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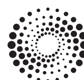

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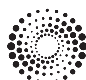

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Notice of Ministerial Approval of Ontario Securities Commission Rule 11-501 Electronic Delivery of Documents to the Ontario Securities Commission

**NOTICE OF MINISTERIAL APPROVAL OF
ONTARIO SECURITIES COMMISSION RULE 11-501
ELECTRONIC DELIVERY OF DOCUMENTS TO THE ONTARIO SECURITIES COMMISSION**

On December 19, 2013, the Minister of Finance approved OSC Rule 11-501 *Electronic Delivery of Documents* to the Ontario Securities Commission (the Rule) and an OSC Regulation to amend Ontario Regulation 1015 pursuant to subsection 143(3) of the *Securities Act* (the Regulation).

The material approved by the Minister was published in the October 31, 2013 Bulletin after having been made by the Commission on October 22, 2013.

The Rule, the Regulation and consequential amendments to National Policies 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* and 11-205 *Process for Designation of Credit Rating Agencies in Multiple Jurisdictions* will come into force on February 19, 2014.

The text of the approved Rule and the Regulation, together with the consequential policy amendments can be found in Chapter 5 to today's Bulletin and on the OSC website at www.osc.gov.on.ca.

1.1.2 OSC Staff Notice 81-723 – 2013 Summary Report for Investment Fund Issuers

OSC Staff Notice 81-723 – *2013 Summary Report for Investment Fund Issuers* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Staff Notice.

OSC ONTARIO SECURITIES COMMISSION

OSC Staff Notice 81-723

2013

Summary Report for Investment Fund Issuers

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Introduction

OSC ONTARIO SECURITIES COMMISSION

Introduction

This, our fourth annual Summary Report for Investment Fund Issuers, provides an overview of the key activities and initiatives of the Ontario Securities Commission for 2013 that impact investment fund issuers and the fund industry, including:

- key policy initiatives,
- emerging issues and trends,
- continuous disclosure and compliance reviews, and
- recent developments in staff practices.

The following pages provide information about the status of some of the initiatives the OSC is undertaking to promote clear and concise disclosure in order to assist investors to make more informed investment decisions. The report also provides information about our work to address the sufficiency of regulatory coverage across all investment fund products. It highlights recent product and market developments, as well as our regulatory response to these developments, in order to assist the investment fund industry in understanding and complying with current regulatory requirements.

The OSC is responsible for overseeing over 3,500 publicly-offered investment funds. Ontario based publicly-offered investment funds hold approximately 80% of the just over $1 trillion in publicly-offered investment fund assets in Canada.

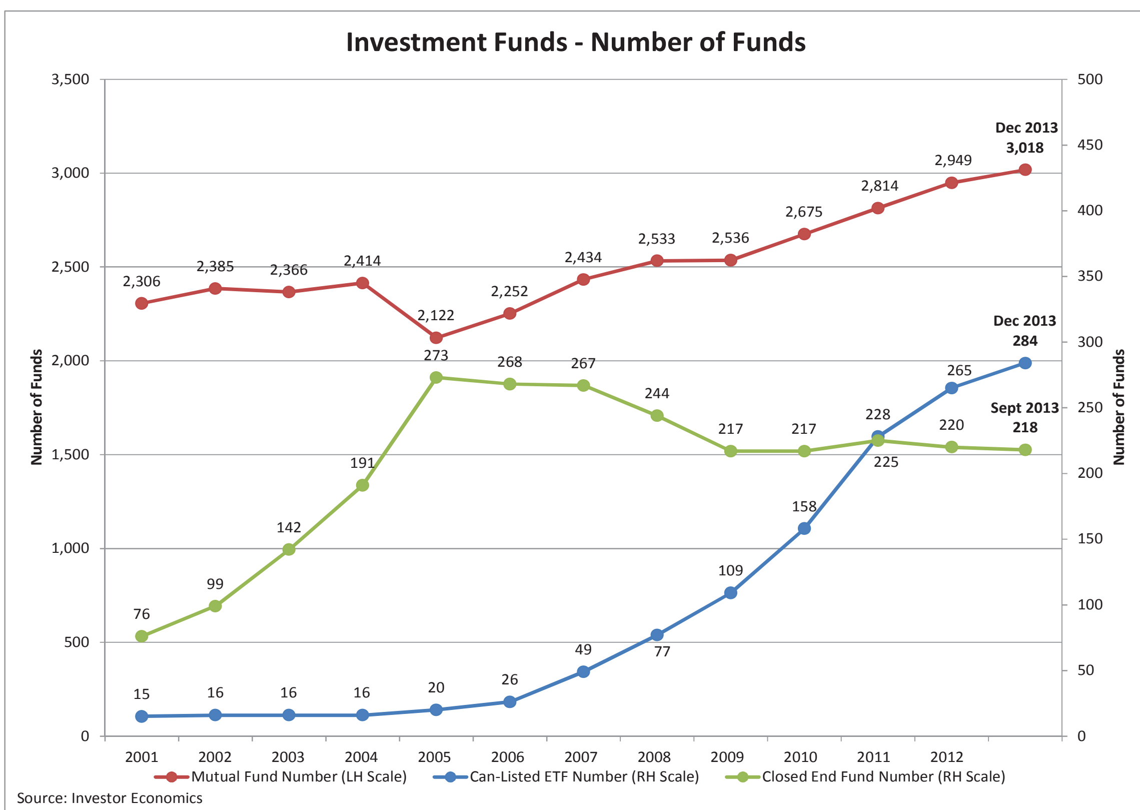
We administer the regulatory framework for investment funds, including:

- reviewing and assessing product disclosure for all types of investment funds, including prospectuses and continuous disclosure filings,
- considering applications for discretionary relief from securities legislation and rules, and
- taking a leadership role in developing new rules and policies to adapt to the changing environment in the investment fund industry.

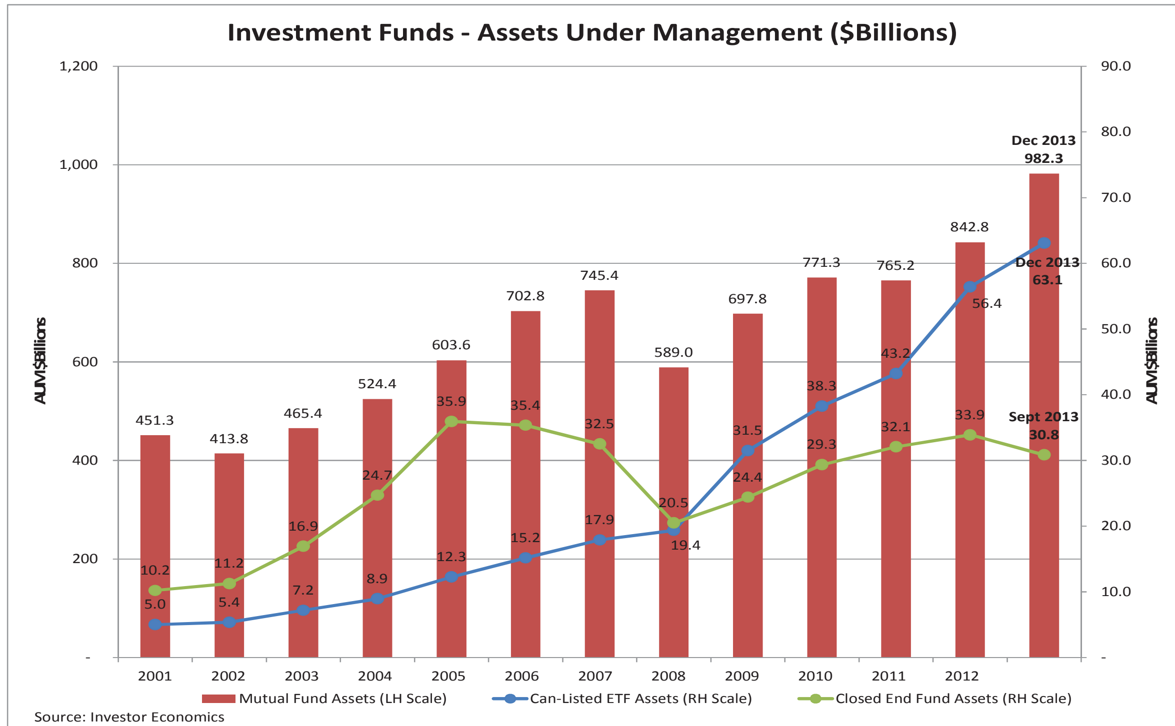
We also monitor and participate in investment fund regulatory developments globally, primarily through our work with the International Organization of Securities Commissions (IOSCