file alternative annual disclosure in the form of a statement of property that provides the aggregate principal amount of debentures that remain outstanding and a report by the debenture trustee setting out the type, maturity date, face amount and coupon rate for each security held by the debenture trustee for purposes of satisfying the obligations pursuant to the debentures – Filer also granted exemptive relief from participation fees.

### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.  
National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filing.  
National Instrument 52-110 Audit Committee.  
National Instrument 58-101 Disclosure of Corporate Governance Practices.  
OSC Rule 13-502 Fees.

October 17, 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  
TRANSGLOBE APARTMENT REAL ESTATE  
INVESTMENT TRUST  
(the Filer)**

**DECISION**

### Background

#### *Continuous disclosure obligations*

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

- (a) National Instrument 51-102 *Continuous Disclosure Obligations* (other than Part 7 thereof),
- (b) National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*,
- (c) National Instrument 52-110 *Audit Committees*, and
- (d) National Instrument 58-101 *Disclosure of Corporate Governance Practices*

(collectively, the **CD Requirements**) not apply to the Filer (the **CD Relief**).

*Participation fees*

The Director in the Jurisdiction has received an application from the Filer for a decision under section 6.1 of OSC Rule 13-502 Fees that the Filer be exempt from paying participation fees, subject to certain conditions (the **Participation Fee 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 the other Provinces and Territories of Canada (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 is a is an unincorporated, open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario pursuant to a declaration of trust dated April 8, 2010, as amended and restated as at May 6, 2010, September 1, 2011, May 24, 2012 and June 27, 2012.
2. The Filer's principal, registered and head office is at 401 The West Mall, Suite 1100, Toronto, Ontario, M9C 5J5.
3. The Filer is a reporting issuer in each Jurisdiction. Except as described in paragraph 21 below, the Filer is not in default of its obligations under the securities legislation of any Jurisdiction.
4. The Filer does not have any securities outstanding, including debt securities, other than:
  - (a) a Trust Unit (defined below) privately held by PD Kanco LP, and
  - (b) 5.40% extendible convertible unsecured subordinated debentures due September 30, 2018 (the **Debentures**).
5. Prior to the Privatization (defined below), the Filer had outstanding units (**Trust Units**) which were listed for trading on the Toronto Stock Exchange (**TSX**).
6. On June 29, 2012, the Filer completed a previously announced privatization transaction pursuant to acquisition agreements with Starlight Investments Ltd. and PD Kanco LP (the **Privatization**). As a result, the Filer paid a special cash distribution on the Trust Units of \$4.82 per Trust Unit and redeemed all publicly held Trust Units for a cash redemption price of \$9.43 per Trust Unit.
7. Upon completion of the Privatization, the only outstanding Trust Unit is privately held by PD Kanco LP. As a result, the Trust Units were subsequently delisted from the TSX on June 29, 2012.
8. The Debentures were sold through a public offering on July 29, 2011. The Debentures were issued pursuant to a trust indenture (the **Indenture**) made as of July 29, 2011 between the Filer and BNY Trust Company of Canada (the **Debenture Trustee**). The Debentures are listed for trading on the TSX.
9. In connection with the completion of the Privatization, on June 29, 2012, the REIT defeased all of the outstanding Debentures in accordance with section 10.5 of the Indenture (the **Defeasance**).
10. On June 29, 2012, in connection with the Defeasance and pursuant to section 10.5 of the Indenture:
  - (a) the REIT deposited with the Debenture Trustee debt securities issued or guaranteed by the Government of Canada, the obligations of which together with the income to accrue and reinvestment thereof, would be sufficient to pay and discharge the entire amount of principal and accrued and unpaid interest to maturity or any repayment date of all such Debentures;
  - (b) Deloitte LLP provided a Report of the Public Accountant's Findings On An Agreed-Upon Procedures Engagement (the **Deloitte Opinion**) stating that cash receipts from the securities the Filer deposited with the Debenture Trustee are higher than the payments required on the Debentures;

- (c) upon the deposit of the securities and the provision of the Deloitte Opinion, the Debenture Trustee acknowledged the full payment, satisfaction and discharge of the Debentures (the **Acknowledgement**).
11. As a result of the Defeasance, a holder of Debentures exercising its conversion right in respect of Debentures will receive, in lieu of Trust Units, the amount of cash that such holder would have been entitled to receive pursuant to the Privatization if such holder had been the registered holder on June 29, 2012 of the number of Trust Units that it would have been entitled to acquire upon the exercise of such conversion right. That amount is approximately \$904.7619 for each \$1,000 principal amount of Debentures so converted.
  12. In addition, the completion of the Privatization constituted a "change of control" under the Indenture. As a result, pursuant to its obligations under the Indenture, the Filer offered to repurchase Debentures at a purchase price equal to 101% of the principal amount thereof plus accrued interest (the **Put Option**), in accordance with the terms and conditions set out in the Indenture. In this regard, holders of \$23,000 aggregate principal amount of the Debentures exercised the Put Option. Debenture holders that did not exercise the Put Option are entitled only to continue to receive interest on the Debentures until they are redeemed at par on October 1, 2016 in accordance with the provisions of the Indenture.
  13. The REIT's only outstanding public securities are the Debentures. As a result of the Defeasance, the Debentures now only constitute a right to receive payments of principal, premium and interest, up to October 1, 2016, from the funds held in trust by the Debenture Trustee for the benefit of the Debenture holders.
  14. From an accounting perspective, the REIT having received the Deloitte Opinion and the Acknowledgement from the Debenture Trustee, the Debentures are legally defeased in accordance with paragraph 39 of IAS 39 *Financial Instruments: Recognition and Measurement*. As a result, neither the Debentures nor the assets deposited with the Debenture Trustee will be recorded on the financial statements of the Filer.
  15. The Filer currently has no operating business, and does not intend to operate a business in the future. The Filer has no plans to issue securities or engage in acts in furtherance of a trade, except to the extent necessary in the course of redeeming the outstanding Debentures.
  16. Under the terms of section 2.4(m) of the Indenture, the Filer has agreed to take all reasonable steps and action and do all acts and things that may be required to maintain its status as a reporting issuer in good standing. As a result, the Filer intends to remain a reporting issuer under the securities legislation in the Jurisdictions.
  17. For so long as the Debentures are outstanding, within 90 days of each year end of the Filer, the Filer will file on SEDAR a statement of property (the **Alternative Annual Disclosure**) held by the Debenture Trustee as at the end of the Filer's most recently completed financial year. The Alternative Annual Disclosure will:
    - (i) state the number of Debentures that remain outstanding; and
    - (ii) contain a report by the Debenture Trustee setting out the type, maturity date, face amount and coupon rate for each security held by the Debenture Trustee.
  18. As the Debentures are no longer the obligation of the Filer, continuous disclosure about the Filer is irrelevant to holders of the Debentures. The Alternative Annual Disclosure is disclosure that may be relevant to holders of the Debentures. Except as a condition of this decision, the Alternative Annual Disclosure is not required to be made by the Filer in accordance with its continuous disclosure obligations under securities law.
  19. Upon the occurrence of a change in the affairs of the Filer or the Debenture Trustee that would reasonably be expected to have a significant effect upon the market price or value of any of the Debentures, the Filer will, forthwith upon becoming aware of such a change, issue and file a news release disclosing the nature and substance of the change.
  20. On March 28, 2013, the Filer publicly announced, by way of press release, that it had filed an application for the CD Relief. The press release was also subsequently filed on SEDAR.
  21. On August 14, 2012, the Filer was required to file its interim financial statements and management discussion and analysis (**MD&A**) for the interim period ended June 30, 2012, together with related certificates. On November 14, 2012, the Filer was required to file its interim financial statements and MD&A for the interim period ended September 30, 2012, together with related certificates. The obligation to make these filings occurred after the Defeasance and the filing of the application for this decision.

**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 CD Relief is granted, provided that:

- (a) the Filer complies with paragraphs 17 and 19, above, except that in respect of the Filer's financial year completed on December 31, 2012, the Filer will file the Alternative Annual Disclosure on or before the date that is two weeks after the date of this decision;
- (b) all outstanding Trust Units are owned, directly or indirectly, by the Filer, its associates or affiliates; and
- (c) the Filer does not issue any securities or engage in acts in furtherance of a trade except with respect to the redemption of the currently outstanding Debentures.

The decision of the Director is that the Participation Fee Relief is granted, provided that the Filer complies with the conditions to the CD Relief as set out above in paragraphs (a), (b) and (c).

"Huston Loke"  
Director, Corporate Finance Branch

### 2.1.3 TD Waterhouse Canada Inc. and InvestorPOS Inc.

#### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the Securities Act to permit a dealer who uses FExpress™, provided by InvestorPOS, to send or deliver the Fund Facts instead of the simplified prospectus to satisfy current prospectus delivery requirements subject to conditions – the right of withdrawal and right of rescission under securities legislation apply to the sending and delivery of the Fund Facts – sunset clause on relief – terms and conditions consistent with CSA Staff Notice 81-321 Early Use of the Fund Facts to Satisfy Prospectus Delivery Requirements.

#### Applicable Legislative Provisions

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

November 5, 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  
TD WATERHOUSE CANADA INC.  
(TDWCI)**

**AND**

**IN THE MATTER OF  
INVESTORPOS INC.  
(InvestorPOS)**

**DECISION**

#### Background

The principal regulator in the Jurisdiction (the **Principal Regulator**) has received an application from TDWCI and InvestorPOS (together with TDWCI, the **Filers**) for a decision under the securities legislation of the Principal Regulator (**Legislation**) for exemptive relief to permit a Dealer (as defined below), to send or deliver the most recently filed fund facts document (**Fund Facts**) to satisfy the requirement contained in the Legislation that obligates a dealer to send or deliver, within a specified time period and in a specified manner, the prospectus, and any amendment to the prospectus (**Delivery Requirement**), in respect of an order or subscription to purchase securities of a Fund (as defined below) (the **Exemption Sought**).

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

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

## Interpretation

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

**Right of Withdrawal** means the right, given to a purchaser under the Legislation, to withdraw from a purchase order for a security of a mutual fund if the dealer from whom the purchaser purchases the security receives written notice evidencing the intention of the purchaser not to be bound by the purchase order within two days of receipt of the latest prospectus sent or delivered in compliance with the Delivery Requirement. In Québec, this right is called the right to rescind. Collectively, these rights are referred to as the Rights of Withdrawal.

**Right of Rescission** means the right of action, under the Legislation, for rescission or damages against a dealer, for failure of the dealer to send or deliver the prospectus to a purchaser of a security to whom a prospectus was required to be sent or delivered, but was not sent or delivered in compliance with the Delivery Requirement. In Québec, such a purchaser may apply to have the transaction rescinded or the price revised, at the purchaser's option, without prejudice to the purchaser's claim for damages. Collectively, these rights are referred to as the Rights of Rescission.

## Representations

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

### The Filers

1. InvestorPOS is a corporation incorporated under the laws of Ontario with its head office located in Ontario.
2. InvestorPOS provides technology solutions to investment fund managers and dealers who distribute mutual fund securities to facilitate the composition, production and delivery of investor communications and disclosure documents. The InvestorPOS service offering, known as FFexpress™, effects delivery of Fund Facts in accordance with the Delivery Requirement, to investors on behalf of registered dealers, including TDWCI (the **Dealers**) who have entered into, or may wish to enter into, contracts with InvestorPOS.
3. TDWCI is registered as an investment dealer in each of the provinces and territories of Canada and is a member of the Investment Industry Regulatory Organization of Canada. Its head office is located in Ontario.
4. TDWCI is not in default of securities legislation in any Passport Jurisdiction.
5. TDWCI will deliver the Fund Facts electronically through FFexpress™.
6. Each Dealer is, or will be, registered as a dealer in one or more of the Passport Jurisdictions. A Dealer is, or will be, a member of either: (i) the Investment Industry Regulatory Organization of Canada, or (ii) the Mutual Fund Dealers Association of Canada, or their successors.
7. The Dealers distribute a range of mutual funds (each, a **Fund**, or collectively, the **Funds**) which are offered for sale on a continuous basis, in one or more of the Passport Jurisdictions, pursuant to a simplified prospectus (each, a **Prospectus**) prepared in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)*.
8. Pursuant to the Delivery Requirement, the Dealers have the obligation to send or deliver a Prospectus to a purchaser of a security of a Fund within two days of the purchase of the security.

### Point of Sale Project

9. Pursuant to the Canadian Securities Administrators' (the **CSA**) point of sale disclosure project for Funds (the **Project**), the CSA has determined that it is desirable to create a summary disclosure document called the fund facts document (defined above as **Fund Facts**).
10. CSA Staff Notice 81-319 *Status Report on the Implementation of Point of Sale Disclosure for Mutual Funds* dated June 18, 2010 outlines the CSA's decision to implement the Project in stages.
11. Stage 1 of the Project became effective on January 1, 2011 by amending NI 81-101 and related instruments mandating a Fund to prepare and file a Fund Facts on SEDAR for each relevant class or series of the Fund, and having the Fund Facts posted to the Fund's or its manager's website and delivered to any person upon request, at no cost.

12. Stage 2 of the Project requires delivery of the Fund Facts instead of the Prospectus to satisfy the Delivery Requirement. On June 13, 2013, the CSA published final amendments to implement Stage 2 of the Project (the **Stage 2 Amendments**). The Stage 2 Amendments contain a transition period requiring dealers to send or deliver the Fund Facts instead of the Prospectus to satisfy the Delivery Requirement as of June 13, 2014 (the **Effective Date**).
13. CSA Staff Notice 81-321 *Early Use of the Fund Facts to Satisfy Prospectus Delivery Requirements dated February 24, 2011 (CSA Notice 81-321)* encourages the filing of applications for exemptive relief to allow the early use of the Fund Facts to satisfy the Delivery Requirement.

**Early Use of Fund Facts**

14. The Filers have determined that it would be desirable to apply for exemptive relief consistent with the Stage 2 Amendments prior to the Effective Date and, accordingly, require an exemption to use the Fund Facts to satisfy the Delivery Requirement, as contemplated by CSA Notice 81-321.
15. The Dealers have entered into, or may wish to enter into, contracts with InvestorPOS to use FFexpress™ for the electronic and/or paper delivery of the Fund Facts to satisfy the Delivery Requirement.
16. FFexpress™, a proprietary technology of InvestorPOS, is an online repository that catalogues and maintains the Fund Facts which have been filed with securities regulators. The Fund Facts are obtained through a feed from the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). FFexpress™ enables electronic and paper delivery of the most recently filed Fund Facts corresponding to a client's purchase of Funds.
17. FFexpress™ offers the Dealers a record of the date, time and manner of delivery (i.e. electronically or by mail) of the Fund Facts, as well as a record of the version of the Fund Facts delivered, enabling reporting for compliance reporting and record-keeping for audit purposes.

**Decision**

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

The Decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted provided that:

1. A Fund Facts that is being sent or delivered in accordance with this Decision will not be attached to, or bound with another Fund Facts or any other document except in the manner contemplated and permitted in the Stage 2 Amendments.
2. Any Dealer relying on the ability to send or deliver Fund Facts in lieu of the Prospectus grants to an investor purchasing the securities of a Fund a right equivalent to the Rights of Withdrawal upon the sending or delivery of the Fund Facts. The Rights of Withdrawal and the Rights of Rescission will no longer apply if the Fund Facts is sent or delivered to an investor in accordance with the time period and in the manner specified for the Prospectus under the Delivery Requirement.
3. The clients of a Dealer relying on this Decision will receive notice (the Notice), at or before the time they receive the Fund Facts, indicating that they will have rights equivalent to the Rights of Withdrawal and Rights of Rescission for the sending or delivery of the Fund Facts, which includes wording substantially similar to the following:

The Fund Facts for the securities you purchased is being sent or delivered to you instead of the simplified prospectus. You will continue to have the equivalent rights and protections otherwise applicable under securities law as if you were sent or delivered the simplified prospectus. Depending on your province or territory, you may have the right to:

- withdraw from an agreement to buy securities of mutual funds within two business days after you receive a fund facts document; or
  - cancel your purchase within 48 hours after you receive confirmation of the purchase.
4. Prior to a Dealer relying on the ability to send or deliver Fund Facts in lieu of the Prospectus, InvestorPOS or an agent of InvestorPOS provides to the Dealer:
    - (a) a copy of this Decision;



- (b) a disclosure statement informing the Dealer of the implications of this Decision; and
  - (c) a form of acknowledgment of the matters referred to in paragraph (5) below, to be signed and returned by the Dealer to InvestorPOS or its agent.
5. A Dealer seeking to rely on this Decision to send or deliver the Fund Facts in lieu of the Prospectus, will, prior to doing so:
- (a) acknowledge receipt of a copy of this Decision providing the Exemption Sought;
  - (b) appoint InvestorPOS as its service provider for the delivery, in electronic and/or paper form, of the Fund Facts through the FFexpress™ service as described in this Decision;
  - (c) confirm that it will provide a right equivalent to the Rights of Withdrawal attached to the sending or delivery of the Fund Facts;
  - (d) instruct InvestorPOS to provide the Notice referred to in paragraph (3) above to the Dealer's clients in a document other than the Fund Facts, but delivered contemporaneously with the Fund Facts;
  - (e) confirm that clients of the Dealer will continue to be able to request a copy of the Prospectus at no cost by contacting the Dealer;
  - (f) confirm that the Dealer has in place written policies and procedures to ensure that there is compliance with the conditions of this Decision;
  - (g) consent to InvestorPOS providing to staff of the Principal Regulator the name of the Dealer, and identifying the Dealer as having entered into an agreement with InvestorPOS and providing such information regarding the Dealer's reliance on the Exemption Sought as staff of the Principal Regulator may request, including providing staff of the Principal Regulator with a copy of the acknowledgement and agreement referred to in subparagraph (h); and
  - (h) deliver to InvestorPOS a signed acknowledgement and agreement binding the Dealer to the foregoing.
6. In the event a Fund Facts is not sent or delivered in accordance with this Decision, a Dealer, will send or deliver a Prospectus and the Rights of Rescission will continue to apply to the failure to send or deliver the Prospectus.
7. InvestorPOS will maintain records of all Dealers who have entered into agreements on the terms specified herein and will notify staff of the Principal Regulator within 10 business days of the end of each month of the names of such Dealers and provide such other information regarding the Dealer's reliance on this Decision as staff of the Principal Regulator may request, including providing staff of the Principal Regulator with a copy of the acknowledgement and agreement referred to in paragraph (5) hereof.
8. The Exemption Sought terminates on the Effective Date.

"Anne Marie Ryan"  
Commissioner  
Ontario Securities Commission

"James D. Carnwath"  
Commissioner  
Ontario Securities Commission

2.1.4 Goodman & Company, Investment Counsel Inc. and CMP 2013 Resource Limited Partnership

**Headnote**

NP 11-203 – Exemption granted to flow-through limited partnerships from the requirements in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form. Flow-through limited partnerships have a short lifespan and do not have a readily available secondary market.

**Applicable Legislative Provisions**

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.

November 8, 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  
GOODMAN & COMPANY,  
INVESTMENT COUNSEL INC.  
(the "Manager")**

**AND**

**IN THE MATTER OF  
CMP 2013 RESOURCE LIMITED PARTNERSHIP  
(the "Partnership Filer")**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Partnership Filer and other partnerships established by the Manager from time to time that are identical to the Partnership Filer in all respects which are material to this decision (collectively with the Partnership Filer and the Manager, the "**Filers**") for a decision under the securities legislation of the Jurisdiction of the principal regulator ("**Legislation**") for an exemption from (the "**Requested Relief**") the requirement in section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") to prepare and file an annual information form (the "**AIF**").

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* is intended to be relied upon in each of the other provinces and territories of Canada (together with Ontario, the "**Jurisdictions**").

**Interpretation**

Terms defined 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:

1. The principal office of the Filers is located at 1 Adelaide Street East, Suite 2100, Toronto, Ontario, M5C 2V9.
2. The Manager is the manager of the Partnership Filer.
3. The Manager and the Partnership Filer are not in default of securities legislation in any Jurisdiction.
4. The Manager is a corporation existing under the laws of the Province of Ontario, is registered in the categories of exempt market dealer and portfolio manager with the securities commissions in each province and territory in Canada and in the category of investment fund manager with the securities commissions in Ontario, Quebec and Newfoundland and Labrador.
5. It is a term of the partnership agreement governing the Partnership Filer that the general partner of the Partnership Filer is responsible for controlling the business of the Partnership Filer. Each general partner has delegated the direction of all day-to-day business operations and affairs to the Manager, including the authority to take all measures necessary or appropriate for the business, or ancillary thereto, and to ensure that the Partnership Filer complies with all necessary reporting and administrative requirements.
6. By subscribing for limited partnership units of a Partnership Filer (the "**Units**"), the limited partners of the Partnership Filer (the "**Limited Partners**") have agreed to the irrevocable power of attorney contained in the limited partnership agreement of such Partnership Filer and have thereby, in effect, consented to the granting of the Requested Relief.
7. Since its formation, the Partnership Filer's activities have been limited to (i) completing the issue of Units under its prospectus, (ii) investing its available funds in accordance with its investment objectives, and (iii) incurring expenses as described in its prospectus.
8. The Partnership Filer was formed to invest in certain flow-through shares ("**Flow-Through Shares**") and other securities of companies, limited partnerships, or other issuers whose principal business is mining exploration, development, and/or production, oil and gas exploration, development, and/or production, certain energy production, pulp or paper development, processing, and/or production, forestry development and/or production, or a related resource business, such as a pipeline or service company or utility ("**Resource Companies**") pursuant to agreements ("**Resource Agreements**") between the Partnership Filer and the relevant Resource Company. Under the terms of each Resource Agreement, the Partnership Filer subscribes for Flow-Through Shares of the Resource Company and the Resource Company agrees to incur and renounce to such Partnership Filer expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to such Partnership Filer.
9. The Partnership Filer is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) (the "**Act**") on October 16, 2012. On January 29, 2013 it became a reporting issuer in each of the Jurisdictions. On or about July 1, 2015, it will be dissolved and the Limited Partners will receive their pro rata share of its net assets. The general partner of the CMP 2013 Resource Limited Partnership is CMP 2013 Corporation, an Ontario company that was incorporated on October 16, 2012.
10. It is currently intended that, following the Partnership Filer's dissolution, the Partnership Filer will transfer its assets to Dynamic Managed Portfolios Ltd. ("**DMP Ltd.**"), an open-ended mutual fund corporation, on a tax-deferred basis in exchange for DMP Resource Class shares ("**DMP Shares**"), a class of shares authorized by DMP Ltd., which constitutes a separate mutual fund. Upon dissolution of a Partnership Filer, the DMP Shares will be distributed to the Limited Partners of such Partnership Filer, pro rata, on a tax-deferred basis.
11. The Partnership Filer is not an operating business. Rather, the Partnership Filer is a short-term special purpose vehicle which will be dissolved within approximately 2 years of its formation. The primary investment purpose of the Partnership Filer is not to achieve capital appreciation, although this is a secondary benefit, but rather to obtain for the Limited Partners the significant tax benefits that accrue when Resource Companies renounce resource exploration and development expenditures to the Partnership Filer through the Flow-Through Shares.
12. Based on the dissolution dates noted above, and the comparable structure of each future Partnership Filer, each Partnership Filer will, while reporting issuers, pass two financial years ending December 31, but will not be in existence as of the third December 31 financial year end.

## Decisions, Orders and Rulings

---

13. The Units are not and will not be listed or quoted for trading on any stock exchange or market. The Units are not redeemable by the Limited Partners of the Partnership Filer. Generally, Units are not transferred by Limited Partners since Limited Partners must be holders of the Units on the last day of each fiscal year of a Partnership Filer in order to obtain the desired tax deduction.
14. Other partnerships established by the Manager from time to time that may rely on the Requested Relief, if it is granted, will be identical to the Partnership Filer in all material respects and, in particular: (i) will have similar investment objectives, (ii) will have similarly limited permitted activities, (iii) will have similar time horizons, (iv) will provide a feature to convert into an open-ended mutual fund, and (v) will not be listed or quoted on any stock exchange or market.
15. Given the limited range of business activities to be conducted by the Partnership Filer, the short duration of their existence and the nature of the investment of the Limited Partners, the preparation and distribution of an AIF by the Partnership Filer will not be of any benefit to the Limited Partners and may impose a material financial burden on the Partnership Filer. Upon the occurrence of any material change to the Partnership Filer, Limited Partners would receive all relevant information from the material change reports the Partnership Filer is required to file in each of the Jurisdictions.
16. The Manager is of the view the Requested Relief is not against the public interest, is in the best interests of the Partnership Filer and their Limited Partners and represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Partnership Filer and its Limited Partners.

### 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.

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

## 2.1.5 Stewards Canada

### Headnote

Subsection 74(1) of the Securities Act (Ontario) – relief from the dealer registration requirement in section 25(1) – applicant is a not-for-profit issuer – applicant sells bonds to facilitate the provision of mortgages to churches and other religious organizations – relief granted on strict terms and conditions including an investment limit and subject to a sunset clause – relief granted based on the particular facts and circumstances of the application – decision should not necessarily be viewed as a precedent for other not-for-profit issuers in Ontario or in other jurisdictions.

November 13, 2013

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

AND

IN THE MATTER OF  
STEWARDS CANADA  
(the Filer)

DECISION

### Background

The Ontario Securities Commission (the **Commission**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Filer be exempt from the registration requirement of the Legislation in respect of the distribution by the Filer of debt securities of its own issue (the **Requested Exemptive Relief**).

### Representations

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

1. The Filer is a non-share corporation and is a “charitable organization” for purposes of the *Income Tax Act* (Canada). The head office of the Filer is located in Ontario.
2. The Filer is restricted in the business it may carry on and the powers it may exercise to engaging exclusively in educational, charitable or religious activities. The Filer was established for the purpose of giving financial aid, including by way of mortgage financing, to Canadian evangelical Christian churches, camps, nursing homes and schools and similar institutions.
3. The Filer is primarily engaged in providing mortgage financing for Canadian Christian evangelical organizations that may otherwise be unable to obtain such financing from commercial lenders.
4. The business of the Filer is overseen by its board of directors and the day to day management is under the direction of the Executive Director, who is independent from the board.
5. The Filer was established in 1952 and has been distributing its own debt securities substantially in accordance with the representations in this order for over 60 years.
6. In order to raise the funds to advance by way of mortgages, the Filer issues bonds in reliance on the prospectus exemption found in section 2.38 of National Instrument 45-106 *Prospectus and Registration Exemptions (NI 45-106)*, which provides an exemption for not for profit issuers distributing their own securities subject to certain conditions. In connection with such distributions, the Filer is, and will be, in compliance with the conditions contained in section 2.38 of NI 45-106.
7. The bonds are sold to Canadian Christians and sales are not limited to accredited investors as defined in NI 45-106. Investments are accepted in any amount and generally range between \$50,000 to \$100,000. The bonds are demand variable rate bonds.

## Decisions, Orders and Rulings

---

8. In a typical year, the Filer issues bonds in an aggregate principal amount of approximately \$2.5 million to between 20 to 30 purchasers.
9. As of June 30, 2013 there were bonds outstanding in the aggregate principal amount of \$28.2 million.
10. There is no active advertising or solicitation of bond purchases. No commission or other remuneration is paid in connection with the sale of the bonds. Purchasers of the bonds learn about the distribution program through word of mouth.
11. The Filer delivers to prospective purchasers an Information Memorandum which describes the bonds and the risks related to the purchase of them. The Information Memorandum provides investors with a right of rescission as well as a right of action for misrepresentation.
12. Prior to the coming into force of section 8.5 of NI 45-106, the Filer was able to distribute its securities and be exempt from the registration requirement in reliance on section 3.38 of NI 45-106, which provided for a dealer registration exemption corresponding to the prospectus exemption in section 2.38. The registration exemption previously available under section 3.38 of NI 45-106 no longer applies.
13. The Filer may be considered to be engaging in the business of trading in securities and as such would be required to register as a dealer.
14. The Filer undertakes not to rely on section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* to passport this decision into another Canadian jurisdiction without the prior written consent of the regulator or securities regulatory authority in that jurisdiction.

### Decision

The Commission is satisfied that the test contained in the Legislation for the Commission to make the decision has been met.

The decision of the Commission under the Legislation is that the Requested Exemptive Relief is granted, on the following conditions:

- (a) The Filer continues to be in compliance with the conditions to rely on the prospectus exemption in section 2.38 of NI 45-106, namely:
  - i. the Filer is organized exclusively for educational, benevolent, fraternal, charitable or religious purposes and not for profit;
  - ii. no part of the net earnings of the Filer benefit any security holder of the Filer;
  - iii. no commission or other remuneration is paid to any person in connection with the sale of securities of the Filer;
- (b) The proceeds from the sale of debt securities of the Filer are used only to provide mortgage financing to Canadian evangelical Christian churches, camps, nursing homes, schools or similar institutions, and not to individuals;
- (c) In any fiscal year of the Filer, administrative and general expenses, not including legal and audit expenses, are limited to no more than 0.65% of the total principal amount of bonds outstanding as at the end of such fiscal year;
- (d) The Filer, each year, files its audited financial statements with the Commission within 90 days of the Filer's year end;
- (e) The Filer does not engage in any advertising or promotional activity with respect to the distribution of its debt securities including by providing such information on the Filer's public website.
- (f) An investor may not purchase any debt securities of the Filer if as a result of the purchase the investor would own debt securities of the Filer with an aggregate principal amount exceeding \$50,000;
- (g) An investor does not borrow to purchase debt securities of the Filer and the purchaser acknowledges that in the subscription agreement for debt securities;

**Decisions, Orders and Rulings**

---

- (h) An investor executes and delivers to the Filer a risk acknowledgement statement in the form set out in Appendix A to this decision and that statement is included on the front page of the subscription agreement;
- (i) The Filer delivers an information statement to prospective purchasers of debt securities which describes the debt securities and the risks associated with purchasing the debt securities and contains a contractual right of rescission and a right of action for misrepresentation;

It is further the decision of the Commission that the Requested Exemptive Relief shall expire on the date that is the earlier of:

- (a) five years from the date of this decision; or
- (b) the date on which the Commission publishes, and makes effective, rules or policies with respect to distributions of securities by not-for-profit issuers.

**DATED:** November 13 , 2013

“Mary Condon”  
Commissioner  
Ontario Securities Commission

“James Turner”  
Commissioner  
Ontario Securities Commission

**Appendix A**

**Risk Acknowledgement**

I acknowledge that:

- This is a risky investment and I am investing entirely at my own risk.
- I could lose all the money I invest.
- I am not borrowing to invest in these securities.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Information Memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and will not assess whether this investment is suitable for me.
- Under securities laws, I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are expressed to be redeemable, but I may only be able to redeem them in limited circumstances.
- No one other than Stewards Canada has any obligation to repay my investment in these securities.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Print name of Purchaser



**2.1.6 RBC Bank (Georgia), N.A.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptions from applicable registration and prospectus requirements provided to permit U.S. bank to offer U.S. dollar deposit accounts and services to Canadian residents, including those Canadian residents that have been referred or introduced by a related Canadian bank.

**Statutes Cited**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74(1), 25, 53.

November 12, 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  
RBC BANK (GEORGIA), N.A.  
(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**) exempting the Filer from (i) the Prospectus Requirement in respect of deposit-taking activities with Canadian residents; and (ii) the Registration Requirements in respect of deposit-taking activities with Canadian residents (collectively, the **Exemptions Sought**).

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

- (a) the Ontario Securities Commission (the **OSC**) is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in all of the other provinces and territories of Canada (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.

In this decision, the following additional terms have the following meanings:

**"Bank Act"** means the *Bank Act* (Canada);

**"FDIC"** means the United States Federal Deposit Insurance Corporation;

**"FRB"** means the United States Federal Reserve Board;

**"OCC"** means the United States Office of the Comptroller of Currency;

**"OSA"** means the *Securities Act* (Ontario);

**"OSFI"** means the Office of the Superintendent of Financial Institutions;

**"Prospectus Requirement"** means the provision of subsection 53(1) of the OSA, and the equivalent provisions of the securities legislation in the non-principal jurisdictions, that prohibits a person or company from trading in a security unless the person or company satisfies the requirements of section 53 of the OSA;

**"RBC"** means Royal Bank of Canada;

**"RBC Georgia"** means RBC Bank (Georgia), N.A.;

**"Registration Requirements"** means the provisions of section 25 of the OSA, and the equivalent provisions in the securities legislation in the non-principal jurisdictions, that prohibits a person or company from engaging in the business of trading in a security, acting as an underwriter or engaging in the business of advising anyone with respect to investing in, buying or selling securities, in each case as defined in the OSA, unless the person or company satisfies the applicable requirements of section 25 of the OSA (and the equivalent requirements in the securities legislation in the non-principal jurisdictions); and

**"US Deposit Accounts"** means the United States dollar deposit-taking chequing and savings accounts issued by RBC Georgia.

**Representations**

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

1. RBC is a Schedule I Bank under the Bank Act.
2. RBC Georgia is a direct wholly-owned subsidiary of RBC and is a United States national bank chartered by the OCC under the United States *National Bank Act*.

3. RBC Georgia is the surviving entity of a merger between RBC Bank Georgia, a Georgia chartered limited purpose credit card bank, and First Gulf Bank, N.A., a national banking association. First Gulf Bank, N.A. was chartered on August 30, 1985, and was acquired by RBC as part of RBC Centura Banks, Inc.'s acquisition of Alabama National Bancorporation in 2008. RBC Bank Georgia was merged with and into First Gulf Bank, N.A. in 2009, with First Gulf Bank, N.A. surviving, being renamed RBC Georgia. From 2009 to 2012, RBC Georgia engaged solely in the offering of credit card products and services primarily for customers of its sister bank, RBC Bank (USA), formerly named RBC Centura Bank. On February 17, 2012, RBC Georgia expanded its business to offer U.S. retail banking products and services to RBC cross-border and U.S. wealth management customers, including the taking of retail bank deposits. RBC Bank (USA) was subsequently sold to The PNC Financial Services Group, Inc. on March 2, 2012. Prior to the sale, RBC Georgia acquired approximately 165,000 US Deposit Accounts from RBC Bank (USA) on February 17, 2012.
4. RBC Georgia currently carries on the business previously carried on by RBC Bank (USA) and is engaged in the business of banking in the United States and offers retail deposits, and retail credit products and services, including credit card and mortgage lending to Canadian cross-border clients across the United States.
5. RBC Georgia's head office is located in Atlanta, Georgia and its management team is located primarily in Raleigh, North Carolina.
6. As at December 31, 2012, RBC Georgia had assets of approximately US\$2.972 billion.
7. The primary federal regulator of RBC Georgia is the OCC. RBC Georgia is also a member of the US Federal Reserve System and subject to the regulatory oversight of the FRB. Each of the OCC and the FRB is a regulatory authority created under the federal laws of the United States.
8. RBC Georgia is subject to continual, ongoing bank supervision, examination and audits by the OCC. RBC Georgia must file periodic reports with the OCC and the FRB concerning its activities and financial condition. In addition, RBC Georgia must obtain regulatory approvals from the OCC prior to entering into certain transactions, such as mergers with, or acquisitions of, other financial institutions. The OCC has been granted extensive discretionary authority to assist it with the fulfillment of its supervisory and enforcement obligations. It exercises this authority for the purpose of conducting periodic examinations of RBC Georgia's compliance with various regulatory requirements, including minimum capital and consumer disclosure requirements, and to establish policies respecting the classification of assets and the establishment of loan loss reserves for regulatory purposes.
9. As result, RBC Georgia is subject to a comprehensive scheme of regulation and supervision in the United States which it believes is comparable to the regulatory framework governing Schedule I and Schedule II banks pursuant to the Bank Act and the supervisory responsibilities of OSFI.
10. In addition, deposits held by RBC Georgia are insured by the FDIC under the United States *Federal Deposit Insurance Act*, as amended, and the regulations promulgated thereunder, for up to US\$250,000 at this time per depositor (deposits owned by the same depositor may be combined for purposes of calculating this limit). RBC Georgia and other United States federally insured depository institutions are required to pay premiums for this deposit insurance. The FDIC deposit insurance is guaranteed by the United States Treasury Department.
11. RBC Georgia would like to offer US Deposit Accounts and related services to Canadian residents (**Canadian Customers**).
12. RBC Georgia would market the US Deposit Accounts in the United States. The US Deposit Accounts would be marketed in Canada by RBC to RBC's Canadian Customers, including through RBC's Canadian bank branches and through RBC's internet sites. In addition RBC Georgia may market the US Deposit Accounts in Canada.
13. In addition, RBC employees may take clerical steps to facilitate the opening of the US Deposit Accounts in the United States by Canadian Customers (the **Administrative Activities**) which would be operational and administrative in nature, including providing Canadian Customers who wish to open a US Deposit Account with the applicable account document or referring them to the RBC Georgia sales team.
14. RBC may also, to the extent permitted by the Bank Act, engage in further referral activities or may in the future take a more proactive role in RBC Georgia's relationship with its customers, and may receive compensation or pay its employees compensation for such activities (**Referral Arrangement**). Any such compensation arrangements would be consistent with RBC's then existing bank policies and practices regarding intercompany services. In addition, RBC Georgia or RBC would disclose the Referral Arrangement, including the method of calculating any fees arising from such Referral Arrangement, to the Canadian Customer prior to the opening of a US Deposit Account.

15. Although RBC Georgia is a direct subsidiary of RBC that is engaged in the business of banking in the United States, it is not a Schedule I, Schedule II or Schedule III bank for purposes of the Bank Act, and the US Deposit Accounts are therefore securities for purposes of the Legislation.
16. The offering of the US Deposit Accounts by RBC Georgia to Canadian Customers in Canada would constitute a distribution of securities that would be subject to the Prospectus Requirement and would constitute the business of trading in, and advising on, securities and acting as an underwriter, which would cause RBC Georgia to be subject to the Registration Requirements.
17. The US Deposit Accounts will be issued in compliance with applicable US law, including applicable anti-money laundering and consumer protection legislation.
18. The US Deposit Accounts will be insured by FDIC for up to the applicable FDIC deposit coverage amount.
19. The US Deposit Accounts offered to Canadian Customers will not contravene any Canadian federal or provincial deposit-taking legislation or any provision of the Bank Act.
20. The US Deposit Accounts that are offered to Canadian Customers will be subject to the same regulation and oversight by the OCC and FRB as US Deposit Accounts that are offered to residents of the United States.
21. Other than in compliance with Canadian securities laws, RBC Georgia will not trade in any securities other than US Deposit Accounts with or on behalf of persons or companies who are resident in Canada.
22. To the knowledge of the Filer, the Filer has not been in default of securities legislation in any Jurisdiction other than in respect of certain inadvertent activities described in paragraphs 3 and 4, above.
- (b) the US Deposit Accounts are insured by the FDIC up to the applicable coverage limits under the FDIC rules, regardless of the residence or citizenship of the holder of a US Deposit Account;
- (c) the details of the FDIC insurance coverage in respect of the US Deposit Accounts are disclosed to each prospective holder of a US Deposit Account prior to the opening of the US Deposit Account; and
- (d) prior to the opening of the US Deposit Account or the making of an initial deposit therein, RBC Georgia or RBC would inform the Canadian Customer of any Referral Arrangements between RBC Georgia and RBC relating to the US Deposit Account, including the method of calculating the fees received by RBC, if any, arising from such Referral Arrangement.

“Deborah Leckman”  
Commissioner  
Ontario Securities Commission

“James Turner”  
Vice-Chair  
Ontario Securities Commission

### Decision

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

The decision of the principal regulator under the Legislation is that the Exemptions Sought are granted provided that at the relevant time that such activities are engaged in:

- (a) RBC Georgia continues to be subject to regulation, examination and supervision by the OCC and/or the FRB;

**2.1.7 Fiera Quantum Limited Partnership and Fiera Quantum Income Opportunities Fund**

**Headnote**

Policy Statement 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from seed capital requirements for commodity pools in Regulation 81-104 – manager permitted to redeem seed capital investment in the fund under conditions including that the fund has received subscriptions from investors totaling at least \$5 million.

**Applicable Legislative Provisions**

Regulation 81-104 respecting Commodity Pools, ss. 3.2(2)(a), 10.1.

[Translation]

November 15, 2013

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

AND

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

AND

IN THE MATTER OF  
FIERA QUANTUM LIMITED PARTNERSHIP  
(the Filer)

AND

IN THE MATTER OF  
FIERA QUANTUM INCOME OPPORTUNITIES FUND  
(the Fund)

DECISION

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption under section 10.1 of *Regulation 81-104 respecting Commodity Pools* (c. V-1.1, r. 40) (**Regulation 81-104**) from the requirements of paragraph 3.2(2)(a) of Regulation 81-104, in order to permit the Fund to redeem units issued upon the investment made by the Filer pursuant to paragraph 3.2(1)(a) of Regulation 81-104 (the **Initial Investment**) (the **Exemption Sought**).

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

- a) the Autorité des marchés financiers is the principal regulator for this application;
- b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System* (c. V-1.1, r. 1) (**Regulation 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon; 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* (c. V-1.1, r. 3), *Regulation 11-102* and *Regulation 81-102 respecting Mutual Funds* (c. V-1.1, r. 39) (**Regulation 81-102**) have the same meaning if used in this decision, unless otherwise defined.

**Representations**

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

The Filer

1. The Filer is a limited partnership established pursuant to the *Civil Code of Québec* (L.R.Q., c. C-1991).
2. The Filer's head office is located at 1501, McGill College Avenue, suite 800, Montreal, Québec, Canada, H3A 3M8.
3. The Filer is the investment fund manager, portfolio manager and promoter of the Fund.
4. The Filer is duly registered as an investment fund manager in Ontario, Québec and Newfoundland and Labrador. The Filer is also duly registered in Ontario and Quebec as an adviser in the category of portfolio manager and in all jurisdictions of Canada as a dealer in the category of exempt market dealer. In addition, the Filer is duly registered in Québec as a derivatives portfolio manager pursuant to the *Derivatives Act* (c. I-14.01), in Ontario as a commodity trading manager pursuant to the *Commodity Futures Act* (R.S.O. 1990, c. C.20) of Ontario.
5. The Filer is not in default of securities legislation in any jurisdiction of Canada.

The Fund

6. The Fund is an open-ended investment trust established under the laws of Québec pursuant to a trust agreement dated October 7, 2013 (the **Trust Agreement**). National Bank Trust Inc. acts as trustee.
7. On October 18, 2013, the Fund filed with each jurisdiction of Canada a final prospectus governed by *Regulation 41-101 respecting General Prospectus Requirements* (c. V-1.1, r. 14) in order to proceed with an initial public offering. On October 21, 2013, the Fund became a reporting issuer in all jurisdictions of Canada upon the issuance of a receipt for its final prospectus (the **Final Prospectus**).
8. The Fund is a mutual fund and is subject to Regulation 81-102. The Fund is also a commodity pool, as such term is defined in section 1.1 of Regulation 81-104, since the Fund has adopted fundamental investment objectives that permit the Fund to use specified derivatives in a manner that is not permitted by Regulation 81-102.
9. The Fund's investment objective are to: (i) generate absolute returns throughout the credit cycle by investing long and short in credit and other income generating securities; and (ii) to pay out a distribution on a quarterly basis corresponding to the income generated from the Fund's portfolio. The Fund will also seek to preserve capital and mitigate risk through the application of both portfolio and risk management tools.
10. The Fund is not in default of securities legislation in any jurisdiction of Canada.

Reasons for the Exemption Sought

11. The Filer made the Initial Investment in the Fund for a value of \$50 000 before the filing of its Final Prospectus in compliance with the provisions of paragraph 3.2(1) of Regulation 81-104.
12. Paragraph 3.2(2)(a) of Regulation 81-104 stipulates that a commodity pool may redeem, repurchase or return any amount invested in securities issued upon the investment in the commodity pools, referred to in paragraph 3.2(1)(a) of Regulation 81-104, only if the securities issued under that paragraph that had an aggregate issue price of \$50,000 remain outstanding and at least \$50,000 invested under paragraph 3.2(1)(a) of Regulation 81-104 remains invested in the commodity pool. Therefore, without the Exemption Sought, the Fund would not be permitted to redeem the units issued to the Filer on the Initial Investment.

13. If the Fund was not a commodity pool and was governed exclusively by the provisions of Regulation 81-102, the Fund would be allowed under subsection 3.1(2) of Regulation 81-102 to redeem the units issued upon the Initial Investment and return to the Filer any amount invested in such units upon the Fund having received subscriptions aggregating not less than \$500,000 from investors other than the Filer or any person referred to in paragraph 3.1(1)(a) of Regulation 81-102.
14. The Filer understands that the policy rationale behind the permanent nature of the Initial Investment set forth under section 3.2 of Regulation 81-104 is to ensure that commodity pools are being properly run for the benefit of the investors at all times.
15. In accordance with the terms of the Trust Agreement and with applicable Canadian securities legislation, the Filer shall, in the best interests of the Fund and its beneficiaries or in the interest of the fulfilment of its purpose, exercise prudence, diligence and skill, and discharge its functions loyally, honestly and in good faith.
16. The Filer, as investment fund manager, will at all times maintain excess working capital in accordance with the requirements set forth under section 12.1 of *Regulation 31-103 respecting Registration Requirements, Exemptions and Ongoing Registrant Obligations* (c. V-1.1, r. 10).
17. Not having the Initial Investment invested in the Fund at all times will not change how the Filer manages the Fund. The Filer will manage the Fund in accordance with all applicable securities legislation and its contractual requirements.

**Decision**

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

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

- a) the Fund must not redeem the units issued upon the Initial Investment and return any amount invested in such units unless the Fund has received subscriptions aggregating not less than \$5,000,000 from investors other than the Filer or any person referred to in paragraph 3.2(1)(a) of Regulation 81-104;
- b) the Fund disclosed in the Final Prospectus the basis on which the Fund may redeem the units issued upon the Initial Investment; and

- c) if, after the Fund has redeemed the units issued upon the Initial Investment, the total value of the units subscribed for by investors other than the persons referred to in paragraph 3.2(1)(a) of Regulation 81-104 drops below \$5,000,000 for more than 30 consecutive days, the Filer shall, unless the Fund is in the process of being dissolved or terminated, reinvest \$50,000 in the units of the Fund and maintain that investment until condition (a) hereinabove is again satisfied.

"Josée Deslauriers"

**2.2 Orders**

**2.2.1 Weizhen Tang – 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  
WEIZHEN TANG**

**ORDER**

**(Subsections 127(1) and 127(10))**

**WHEREAS** on September 30, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990 c. S.5 as amended (the "Act") accompanied by a Statement of Allegations of Staff of the Commission dated September 30, 2013 with respect to Weizhen Tang ("Tang");

**AND WHEREAS** the Notice of Hearing stated that a hearing would be held at the offices of the Commission on November 13, 2013;

**AND WHEREAS** on November 13, 2013, Staff attended the hearing and filed the Affidavits of Service of Jeff Thomson sworn October 4, 2013 demonstrating personal service of the Notice of Hearing and Statement of Allegations on Tang;

**AND WHEREAS** Tang did not attend the hearing nor was he represented by counsel;

**AND WHEREAS** Tang's wife attended the hearing and addressed the Panel;

**AND WHEREAS** on November 13, 2013, Staff requested that the hearing be adjourned to January 2014;

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

**IT IS HEREBY ORDERED** that the hearing is adjourned to January 21, 2014 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 13th day of November, 2013.

"James E. A. Turner"

2.2.2 Systematech Solutions Inc. et al.

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

AND

IN THE MATTER OF  
SYSTEMATECH SOLUTIONS INC.,  
APRIL VUONG AND HAO QUACH

ORDER

**WHEREAS** on December 13, 2012, the Ontario Securities Commission (the "Commission") issued an Amended Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to the Statement of Allegations filed by Staff of the Commission ("Staff") on October 31, 2012 with respect to Systematech Solutions Inc. ("Systematech"), April Vuong ("Vuong") and Hao Quach ("Quach") (collectively, the "Respondents");

**AND WHEREAS** the Respondents entered into a Settlement Agreement dated November 11, 2013, (the "Settlement Agreement") in relation to certain of the matters set out in the Statement of Allegations;

**AND WHEREAS** the Commission issued a Notice of Hearing dated November 12, 2013, setting out that it proposed to consider the Settlement Agreement;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from the Respondents' counsel and from Staff of the Commission;

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

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, the acquisition of and trading in any securities shall cease for a period of 15 years for Systematech and Vuong and for a period of 10 years for Quach;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply for a period of 15 years for Systematech and Vuong and for a period of 10 years for Quach;
- (d) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Vuong and Quach shall immediately resign from any position that she and/or he holds as a

director or officer of any issuer, registrant or investment fund manager with the exception that Vuong and Quach are permitted to continue to act as a director or officer of Vectorspace Game Studios Inc. ("Vectorspace");

- (e) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Vuong shall be prohibited for a period of 15 years and Quach shall be prohibited for a period of 10 years, from becoming or acting as a director or officer of any issuer, registrant or investment fund manager with the exception that Vuong and Quach are permitted to continue to act as directors and officers of Vectorspace so long as Vuong and Quach are the only holders of securities of Vectorspace and are its only officers and directors;
- (f) pursuant to clause 8.5 of subsection 127(1) of the Act, Vuong shall be prohibited for a period of 15 years and Quach shall be prohibited for a period of 10 years, from becoming or acting as a registrant, an investment fund manager or as a promoter;
- (g) pursuant to clause 9 of subsection 127(1) of the Act, the Respondents jointly and severally pay an administrative penalty of \$300,000 which amount is designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
- (h) pursuant to clause 10 of subsection 127(1) of the Act, the Respondents jointly and severally disgorge \$5,623,954.96 to the Commission which amount is designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act.

**DATED** at Toronto, Ontario this 14th day of November, 2013.

"Christopher Portner"

## Chapter 3

# Reasons: Decisions, Orders and Rulings

---

---

### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Systematech Solutions Inc. et al.

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

**AND**

**IN THE MATTER OF  
SYSTEMATECH SOLUTIONS INC.,  
APRIL VUONG AND HAO QUACH**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Systematech Solutions Inc. (“Systematech”), April Vuong (“Vuong”) and Hao Quach (“Quach”) (collectively, the “Respondents”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

2. Staff of the Commission (“Staff”) agrees to recommend settlement of the proceeding commenced by Amended Notice of Hearing dated December 13, 2012 (the “Proceeding”) against the Respondents according to the terms and conditions set out below in this agreement (this “Settlement Agreement”). The Respondents agree to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

**PART III – AGREED FACTS**

3. For the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts as set out in Part III of this Settlement Agreement. In particular, with the exception of a regulatory proceeding commenced by a securities regulatory authority, this Settlement Agreement and the facts and admissions as set out herein are without prejudice to the Respondents in any other proceeding including, without limitation, any civil, administrative, quasi-criminal or criminal actions or proceedings currently pending or that may be brought by any person or agency, whether or not this Settlement Agreement is approved by the Commission. With the exception of a regulatory proceeding commenced by a securities regulatory authority, no other person or agency may raise or rely upon the terms of this Settlement Agreement or any agreement or the facts stated herein whether or not this Settlement Agreement is approved by the Commission. Without limiting the generality of the foregoing, the Respondents expressly deny that this Settlement Agreement is intended to be an admission of civil or criminal liability and expressly deny any such admission of civil or criminal liability.

#### **Overview**

4. On behalf of Systematech, Vuong and Quach entered into promissory notes with at least 38 friends, business associates and referrals (the “Investors”) resident in Ontario and elsewhere and received approximately \$12.4 million between March 2007 and October 2011 inclusive (the “Material Time”). The promissory notes are securities as defined in subsection 1(1) of the Act.
5. As set out in the promissory notes, each Investor was promised an annual rate of interest on the principal amount of the loan. Most Investors were promised an annual rate of interest of between 12 and 15 percent but some Investors were promised an annual rate of interest of between 20 and 30 percent. Investors were advised that their investments were guaranteed and not at risk.



6. During the Material Time, from the approximately \$12.4 million raised from Investors, approximately \$8.0 million was repaid to Investors, \$3.6 million was lost in trading accounts controlled by the Respondents and approximately \$691,000 was used for personal type payments including credit card payments, payments to retailers and cash withdrawals by Vuong and Quach.
7. During the Material Time, the Respondents acted contrary to the registration and prospectus requirements of the Act. Vuong and Quach also breached their obligations as directors and officers of Systematech.
8. On October 16, 2013, Vuong and Quach were each charged with fraud over \$5,000 and Respondents' counsel has advised Staff that the subject matter of the criminal charges is substantially similar if not identical to the fraud allegations made by Staff in this proceeding.
9. As a result, the parties have agreed to proceed with a settlement agreement which does not include any alleged misrepresentations or fraud on the basis that, depending on the outcome of the criminal charges, Staff will be entitled to commence a new proceeding against the Respondent(s) under subsection 127(10) of the Act. Subsection 127(10) authorizes Staff to seek an order from the Commission where a person or company has been convicted of an offence arising from a transaction, business or course of conduct related to securities or derivatives.

### **The Respondents**

10. Systematech was incorporated in Ontario on June 23, 1999 by Vuong and Quach. From its inception, Systematech was a software consulting company. Commencing in 2007, Systematech offered an investment opportunity based on various investment options to Investors and potential investors.
11. Vuong is the president and a director of Systematech. During the Material Time, Vuong acted as a directing mind of Systematech. Vuong resides in Ontario. During the Material Time, Vuong had primary responsibility for communicating with Investors regarding the investment opportunity offered by Systematech.
12. Quach is the managing director and a director of Systematech. During the Material Time, Quach acted as a directing mind of Systematech. Quach resides in Ontario. During the Material Time, Quach participated in activities related to the sale of the promissory notes.
13. None of the Respondents has ever been registered with the Commission in any capacity.

### **The Sale of Promissory Notes**

14. Vuong and Quach received funds from Investors as loans evidenced by promissory notes issued by Systematech which promised to pay a guaranteed rate of interest. Communications relating to the promissory notes occurred primarily between Vuong and Investors, through meetings, telephone calls and emails. Vuong discussed the features of the investment options and advised Investors that their returns were guaranteed and their investments were not at risk. Most promissory notes provided that should Systematech at any time become bankrupt or insolvent, or should Systematech default at any time, the balance of the principal outstanding shall become immediately due and payable. Each Investor received a promissory note for their investment specifying the annual rate of interest to be paid as agreed to between Vuong and the Investor. Most Investors were promised an annual rate of interest of between 12 and 15 percent but other Investors were promised an annual rate of interest of between 20 and 30 percent.
15. During the Material Time, Systematech raised \$8,764,103.14 (Cdn) and \$3,686,098.64 (U.S.) from 38 Investors through the issuance of the promissory notes. Monies for investments were received in both Canadian and U.S. dollars.
16. Investor funds were deposited into bank accounts and brokerage accounts in the names of the Respondents (the "Bank Accounts" and the "Brokerage Accounts").
17. Investors received statements and annual reports from the Respondents which contained statements concerning rates of return based on the agreed upon interest rate as set out in the promissory notes and valuations of clients' accounts.
18. Between January 1, 2007 to December 31, 2011 inclusive:
  - (a) \$8,754,103.14 (Cdn) and \$3,686,098.64 (U.S.) of Investor funds were deposited into the Bank Accounts; \$10,000 (Cdn) of Investor funds was directly deposited into the Brokerage Accounts;
  - (b) \$2,133,372.49 (Cdn) and \$178,200.41 (U.S.) from other sources were deposited into the Bank Accounts;

- (c) \$7,384,688 (Cdn) and \$3,827,949 (U.S.) was transferred from the Bank Accounts to the Brokerage Accounts. \$6,105,878 (Cdn) and \$1,553,290 (U.S.) was transferred from the Brokerage Accounts back to the Bank Accounts. A net amount of \$1,278,810 (Cdn) and \$2,274,659 (U.S.) was lost through trading in the Brokerage Accounts;
- (d) \$5,749,262.04 (Cdn) and \$2,218,419.01 (U.S.) was paid to Investors from the Bank Accounts to satisfy monthly returns and redemption payments;
- (e) \$668,587.29 (Cdn) and \$22,275 (U.S.) was paid out of the Bank Accounts for personal type payments by Vuong and Quach, including credit card payments, payments to retailers and cash withdrawals. These two amounts are net of cash advances and cash deposits made by Vuong, Quach and their relatives; and
- (f) \$2,324,058.03 (Cdn) and \$136,770.19 (U.S.) in other payments were paid out of the Bank Accounts.

Given the amounts repaid to Investors up to the principal amounts they invested, \$5,623,954.96 of Investors' monies obtained by the Respondents in breach of the Act have not been repaid to Investors.

- 19. During the 60 month period of January 1, 2007 to December 31, 2011, the Respondents' trading activities in the Brokerage Accounts frequently resulted in losses at month end. In excess of \$3.5 million (U.S.) in net trading losses were sustained in the Brokerage Accounts.
- 20. On or about October 16, 2013, Vuong and Quach were arrested and charged by the Peel Regional Police with "fraud over \$5,000" contrary to subsection 380(1)(a) of the Criminal Code, R.S.C. 1985, c. C-46, as amended.
- 21. Respondents' counsel has advised Staff that the subject matter of the criminal charges is substantially the same if not identical to the fraud allegations made by Staff as set out in Staff's Statement of Allegations dated October 31, 2012.

#### **RESPONDENTS' POSITION**

- 22. The Respondents have agreed to a disgorgement order of the full amount they obtained as a result of non-compliance with the Act less amounts previously repaid to Investors (up to the aggregate principal amount invested by each Investor), totalling \$5,623,945.96.
- 23. The Respondents have no prior regulatory history with the Commission.
- 24. It is the position of the Respondents that the funds used for personal type payments mentioned in paragraphs 6 and 18(e) were in lieu of Vuong's and Quach's salaries during the Material Time.
- 25. It is the position of the Respondents that they did not commit fraud and they intend to vigorously defend against the criminal charges.

#### **PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST**

- 26. By engaging in the conduct described above, the Respondents admit and acknowledge that they contravened Ontario securities law and acted contrary to the public interest during the Material Time in the following ways:
  - (a) the Respondents traded in securities or engaged in, or held themselves out as engaging in the business of trading in securities without being registered to do so contrary to subsection 25(1)(a) of the Act for the period before September 28, 2009 and subsection 25(1) of the Act for the period on and after September 28, 2009;
  - (b) the Respondents conducted an illegal distribution contrary to subsection 53(1) of the Act, and contrary to the public interest; and
  - (c) Vuong and Quach, being officers and directors of Systematech authorized, permitted and acquiesced in breaches by Systematech of sections 25 and 53 of the Act contrary to section 129.2 of the Act.

#### **PART V – TERMS OF SETTLEMENT**

- 27. The Respondents agree to the terms of settlement listed below.
- 28. The Commission will make an order pursuant to subsection 127(1) of the Act that:

- (a) this Settlement Agreement is approved;
  - (b) pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, the acquisition of and trading in any securities shall cease for a period of 15 years for Systematech and Vuong and for a period of 10 years for Quach;
  - (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply for a period of 15 years for Systematech and Vuong and for a period of 10 years for Quach;
  - (d) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Vuong and Quach shall immediately resign from any position she and/or he holds as a director or officer of any issuer, registrant or investment fund manager with the exception that Vuong and Quach are permitted to continue to act as a director or officer of Vectorspace Game Studios Inc. ("Vectorspace");
  - (e) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Vuong shall be prohibited for a period of 15 years and Quach shall be prohibited for a period of 10 years, from becoming or acting as a director or officer of any issuer, registrant or investment fund manager with the exception that Vuong and Quach are permitted to continue to act as directors and officers of Vectorspace so long as Vuong and Quach are the only holders of securities of Vectorspace and are its only officers and directors;
  - (f) pursuant to clause 8.5 of subsection 127(1) of the Act, Vuong shall be prohibited for a period of 15 years and Quach shall be prohibited for a period of 10 years, from becoming or acting as a registrant, an investment fund manager or as a promoter;
  - (g) pursuant to clause 9 of subsection 127(1) of the Act, the Respondents jointly and severally pay an administrative penalty of \$300,000 which amount will be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
  - (h) pursuant to clause 10 of subsection 127(1) of the Act, the Respondents jointly and severally disgorge \$5,623,954.96 to the Commission which amount will be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act.
29. The Respondents undertake to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 28 above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

#### **PART VI – STAFF COMMITMENT**

30. If the Commission approves this Settlement Agreement, Staff will not commence any proceedings under Ontario securities law against the Respondents in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 31 below.
31. If the Commission approves this Settlement Agreement and, at any subsequent time, the Respondents fail to comply with any of the terms of the Settlement Agreement, or any of the circumstances exist as prescribed by subsection 127(10) of the Act, Staff may bring proceedings under Ontario securities law against the Respondents. These subsequent proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement or any subsequent conviction(s).

#### **PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT**

32. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for November 14, 2013, or on another date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure.
33. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
34. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
35. If the Commission approves this Settlement Agreement, none of the parties will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

36. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

**PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

37. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and
  - (b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.
38. All parties will keep the terms of this Settlement Agreement confidential until the Commission approves this Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve this Settlement Agreement, both parties must continue to keep the terms of this Settlement Agreement confidential, unless they agree in writing not to do so or if otherwise required by law.

**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

39. All parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.
40. A fax copy of any signature will be treated as an original signature.

Dated this 11th day of November, 2013.

Systematech Solutions Inc.

"Hoa Vuong"  
Witness: Hoa Vuong

Per: "April Vuong"

"Hoa Vuong"  
Witness: Hoa Vuong

"April Vuong"  
April Vuong

"Hoa Vuong"  
Witness: Hoa Vuong

"Hao Quach"  
Hao Quach

"Tom Atkinson"  
Tom Atkinson  
Director, Enforcement Branch

**Schedule "A"**

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

**AND**

**IN THE MATTER OF  
SYSTEMATECH SOLUTIONS INC.,  
APRIL VUONG AND HAO QUACH**

**ORDER**

**WHEREAS** on December 13, 2012, the Ontario Securities Commission (the "Commission") issued an Amended Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to the Statement of Allegations filed by Staff of the Commission ("Staff") on October 31, 2012 with respect to Systematech Solutions Inc. ("Systematech"), April Vuong ("Vuong") and Hao Quach ("Quach") (collectively, the "Respondents");

**AND WHEREAS** the Respondents entered into a Settlement Agreement dated November , 2013, (the "Settlement Agreement") in relation to certain of the matters set out in the Statement of Allegations;

**AND WHEREAS** the Commission issued a Notice of Hearing dated November , 2013, setting out that it proposed to consider the Settlement Agreement;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from the Respondents' counsel and from Staff of the Commission;

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

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, the acquisition of and trading in any securities shall cease for a period of 15 years for Systematech and Vuong and for a period of 10 years for Quach;
- (c) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply for a period of 15 years for Systematech and Vuong and for a period of 10 years for Quach;
- (d) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Vuong and Quach shall immediately resign from any position that she and/or he holds as a director or officer of any issuer, registrant or investment fund manager with the exception that Vuong and Quach are permitted to continue to act as a director or officer of Vectorspace Game Studios Inc. ("Vectorspace");
- (e) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Vuong shall be prohibited for a period of 15 years and Quach shall be prohibited for a period of 10 years, from becoming or acting as a director or officer of any issuer, registrant or investment fund manager with the exception that Vuong and Quach are permitted to continue to act as directors and officers of Vectorspace so long as Vuong and Quach are the only holders of securities of Vectorspace and are its only officers and directors;
- (f) pursuant to clause 8.5 of subsection 127(1) of the Act, Vuong shall be prohibited for a period of 15 years and Quach shall be prohibited for a period of 10 years, from becoming or acting as a registrant, an investment fund manager or as a promoter;
- (g) pursuant to clause 9 of subsection 127(1) of the Act, the Respondents jointly and severally pay an administrative penalty of \$300,000 which amount is designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
- (h) pursuant to clause 10 of subsection 127(1) of the Act, the Respondents jointly and severally disgorge \$5,623,954.96 to the Commission which amount is designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act.

**DATED** at Toronto, Ontario this \_\_\_\_ day of November, 2013.

3.1.2 Sterling Grace & Co. Ltd. and Graziana Casale – s. 31

IN THE MATTER OF  
STAFF'S RECOMMENDATIONS TO SUSPEND THE REGISTRATIONS OF  
STERLING GRACE & CO. LTD. AND GRAZIANA CASALE

OPPORTUNITY TO BE HEARD BY THE DIRECTOR  
UNDER SECTION 31 OF THE SECURITIES ACT

**Decision**

1. For the reasons outlined below, my decision is that:
  - a. the registration of Sterling Grace & Co. Ltd. (Sterling Grace) is suspended permanently,
  - b. the registration of Graziana Casale (Casale) as ultimate designated person (UDP) and chief compliance officer (CCO) is suspended permanently,
  - c. the registration of Casale as a dealing representative be suspended, and that she not be permitted to apply for reinstatement for a period of two years,
  - d. Casale successfully complete the *Conduct and Practices Handbook Course* before applying for reinstatement of registration,
  - e. Casale be subject to one year of strict supervision in the event her registration is reinstated, and
  - f. Casale shall not be a permitted individual of a registered firm for a period of five years.

**Overview**

2. By letter dated July 3, 2013, staff (Staff) of the Ontario Securities Commission (the Commission or the OSC) advised Sterling Grace and Casale (the Registrants) that Staff had recommended to the Director, among other things, that the registrations of the Registrants be permanently suspended.
3. The basis of this recommendation is due to the number and severity of significant deficiencies identified during the compliance review of Sterling Grace (Compliance Review) conducted under section 20 of the *Securities Act* (Ontario) (Act), which covered the period from December 2011 to November 2012. Staff has fundamental concerns with respect to the integrity and proficiency of the Registrants.
4. There were seven issues discussed during the opportunity to be heard (OTBH) which occurred on October 28, 2013. Although Staff characterised the first four issues as integrity issues and the last three issues as proficiency issues, many of the issues were both integrity and proficiency issues. Staff also alleged that there was an overall lack of a compliance system at Sterling Grace as a result of these issues. The seven issues, each of which will be discussed separately below, were:
  - a. Conflicts of interest,
  - b. Unreported capital deficiency,
  - c. Misrepresentations to Staff,
  - d. Trading without registration,
  - e. Improper reliance on prospectus exemptions,
  - f. Failure to discharge the know your product (KYP) obligation, and
  - g. Failure to discharge the know your client (KYC) and suitability obligations.
5. All of the issues were contested by the Registrants. As well, I was advised by the Registrants that, should I decide to suspend their registrations, they would seek a stay of this decision.

## Background

6. Sterling Grace has been registered as an exempt market dealer (EMD) in Ontario since December, 2006 and in Alberta and British Columbia since February 2012.
7. Casale is registered as UDP, CCO, and a dealing representative with, and is a permitted individual of, Sterling Grace.

## Issues discussed during the OTBH

### *Conflicts of interest*

8. Staff alleges that there were three transactions which resulted in conflicts of interest.
9. The first transaction was a \$25,000 personal loan in the spring of 2011 from a company controlled by ES, the principal of Redstone Investment Corporation (Redstone) (an issuer whose securities are distributed by Sterling Grace), to Casale for personal expenses of Casale and operating expenses of Sterling Grace. The loan was evidenced by a promissory note which set out interest and repayment terms.
10. The second transaction occurred in the fall of 2011, when Staff notified Casale that (i) Sterling Grace was capital deficient as at December 31, 2010, and (ii) a recommendation had been made to suspend Sterling Grace because it was capital deficient, had failed to notify the OSC of the capital deficiency, and because the capital deficiency was for a period longer than two days. The capital deficiency was over \$70,000. To rectify the capital deficiency, Casale received an interest free loan of \$73,000 from Redstone. The loan had no fixed terms of repayment and was not evidenced by written agreement.
11. In respect of these first two transactions, despite Sterling Grace receiving approximately \$195,000 in commissions in 2012 from the sale of Redstone securities, neither Sterling Grace nor Casale believed they were in a conflict position with Redstone. As an aside, the commissions earned from the sale of Redstone securities are approximately three times the total amount of commissions earned by Sterling Grace for the sales of all other securities by Sterling Grace.
12. The third transaction was the sale by Sterling Grace of securities of Genwealth Venture LP (Genwealth), a venture capital fund managed by "ML" (who was, at the time of the sales, a registered dealing representative with Sterling Grace). Sterling Grace received approximately \$13,000 in commissions in 2012 from the sale of Genwealth securities. Again, neither Sterling Grace nor Casale believed they were in a conflict position with Genwealth.

### *Unreported capital deficiency*

13. Following the suspension recommendation referred to in paragraph 10 above and Sterling Grace's rectification of its capital deficiency by the injection of \$73,000 into the firm, Sterling Grace was placed on terms and conditions requiring the firm to provide Staff with unaudited financial statements and capital calculations for the months of October 2011 to March 2012, inclusive. The filings provided to Staff indicated that Sterling Grace did not have a capital deficiency for any of these months and the terms and conditions were removed from Sterling Grace's registration in May 2012.
14. However, when the December 31, 2011 audited financial statements of Sterling Grace were filed in late March 2012, a capital deficiency of approximately \$7,000 was identified (despite no capital deficiency being identified as part of the terms and conditions filings). Revised audited financial statements of Sterling Grace in the correct format were filed in late July 2012. The revised audited financial statements also identified a capital deficiency of approximately \$7,000.
15. In late July 2012, Sterling Grace was advised by Staff that it was capital deficient. By subsequent email, Casale indicated that the December 2011 capital deficiency was as a result of expense accruals and referred to the January, February and March 2012 terms and conditions filings as evidence that the firm had sufficient capital during these months. As well, Staff requested (and received) June 2012 financial statements and capital calculations which showed excess working capital of approximately \$9,000. Because the firm demonstrated that it had met its working capital requirements in January, February, March and June 2012, Staff refrained from recommending further terms and conditions on the registration of Sterling Grace.
16. During the Compliance Review, Staff identified that Sterling Grace was capital deficient in April and May 2012. These capital deficiencies were not reported to Staff. The amounts of the capital deficiencies were approximately \$13,000 and \$20,000. Although Casale acknowledged that she was aware of the capital deficiencies at the time they arose, she did not notify Staff even though she was aware of the obligation to do so. She also did not inform Staff on a timely basis of the December 2010 capital deficiency.

### **Misrepresentations to Staff**

17. In the spring of 2012, Staff was reviewing a registration application for EMD registration submitted by “CH”. The principals of CH were “HT” and “RL”, who were also principals of Ginkgo Mortgage Investment Corporation (Ginkgo), an issuer whose securities were previously sold by Sterling Grace.
18. Staff was provided a letter from Ginkgo’s legal counsel, addressed to a consultant of CH, which stated that Ginkgo had issued securities to 19 close personal friends or business associates pursuant to the private issuer exemption, and that the subscriptions were effected through Sterling Grace. Sterling Grace filed a Form 45-106F1 *Report of Exempt Distribution* in early March 2012.
19. Staff was subsequently advised by Ginkgo’s legal counsel that (i) the 19 trades were a one-time trade and were not required to be made through an EMD, (ii) Ginkgo communicated with Sterling Grace in order to effect the distributions and file the F1, and (iii) the F1 was not required to be filed. Staff then asked for confirmation that Ginkgo had made no further distributions of its securities, and a letter from Sterling Grace confirming its role in the issuance of Ginkgo securities. In response, Ginkgo’s legal counsel advised that an additional 22 investors subscribed for shares of Ginkgo without the involvement of either legal counsel or Sterling Grace. In contrast, Sterling Grace’s “administrative” role was described in the same letter as follows:

*Sterling’s mandate was initially limited solely to filing a report of trade for the 19 subscriptions which had already closed prior to Sterling’s engagement. Sterling did not and has not solicited investment in the Corporation. Its role was limited to a purely administrative one in filing the report of trade. In relation to that filing, Sterling conducted the following: (i) reviewed the subscription documents for completeness; (ii) verified the identity of the subscribers; and (iii) ensured the completion of KYC forms for its records. [Emphasis in the original]*

20. In the response from Sterling Grace, Casale confirmed in writing on June 19, 2012 that “the information provided with respect to the involvement of [Sterling Grace] [with respect to the 22 investors] is accurate. As provided, Sterling’s involvement was strictly that of an administrative one ...”. The confirmation provided covers both contradictory statements outlined in the preceding paragraph. As well, Casale also advised Staff that she had been paid approximately \$10,000 in respect of the 22 trades.
21. However, as part of the Compliance Review, Staff identified that 6 of the 22 investors involved in the second distribution of Ginkgo shares had signed Sterling Grace KYC forms between March 1 and June 19, 2012 (the date of the written confirmation by Casale to Staff referred to in the previous paragraph). As well, the dates on the KYC forms (most of which are signed and dated by Casale) are the same as the dates on the Ginkgo subscription forms for the second distribution.

### **Trading without registration**

#### *Trading in Ontario without registration*

22. ML became registered with Sterling Grace in February 2012. Prior to his registration with Sterling Grace, ML was registered with another EMD from August 2011 to December 2011.
23. Staff identified six trades by ML through Sterling Grace prior to ML being registered with Sterling Grace. Each of these trades is recorded on Sterling Grace’s trade blotter.

#### *Trading in British Columbia and Alberta without registration*

24. Eleven investors in British Columbia and Alberta purchased securities of Redstone between January 2011 and the date Sterling Grace became registered in those provinces. A Sterling Grace KYC form was completed for each trade and each trade is recorded on Sterling Grace’s trade blotter.

### **Improper reliance on prospectus exemptions**

25. Staff alleges that the Compliance Review identified at least 22 clients of Sterling Grace that either did not qualify as accredited investors, or for whom Sterling Grace had insufficient evidence to support reliance on the accredited investor exemption. Several examples were provided by Staff and some of the clients that were interviewed by Staff provided information that conflicted with their KYC form. Most of the clients invested based on the net financial assets test. Limited information was provided on the KYC form as to the components of net financial assets. As a result, Staff alleges that Sterling Grace had, at best, insufficient evidence to support reliance on the accredited investor exemption.



***Failure to discharge the KYP obligation***

*Redstone*

26. Redstone is a Canadian-based company that provides loans to small and medium-sized businesses that would not qualify for conventional financing. Casale advised Staff during the Compliance Review that while some of the loans in the Redstone portfolio had missed payments, none were in default. She further advised that between December 2012 and April 2013, she understood that two loans had defaulted, but that it was her understanding (based on information obtained from periodic meetings with ES) that there would be no losses to the fund.
27. The October 2012 offering memorandum of Redstone clearly indicates that Redstone has loans in the aggregate amount of approximately \$1.3 million that are in default and Redstone's interim financial statements as at May 31, 2012 show impairment losses of approximately \$160,000. As well, a loan portfolio summary dated November 2012 provided to Staff indicates issues with many of the loans in the Redstone portfolio.
28. As a result, Staff alleges that Sterling Grace did not sufficiently know the Redstone product that it was selling to its clients.

*Genwealth*

29. The Genwealth offering memorandum indicates that Genwealth's portfolio mix will include private and public companies, that it will largely remain a passive investor, and that it may incorporate select short positions.
30. According to Genwealth's website, the fund's portfolio contains three early stage start-up companies. In addition, Genwealth is not a passive investor because ML is playing an active management and consulting role in each of the three investments. Staff's information is that ML's previous work experience is limited to a part time job with his father's construction company and his relatively short dealing representative experience with another EMD and Sterling Grace.
31. Because of the significant differences between the business proposed to be carried out by Genwealth and the actual business carried out by Genwealth, Staff alleges that Sterling Grace did not sufficiently know the Genwealth product that it was selling to its clients.

***Failure to discharge the KYC and suitability obligations***

32. During the Compliance Review, Staff determined that in the case of 45 clients who invested in securities of Redstone or Ginkgo through Sterling Grace, the investment was either unsuitable or Sterling Grace did not have sufficient records to demonstrate that they were suitable.
33. For example, some investors with a declared risk tolerance of "low" invested in Redstone, a confirmed speculative investment. In addition, other investors with a one to three year liquidity need invested in four year Redstone promissory notes. In some cases, after the Redstone investment was made a revised KYC form was completed by the client which either increased the client's risk tolerance from low to high or changed their liquidity need from 1-3 years to 3-5 years. As a result, Staff alleges that Sterling Grace, at best, had insufficient evidence to discharge the KYC and suitability obligations for the 45 clients.

**Reasons for decision**

34. For the reasons set out below, my decision is to impose the sanctions requested by Staff as set out in paragraph 1 of this decision. My decision is based on the:
  - a. written and verbal submissions of Mark Skuce (Legal Counsel, Compliance and Registrant Regulation Branch) and Melissa MacKewn (counsel to both the Registrants),
  - b. written submissions of the Registrants,
  - c. affidavits of Karin Hui and Chris Zolis (Accountants, Compliance and Registrant Regulation Branch), and
  - d. testimony of Casale.
35. Section 28 of the Act provides that the registration of a person or company may be suspended if it is determined that the person or company is not suitable for registration (i.e. possesses the requisite integrity, proficiency and solvency), or has failed to comply with Ontario securities law, or that their registration is otherwise objectionable.

36. The meaning of integrity was debated in this OTBH and in *Re Sawh* (2012), 35 OSCB 7431 (*Sawh*), a recent decision at the Commission level which was later upheld by the Divisional Court in *Sawh v. Ontario Securities Commission*, 2013 ONSC 4018. At paragraph 264 of *Sawh*, the Commission wrote:

In determining the integrity of the Applicants, however we are guided by the principle that the Commission shall consider in pursuing the purposes of the Act which ... is "the maintenance of *high standards of fitness and business conduct to ensure honest and responsible conduct by market participants.*" [Emphasis in the original]

37. Based on the principle reiterated in *Sawh*, integrity encompasses more than dishonesty or fraud, it includes honest and responsible conduct.
38. Staff referred me to a number of precedent decisions including *Re Quartz Capital Group Ltd. et al.* (2012), 35 OSCB. 9457, *Re White Capital Corporation and White* (2013), 36 OSCB 5313 and *PCPF Corporation and Crenian* (2013), 36 OSCB. 9855. In my view, the sanction imposed in this case is appropriate and reasonable compared to these precedents.
39. Registrants' counsel referred me to an additional precedent decision *Re Kingsmont Investment Management Inc. and Warner* (2013), 26 OSCB 9577 (*Kingsmont*). Counsel argued that the issues in that case appear to be very similar to the issues in this case. In *Kingsmont*, the Director imposed a six month dealing representative ban on Warner, with no suspension of the firm and no CCO or UDP sanction. In my view, this case is not a relevant precedent because Warner had (as set out in the decision) already agreed to sell his firm and resign as CCO and UDP. As a result, the circumstances of that case are clearly distinguishable from the circumstances of this case. Absent these sanctions, Casale confirmed that she would continue to own and operate Sterling Grace and act as its CCO, UDP, and sole dealing representative.
40. Registrants' counsel also argued that I should "reframe" the issues in this case to issues of proficiency, rather than integrity. With respect, I disagree. In my view, the issues categorized by Staff as integrity issues are, in fact, integrity issues.
41. Registrants' counsel also advised that the Registrants were prepared to take any steps necessary to correct the deficiencies identified. For example, the Registrants were prepared to hire a consultant or to hire another individual to be CCO and UDP, provided that Sterling Grace could remain in business with Casale as a dealing representative of the firm (with terms and conditions relating to strict supervision). By definition, the UDP of Sterling Grace cannot be anyone other than Casale and, since Casale is the sole dealing representative, it was unclear to me who would supervise her.

#### Issues 1-4 relating to integrity of the Registrants

42. In my view, Staff has proven its allegations with respect to issues 1-4 – conflicts of interest, unreported capital deficiency, misrepresentations to Staff and trading without registration. Each of these allegations relate directly to the integrity of both the Registrants and I find that both the Registrants lack the requisite integrity to remain registrants.
43. In my view, it is clear that the Registrants were in a conflict of interest position with both Redstone and Genwealth. I find that the Registrants failed to comply with section 13.4 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) and section 2.1 of OSC Rule 31-505 *Conditions of Registration*. It was not reasonable for Sterling Grace or Casale to assume that they could obtain personal and operating loans from Redstone (or its principal "ES"), receive significant compensation from selling Redstone securities, and to conclude that there was no conflict of interest created. The perhaps somewhat less significant conflict, although in my view clearly still a conflict, was selling products for which one of Sterling Grace's two dealing representatives at the time was the president of the general partner.
44. With respect to the unreported capital deficiencies for April and May 2012, I find that the Registrants failed to comply with section 12.1 of NI 31-103, despite Casale being aware of these obligations. Terms and conditions on Sterling Grace relating to a capital deficiency as at December 30, 2010 had just been removed by Staff, and terms and conditions on Sterling Grace's registration were not again recommended by Staff for the capital deficiency as at December 31, 2011 because of representations made to Staff about Sterling Grace's positive working capital position as at January, February, March and June 2012.
45. With respect to Staff's allegations about misrepresentations to Staff, in my view it is reasonable for me to draw the conclusion that Sterling Grace was in fact involved in the second distribution of Ginkgo securities, contrary to Casale's written confirmation to Staff in June 2012. As a result, I find that the Registrants misrepresented their involvement in the second distribution of Ginkgo securities. And, since Sterling Grace filed a Form F1 relating to the first distribution of

Ginkgo securities (and also received a fee for that distribution), I think it is also reasonable for me to conclude that the Registrants were involved in that distribution as well.

46. I also want to comment on the so called “administrative” function that Sterling Grace performed with respect to the Ginkgo distributions. Casale described this function during the OTBH as not “effecting” the trade, contact with clients after the fact or upon reinvestment or renewal of the securities, maintaining their files (including KYC documentation), performing a suitability review based on KYC information on reinvestment or renewal, receiving a fee, and filing the report of distribution. The administrative function performed by the Registrants is also described in paragraph 19. Casale did not seem to be aware that determining suitability for an investment was different than assessing whether a client could qualify for an exemption. My view is that some, or perhaps all, of the administrative duties performed by the Registrants constituted registerable activity. I do not believe it is appropriate for a registrant to claim that they were only essentially “papering” a transaction after it had occurred and for those activities to be considered as activities outside of their registration.
47. With respect to trading without registration, it is clear from the evidence provided at the OTBH that ML traded securities to Ontario residents on behalf of Sterling Grace prior to his registration with Sterling Grace and that Sterling Grace traded securities to residents of British Columbia and Alberta prior to its registration in those provinces. As a result, I find that ML and Sterling Grace failed to comply with section 25 of the Act.

**Issues 5-7 relating to proficiency of the Registrants**

48. In my view, Staff has also proven its allegations with respect to issues 5-7 – improper reliance on prospectus exemptions, failure to discharge the KYP obligation, and failure to discharge the KYC and suitability obligations. Each of these allegations relates directly to the proficiency of both the Registrants and I find that both Registrants lack the requisite proficiency to remain registrants. And since each of the proficiency issues relates directly to the proficiency of a dealing representative, these proven allegations support the suspension of Casale’s registration as a dealing representative.

“Marriane Bridge”, FCPA, FCA  
Deputy Director, Compliance and Registrant Regulation Branch  
Ontario Securities Commission

Dated: November 18, 2013

## 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
Armadillo Resources Ltd.	07 Nov 13	19 Nov 13	19 Nov 13	
Cayenne Gold Mines Ltd.	07 Nov 13	20 Nov 13	19 Nov 13	
Consolidated Tanager Limited	07 Nov 13	20 Nov 13	19 Nov 13	
Delta Uranium Inc.	07 Nov 13	19 Nov 13	19 Nov 13	
Desert Eagle Resources Ltd.	07 Nov 13	19 Nov 13	19 Nov 13	
TG Residential Value Properties Ltd.	13 Nov 13	25 Nov 13		
TTM Resources Inc.	13 Nov 13	25 Nov 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
*Strike Minerals Inc.	18 Nov 13	29 Nov 13			

\*New respondent was added to the MCTO against Strike Minerals Inc.

### 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
Strike Minerals Inc.	19 Sept 13	01 Oct 13	01 Oct 13		

This page intentionally left blank

## 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](http://www.carswell.com)).

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

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



## Chapter 8

# Notice of Exempt Financings

---

---

### REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchases	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
11/07/2013	19	Africa Hydrocarbons Inc. - Units	2,250,000.00	12,500,000.00
11/04/2013	11	American Vanadium Corp. - Units	1,765,000.00	3,530,000.00
11/01/2013	2	Amorfix Life Sciences Ltd. - Units	112,000.00	400,000.00
10/31/2013	12	Analyze Re Incorporated - Preferred Shares	1,375,000.00	2,757,536.00
10/29/2013	25	ASTRIX NETWORKS INC. - N/A	354,672.50	101,335.00
10/10/2013	4	AUREUS MINING INC. - Common Shares	16,554,916.60	30,900,000.00
10/21/2013	31	BABY GOURMET FOODS INC. - Preferred Shares	1,500,000.00	6,000,000.00
10/17/2013	75	BALMORAL RESOURCES LTD. - Common Shares	5,974,146.75	7,467,946.00
10/30/2013	3	BALMORAL RESOURCES LTD. - Common Shares	600,578.05	422,270.00
10/29/2013	4	Banque Federative du Credit Mutuel - Notes	75,059,848.56	4.00
09/27/2013	166	Banyan Capital Partners Fund V Limited Partnership - Units	12,768,025.00	1,276,803.00
10/31/2013	1	BASSETT FINANCIAL CORPORATION - Units	350,000.00	3,500.00
10/28/2013	15	Blue River Resources Ltd. - Units	309,110.00	3,863,875.00
10/30/2013	5	BRANT PARK PHASE 2 INC. - Bonds	322,000.00	322.00
10/11/2013	14	BRAVADA GOLD CORPORATION - Common Shares	106,382.78	5,319,139.00
10/31/2013	4	Bristol-Myers Squibb Company - Notes	22,257,144.00	21,500.00
10/31/2013	51	B.E.S.T. Active 365 Fund LP - Limited Partnership Units	4,619,418.00	N/A
11/01/2013	41	CALEDONIAN ROYALTY CORPORATION - Notes	2,000,000.00	2,000.00
10/31/2013	5	Calpine Corporation - Notes	8,343,200.00	5.00
10/31/2013	2	Calpine Corporation - Notes	3,128,700.00	2.00
10/31/2013	155	CENTURION APARTMENT REAL ESTATED INVESTMENT TRUST - Units	8,192,934.42	702,567.21
10/23/2013	3	CORPORATION TOMAGOLD - Units	270,000.00	N/A
10/25/2013	19	CORVUS ENERGY LTD. - Common Shares	2,372,516.30	6,778,618.00
10/31/2013	29	Crombie Real Estate Investment Trust - Notes	175,000,000.00	29.00



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchases</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
04/12/2013 to 06/13/2013	3	CVET POWER CORP. - Common Shares	160,000.00	700,002.00
10/21/2013	1	CX Partners Intermediate Fund I Pte Ltd. - Common Shares	72,079,000.00	70,000,000.00
10/30/2013	25	DEMEURE OPERATING COMPANY LTD. - Common Shares	1,178,797.37	299,834.00
10/30/2013	22	EFLO ENERGY, INC. - Warrants	2,355,465.60	1,127,500.00
10/31/2013	1	FanXchange Limited - Common Shares	150,000.00	75,000.00
10/01/2012 to 09/30/2013	2	Fidelity Clearpath Institutional 2010 Portfolio - Units	6,594,422.44	538,004.35
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2015 Portfolio - Units	17,249,497.84	1,362,940.30
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2020 Portfolio - Units	38,778,686.92	3,082,033.08
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2025 Portfolio - Units	45,017,692.60	3,570,986.81
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2030 Portfolio - Units	43,894,336.23	3,549,528.57
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2035 Portfolio - Units	25,284,841.38	2,037,360.54
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2040 Portfolio - Units	30,907,758.95	2,504,744.17
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional 2045 Portfolio - Units	24,039,864.75	1,951,578.42
10/01/2012 to 09/30/2013	4	Fidelity Clearpath Institutional 2050 Portfolio - Units	3,401,857.89	313,892.37
10/01/2012 to 09/30/2013	3	Fidelity Clearpath Institutional Income Portfolio - Units	4,771,209.62	385,436.73
10/22/2012 to 09/30/2013	4	Fidelity Clearpath Institutional 2055 Portfolio - Units	1,330,262.75	125,339.41
10/21/2013	2	First Reserve Energy Infrastructure Fund II, L.P. - Limited Partnership Interest	103,000,000.00	N/A
10/24/2013	34	FISSION URANIUM CORP. - Receipts	12,872,550.00	8,581,700.00
11/01/2013	2	Flowserve Corporation - Notes	7,275,888.73	7,000.00
11/01/2013	4	Freescale Semiconductor, Inc. - Notes	15,664,500.00	150,000.00
10/18/2013	1	GAM Star Capital Appreciation US Equity - Common Shares	1,285,875.00	125,000.00
10/04/2012 to 09/30/2013	2	GE Institutional Core Value Equity Fund-Investment Class - Units	6,106,281.93	598,928.91
10/01/2012 to 09/26/2013	2	GE Institutional Equity Fund - Investments Class - Units	1,279,684.12	111,292.47
07/03/2013 to 10/04/2013	1	GMP Developed World Equity Investment Funds PLC - Units	309,001.80	8,876.96

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchases</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
11/01/2013 to 11/08/2013	11	Goldstrike Resources Ltd. - Common Shares	508,000.42	824,676.00
10/01/2013	1	Goodman Bluespring Fund - Trust Units	5,000,000.00	5,000.00
09/25/2013	2	Goodman Eclipse LP - Limited Partnership Units	5,001,000.00	N/A
10/11/2013	16	gRAND rIVER iRONSANDS iNCORPORATED - Flow-Through Shares	823,689.00	179,982.00
10/31/2013	52	Great Northern Gold Exploration Corporation - Common Shares	767,000.00	15,340,000.00
10/31/2013	27	Greybrook Ordnance Limited Partnership - Units	5,388,100.00	53,881.00
11/06/2013	34	Greystone Real Estate Fund Inc. - Common Shares	60,680,000.00	616,297.14
10/23/2013	9	HIGHBANK RESOURCES LTD. - Common Shares	143,500.00	1,793,750.00
10/31/2013	4	Imagistx Inc. - Preferred Shares	880,000.00	880,000.00
09/30/2013	3	INSTITUTIONAL CANADIAN DOLLAR LIQUIDITY FUNDS - N/A	20,794,722.84	216,372,920.00
11/04/2013	2	Intesa Sanpaolo S.p.A. - Notes	10,917,925.00	N/A
10/29/2013	1	Kansas City Southern de Mexico, S.A. de C.V. - Notes	2,089,000.00	2,000.00
02/13/2013	2	KARMA ATHLETICS LTD - Common Shares	100,000.00	1,000,000.00
10/17/2013 to 10/25/2013	58	KENNADY DIAMONDS INC. - Common Shares	14,003,999.75	2,765,721.00
10/22/2013	8	LAS VEGAS FROM HOME.COM ENTERTAINMENT INC. - Common Shares	215,000.00	4,300,000.00
10/18/2013	20	LEGEND POWER SYSTEMS INC. - Common Shares	736,664.85	8,185,165.00
10/25/2013	73	Lucky Strike Resources Ltd. - Non-Flow Through Units	735,500.00	1,355,000.00
10/24/2013	35	MAKENA RESOURCES INC. - Common Shares	611,000.00	5,091,667.00
10/22/2013	21	MICROMEM TECHNOLOGIES INC. - Units	703,239.56	N/A
10/15/2013	1	mist OPPORTUNITIES INC. - Common Shares	100,000.00	20.00
10/21/2013 to 10/29/2013	3	MOVE Trust/BNY TRUST COMPANY OF CANADA - Notes	13,344,025.95	0.00
11/01/2013	2	MOVE Trust/BYN Trust Company of Canada - Notes	13,674,980.07	2.00
11/01/2013	54	New World Lenders Corp. - Bonds	8,846,405.00	8,766.00
10/24/2013 to 10/25/2013	60	NEW ZEALAND ENERGY CORP. - Receipts	6,303,167.23	19,100,506.00
10/31/2013	1	Northern Trust Corporation - Note	5,208,555.47	1.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchases</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
10/28/2013	14	NUVISTA ENERGY LTD. - Common Shares	14,092,000.00	1,929,000.00
10/24/2013	1	Oaktree (Lux) Funds - Common Shares	53,152,200.00	470,609.95
10/24/2013	1	OBSIDIAN STRATEGIES INC. - Debentures	100,000.00	10,000.00
10/11/2013	32	PINETREE CAPITAL LTD. - Common Shares	1,695,988.80	5,139,360.00
11/04/2013	1	Plum Creek Company, Inc. - Common Shares	9,373,500.00	200,000.00
10/22/2013	55	PSP Capital Inc. - Notes	499,810,000.00	N/A
10/01/2012 to 09/30/2013	1	Pyramis Canadian Bond Core Plus Trust - Units	59,492.68	8,667.97
10/01/2012 to 09/30/2013	25	Pyramis Canadian Focused Equity Trust - Units	389,144,233.16	37,219,387.84
10/01/2012 to 09/30/2013	3	Pyramis Canadian Long Bond Core Plus Trust - Units	61,985,458.67	4,060,734.15
10/01/2012 to 09/30/2013	1	Pyramis Canadian Low Volatility Equity Trust - Units	99,210.00	9,389.82
10/01/2012 to 09/30/2013	2	Pyramis Canadian Real Return Bond Index Fund - Units	431,775.30	43,964.05
10/01/2012 to 09/30/2013	2	Pyramis Currency Hedged International Growth Trust - Units	14,541,689.48	991,221.93
10/01/2012 to 09/30/2013	3	Pyramis Emerging Markets Equity Trust - Units	7,580,395.60	920,024.70
10/01/2012 to 09/30/2013	14	Pyramis Select Emerging Markets Equity Trust - Units	17,517,559.28	1,264,710.49
10/01/2012 to 09/30/2013	19	Pyramis Select Global Equity Trust - Units	29,376,297.74	2,606,073.84
10/01/2012 to 09/30/2013	5	Pyramis Select Global Plus Trust - Units	4,908,876.04	402,638.73
10/01/2012 to 09/30/2013	3	Pyramis Strategic Balanced Trust - Units	4,449,079.55	354,761.91
10/01/2012 to 09/30/2013	2	Pyramis Tactical Asset Allocation Trust - Units	7,471,048.93	732,795.54
10/01/2012 to 09/30/2013	13	Pyramis U.S. Small/Mid Cap Core Trust - Units	14,113,856.86	1,117,306.10
10/29/2013	1	RED ORE GOLD INC. - Units	100,000.00	100,000.00
10/16/2013	12	REDHAWK RESOURCES INC - Common Shares	2,605,000.00	10,420,000.00
10/20/2013	15	Redstone Capital Corporation - Bonds	276,900.00	N/A
10/20/2013	13	Redstone Investment Corporation - Notes	582,000.00	N/A
10/29/2013	2	ROI Capital/Castlepoint Studio Partners Limited - Limited Partnership Interest	24,307.40	24,307.40
10/16/2013	30	ROYAL BANK OF CANADA - Exchangeable Shares	6,000,000.00	60,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchases</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
11/04/2013	2	Royal Bank of Canada - Notes	3,385,000.00	33,850.00
10/31/2013	1	Saint Jean Carbon Inc. - Common Shares	100,000.00	2,000,000.00
10/29/2013	3	SanDisk Corporation - Notes	2,119,000.00	3.00
09/27/2013	32	SHOAL POINT ENERGY LTD. - Units	2,085,892.00	38,717,840.00
11/01/2013	38	Skyline Commercial Real Estate Investment Trust - Units	6,037,140.00	603,714.00
10/16/2013	12	SLATE U.S. OPPORTUNITY (NO., 3) REALTY TRUST - Trust Units	18,103,750.00	1,750,000.00
10/11/2013	17	SLYCO INC. - Debentures	411,000.00	N/A
10/31/2013	1	Sorrento Therapeutics, Inc. - Common Shares	186,757.32	4,150,000.00
10/11/2013	21	SOUTHERN SILVER EXPLORATION CORP. - Common Shares	364,000.00	18,200,000.00
11/01/2013	2	SPIRE REAL ESTATE LIMITED PARTNERSHIP - Units	1,460,000.00	12,773,403.00
10/25/2013	3	SPIRE US LIMITED PARTNERSHIP - Units	2,848,670.00	23,996,478.00
07/02/2013 to 07/10/2013	6	THE PRESBYTERIAN CHURCH IN CANADA - Units	721,362.00	N/A
09/23/2013 to 10/01/2013	6	The Solidity Group Mortgage Investment Corporation - Units	433,631.00	N/A
10/31/2013	1	TOMAGOLD CORPORATION - N/A	261,250.00	2,750,000.00
10/29/2013 to 10/31/2013	3	U-GO BRANDS NUTRITIONAL PRODUCTS INC. - Common Shares	12,500.00	150,000.00
10/28/2013	7	UMC Financial Management Inc. - Units	460,000.00	N/A
10/31/2013	5	USG Corporation - Notes	2,815,830.00	5.00
10/28/2013	12	VeroLuke Inc. - Units	3,660,000.00	9,150,000.00
09/30/2013	54	Vertex Fund - Trust Units	5,805,458.05	N/A
10/17/2013	21	WALTON CA TUSCAN HILLS INVESTMENT CORPORATION - Common Shares	561,810.00	53,681.00
10/31/2013	14	WALTON CA TUSCAN HILLS LP - Units	1,099,338.55	105,029.00
10/31/2013	43	WALTON INCOME INVESTMENT CORPORATION - Common Shares	2,067,500.00	4,300.00
10/31/2013	25	WALTON TUSCAN HILLS INVESTMENT CORPORATION - Common Shares	618,710.00	61,871.00
10/31/2013	1	York European Distressed Credit Fund (Cayman) L.P. - Limited Partnership Interest	65,181,250.00	N/A
10/31/2013	1	Yum! Brands, Inc. - Note	3,117,123.81	1.00

This page intentionally left blank

## Chapter 11

# IPOs, New Issues and Secondary Financings

---

**Issuer Name:**

Aecon Group Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 13, 2013

NP 11-202 Receipt dated November 13, 2013

**Offering Price and Description:**

\$150,000,000.00 - 5.50% Convertible Unsecured  
Subordinated Debentures  
Price: \$1,000.00 per Debenture

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

TD Securities Inc.  
GMP Securities L.P.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Raymond James Ltd.  
National Bank Financial Inc.  
Desjardins Securities Inc.  
Scotia Capital Inc.  
Paradigm Capital Inc.  
Canaccord Genuity Corp.  
Dundee Securities Ltd.

**Promoter(s):**

-

**Project #2129301**

---

**Issuer Name:**

Artek Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2013

NP 11-202 Receipt dated November 14, 2013

**Offering Price and Description:**

\$15,504,000.00 - 3,800,000 CEE Flow-Through Shares  
Price: \$4.08 per CEE Flow-Through Share

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

Peters & Co. Limited  
National Bank Financial Inc.  
Cormark Securities Inc.  
GMP Securities L.P.  
FirstEnergy Capital Corp.  
Clarus Securities Inc.  
Macquarie Capital Markets Canada Ltd.

**Promoter(s):**

-

**Project #2129989**

---

**Issuer Name:**

Atacama Pacific Gold Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 15, 2013

NP 11-202 Receipt dated November 15, 2013

**Offering Price and Description:**

\$4,000,000.00 -4,000,000 Units  
Price: \$1.00 per Unit

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

CANACCORD GENUITY CORP.

**Promoter(s):**

-

**Project #2133804**

---

**Issuer Name:**

Avigilon Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated November 13, 2013

NP 11-202 Receipt dated November 13, 2013

**Offering Price and Description:**

\$60,004,180.00 - 2,489,800 Common Shares  
Price: \$24.10 per Common Share

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

GMP Securities L.P.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
PI Financial Corp.  
Cantor Fitzgerald Canada Corporation

**Promoter(s):**

-

**Project #2131716**

---

**Issuer Name:**

Cleantech Capital Inc.

**Type and Date:**

Preliminary CPC Prospectus dated November 13, 2013  
Receipted on November 13, 2013

**Offering Price and Description:**

Maximum \$850,000.00 - 8,500,000 Common Shares  
Minimum \$425,000.00 - 4,250,000 Common Shares  
Price: \$.0.10 per Common Share

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

M Partners Inc.

**Promoter(s):**

James Sbrolla

**Project #2131777**

**Issuer Name:**

Copper Mountain Mining Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated November 15, 2013

NP 11-202 Receipt dated November 15, 2013

**Offering Price and Description:**

\$30,090,000.00 - 17,700,000 Common Shares

Price: \$1.70 per Common Share

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

NATIONAL BANK FINANCIAL INC.

CANACCORD GENUITY CORP.

SCOTIA CAPITAL INC.

CIBC WORLD MARKETS INC.

RAYMOND JAMES LTD.

**Promoter(s):**

-

**Project #2134099**

---

**Issuer Name:**

Dividend 15 Split Corp. II  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 18, 2013

NP 11-202 Receipt dated November 18, 2013

**Offering Price and Description:**

Maximum: \$\* - \* Preferred Shares and \* Class A Shares

Prices: \$ \* per Preferred Share and \$\* per Class A Share

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

National Bank Financial Inc.

**Promoter(s):**

-

**Project #2134192**

**Issuer Name:**

Life & Banc Split Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2013

NP 11-202 Receipt dated November 15, 2013

**Offering Price and Description:**

Maximum: \$ \* - Up to \* Preferred Shares and \* Class A Shares

Prices: \$\* per Preferred Share and \$ \* per Class A Share

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

RBC Dominion Securities Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

GMP Securities L.P.

Raymond James Ltd.

Cancord Genuity Corp.

Desjardins Securities Inc.

Dundee Securities Ltd.

Mackie Research Capital Corporation

**Promoter(s):**

-

**Project #2133751**

---

**Issuer Name:**

Manulife U.S. Dividend Class  
Manulife U.S. Dividend Registered Fund  
Manulife U.S. Dollar Strategic Balanced Yield Fund  
Manulife U.S. Dollar U.S. All Cap Equity Fund  
Manulife U.S. Monthly High Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated November 12, 2013

NP 11-202 Receipt dated November 13, 2013

**Offering Price and Description:**

Advisor Series, Series F, Series FT6, Series I, Series IT  
and Series T6 Securities

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

Manulife Asset Management Limited

**Promoter(s):**

Manulife Asset Management Limited

**Project #2130912**

**Issuer Name:**

Morguard Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated November 12, 2013

NP 11-202 Receipt dated November 12, 2013

**Offering Price and Description:**

\$400,000,000.00 - Debt Securities

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

-

**Promoter(s):**

-

**Project #2130810**

---

**Issuer Name:**

NUVISTA ENERGY LTD.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated November 18, 2013

NP 11-202 Receipt dated November 18, 2013

**Offering Price and Description:**

\$78,100,000.00 - 11,000,000 Common Shares

Price: \$7.10 per Common Share

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

Peters & Co. Limited  
RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
FirstEnergy Capital Corp.  
Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
National Bank Financial Inc.

**Promoter(s):**

-

**Project #2131365**

---

**Issuer Name:**

Solium Capital Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated November 12, 2013

NP 11-202 Receipt dated November 12, 2013

**Offering Price and Description:**

\$20,000,160 - 3,100,800 Common Shares

Price: \$6.45 per Common Share

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

GMP SECURITIES L.P.  
CANACCORD GENUITY CORP.  
LAURENTIAN BANK SECURITIES INC.  
PI FINANCIAL CORP.  
M PARTNERS INC.

**Promoter(s):**

-

**Project #2130988**

**Issuer Name:**

Surge Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated November 13, 2013

NP 11-202 Receipt dated November 13, 2013

**Offering Price and Description:**

\$55,020,000.00 - 8,400,000 Subscription Receipts

Price: \$6.55 per Subscription Receipt

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

Macquarie Capital Markets Canada Ltd.  
GMP Securities LP.  
National Bank Financial Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
Dundee Securities Ltd.  
FirstEnergy Capital Corp.  
Cormark Securities Inc. or  
TD Securities Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #2128414**

---

**Issuer Name:**

Trevali Mining Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2013

NP 11-202 Receipt dated November 14, 2013

**Offering Price and Description:**

\$40,006,000.00 - 48,200,000 Common Shares

Price: \$0.83 per Common Share

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

DUNDEE SECURITIES LTD.  
RAYMOND JAMES LTD.  
M PARTNERS INC.  
HAYWOOD SECURITIES INC.  
MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

-

**Project #2132980**



**Issuer Name:**

Turquoise Hill Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2013

NP 11-202 Receipt dated November 15, 2013

**Offering Price and Description:**

Rights to Subscribe for \* Common Shares  
Price of US\$ \* per Common Share or C\$ \* per Common Share

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

-

**Promoter(s):**

-

**Project #2132436**

---

**Issuer Name:**

Vicwest Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 18, 2013

NP 11-202 Receipt dated November 18, 2013

**Offering Price and Description:**

\$30,000,000.00 5.25% Convertible Unsecured  
Subordinated Debentures Due December 31, 2018  
Price: \$1,000 per Debenture

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

National Bank Financial Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
Altacorp Capital Inc.  
Cormark Securities Inc.  
GMP Securities L.P.  
HSBC Securities (Canada) Inc.

**Promoter(s):**

-

**Project #2131377**

**Issuer Name:**

DHX Media Ltd.  
Principal Regulator - Nova Scotia

**Type and Date:**

Final Short Form Prospectus dated November 14, 2013  
NP 11-202 Receipt dated November 14, 2013

**Offering Price and Description:**

\$35,010,000.00  
9,725,000 Common Shares  
Per Offered Share \$3.60

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

CANACCORD GENUITY CORP.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
GMP SECURITIES L.P.  
BYRON CAPITAL MARKETS LTD.  
EURO PACIFIC CANADA INC.  
JACOB SECURITIES INC.  
GLOBAL MAXFIN CAPITAL INC.

**Promoter(s):**

-

**Project #2127198**

---

**Issuer Name:**

Educators Balanced Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated October 28, 2013 to the Simplified  
Prospectus and Annual Information Form dated June 21,  
2013

NP 11-202 Receipt dated November 14, 2013

**Offering Price and Description:**

Class A Units @ Net Asset Value

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

Educators Financial Group Inc.

**Promoter(s):**

Educators Financial Group Inc.

**Project #2063417**

---

**Issuer Name:**

Financial 15 Split Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated November 11, 2013  
NP 11-202 Receipt dated November 12, 2013

**Offering Price and Description:**

\$25,012,000.00 - Maximum  
Up to 1,352,000 Preferred Shares and 1,352,000 Class A  
Shares

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

National Bank Financial Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
Canaccord Genuity Corp.  
GMP Securities L.P.

**Promoter(s):**

-

**Project #2125389**

**Issuer Name:**

Gear Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Long Form Non-Offering Prospectus dated November 13, 2013

NP 11-202 Receipt dated November 13, 2013

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #2121260**

---

**Issuer Name:**

ING DIRECT Streetwise Balanced Growth Portfolio  
ING DIRECT Streetwise Balanced Income Portfolio  
ING DIRECT Streetwise Balanced Portfolio  
ING DIRECT Streetwise Equity Growth Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated November 12, 2013

NP 11-202 Receipt dated November 13, 2013

**Offering Price and Description:**

Mutual Fund Units @ Net Asset Value

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

ING Direct Funds Limited

**Promoter(s):**

ING Direct Asset Management Limited

**Project #2102646**

---

**Issuer Name:**

Klondex Mines Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated November 14, 2013

NP 11-202 Receipt dated November 15, 2013

**Offering Price and Description:**

\$19,454,000.00

14,200,000 Common Shares Issuable on Exercise of

Outstanding Special Warrants

Per Special Warrant.: \$1.37

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

GMP SECURITIES L.P.

MGI SECURITIES INC.

MACKIE RESEARCH CAPITAL CORPORATION

M PARTNERS INC.

EURO PACIFIC CANADA INC.

JONES, GABLE & COMPANY LIMITED

PI FINANCIAL CORP.

**Promoter(s):**

-

**Project #2127824**

---

**Issuer Name:**

Russell Enhanced Canadian Growth & Income Portfolio  
(Series B, Series B-5, Series B-6, Series B-7, Series E,  
Series E-5, Series E-6, Series E-7, Series  
F, Series F-5, Series F-6, Series F-7 and Series O)  
Russell Enhanced Canadian Growth & Income Class  
Portfolio

(Series B, Series B-5, Series B-6, Series B-7, Series E,  
Series E-5, Series E-6, Series E-7, Series  
F, Series F-5, Series F-6, Series F-7 and Series O)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated November 6, 2013 to the Simplified  
Prospectuses and Annual Information Form dated July 8,  
2013

NP 11-202 Receipt dated November 12, 2013

**Offering Price and Description:**

Series B, B-5, B-6, B-7, E, E-5, E-6, E-7, F, F-5, F-6, F-7  
and O

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

Russell Investments Canada Limited

**Promoter(s):**

Russell Investments Canada Limited

**Project #2067785**

---

**Issuer Name:**

TELUS Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Final Base Shelf Prospectus dated November 15, 2013

NP 11-202 Receipt dated November 15, 2013

**Offering Price and Description:**

\$3,000,000,000.00

Debt Securities

Preferred Shares

Common Shares

Warrants to Purchase Equity Securities

Warrants to Purchase Debt Securities

Share Purchase Contracts

Share Purchase or Equity Units

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

-

**Promoter(s):**

-

**Project #2129932**

---

This page intentionally left blank

## Chapter 12

# Registrations

---

---

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	HSBC Private Wealth Services (Canada) Inc./Services de Gestion Privee de Patrimoine HSBC (Canada) Inc	Portfolio Manager	November 15, 2013

This page intentionally left blank

## Chapter 25

# Other Information

---

---

### 25.1 Approvals

#### 25.1.1 Stratigis Capital Advisors Inc. – s. 213(3)(b) of the LTCA

##### Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be managed by the applicant and offered pursuant to a prospectus exemption.

##### Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

November 12, 2013

AUM Law Professional Corporation  
225a MacPherson Avenue, Suite 201  
Toronto, ON M4V 1A1

Attention: Soma Choudhury and Puneet Grewal

Dear Sirs/Medames:

**Re: Stratigis Capital Advisors Inc. (the “Applicant”)**

**Application under section 213(3)(b) of the *Loan and Trust Corporations Act* (ON) dated September 26, 2013**

**Application No. 2013/0642**

Further to your application dated September 26, 2013 (the “Application”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Theta Strategies Absolute Return Income Fund and any other future mutual fund trusts that the Applicant may establish and manage from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the “Commission”) makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Theta Strategies Absolute Return Income Fund and any other future mutual fund trusts which may be established and managed by the

Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Deborah Leckman"

"James Turner"

This page intentionally left blank

# Index

---

---

<b>Armadillo Resources Ltd.</b>			
Cease Trading Order .....	11249		
<b>Casale, Graziana</b>			
News Release .....	11207		
Opportunity to be Heard by the Director – s. 31 .....	11243		
<b>Cayenne Gold Mines Ltd.</b>			
Cease Trading Order .....	11249		
<b>CGI Information Systems and Management Consultants Inc.</b>			
News Release .....	11206		
<b>CMP 2013 Resource Limited Partnership</b>			
Decision .....	11223		
<b>Consolidated Tanager Limited</b>			
Cease Trading Order .....	11249		
<b>Counsel Portfolio Services Inc.</b>			
Notice of Correction .....	11199		
Decision .....	11211		
<b>CSA Staff Notice 13-321 – Update on New Service Provider for the Operation of the CSA National Systems and Implementation of Related Consequential Amendments to CSA National Systems Rules</b>			
Notice .....	11197		
<b>DeLaet, Victor George</b>			
Notice of Hearing and Statement of Allegations – ss. 127(1), 127(10) .....	11201		
Notice from the Office of the Secretary .....	11208		
<b>Delta Uranium Inc.</b>			
Cease Trading Order .....	11249		
<b>Desert Eagle Resources Ltd.</b>			
Cease Trading Order .....	11249		
<b>Fiera Quantum Income Opportunities Fund</b>			
Decision .....	11233		
<b>Fiera Quantum Limited Partnership</b>			
Decision .....	11233		
<b>Gitzel, Stanley Kenneth</b>			
Notice of Hearing and Statement of Allegations – ss. 127(1), 127(10) .....	11201		
Notice from the Office of the Secretary .....	11208		
<b>Goodman &amp; Company, Investment Counsel Inc.</b>			
Decision .....	11223		
<b>HSBC Private Wealth Services (Canada) Inc./Services de Gestion Privee de Patrimoine HSBC (Canada) Inc</b>			
New Registration .....	11333		
<b>InvestorPOS Inc.</b>			
Decision .....	11219		
<b>National Registration Database</b>			
News Release .....	11206		
<b>OSC INVESTOR ALERT: Sterling Grace &amp; Co. Ltd. and Graziana “Grace” Casale</b>			
News Release .....	11207		
<b>OSC Rule 91-506 Derivatives: Product Determination</b>			
News Release .....	11205		
<b>OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting</b>			
News Release .....	11205		
<b>OSC Staff Notice 45-713 – Reports of Exempt Distribution – Compliance with Filing Requirements</b>			
Notice .....	11195		
<b>Quach, Hao</b>			
Notice of Hearing – ss. 127(1), 127.1 .....	11200		
Notice from the Office of the Secretary .....	11208		
Notice from the Office of the Secretary .....	11209		
Order .....	11236		
Settlement Agreement .....	11237		
<b>RBC Bank (Georgia), N.A.</b>			
Decision .....	11230		
<b>Sterling Grace &amp; Co. Ltd.</b>			
News Release .....	11207		
Opportunity to be Heard by the Director – s. 31 .....	11243		
<b>Stewards Canada</b>			
Decision .....	11226		
<b>Stratigis Capital Advisors Inc.</b>			
Approval – s. 213(3)(b) of the LTCA .....	11335		
<b>Strike Minerals Inc.</b>			
Cease Trading Order .....	11249		
<b>System for Electronic Disclosure by Insiders (SEDI)</b>			
News Release .....	11206		
<b>System for Electronic Documents Analysis and Retrieval (SEDAR)</b>			
News Release .....	11206		

---

---



**Systematech Solutions Inc.**

Notice of Hearing – ss. 127(1), 127.1 .....	11200
Notice from the Office of the Secretary .....	11208
Notice from the Office of the Secretary .....	11209
Order .....	11236
Settlement Agreement .....	11237

**Tang, Weizhen**

Notice from the Office of the Secretary .....	11209
Order – ss. 127(1), 127(10).....	11235

**TD Waterhouse Canada Inc.**

Decision .....	11219
----------------	-------

**TG Residential Value Properties Ltd.**

Cease Trading Order .....	11249
---------------------------	-------

**Transglobe Apartment Real Estate Investment Trust**

Decision .....	11215
----------------	-------

**TTM Resources Inc.**

Cease Trading Order .....	11249
---------------------------	-------

**Vuong, April**

Notice of Hearing – ss. 127(1), 127.1 .....	11200
Notice from the Office of the Secretary .....	11208
Notice from the Office of the Secretary .....	11209
Order .....	11236
Settlement Agreement .....	11237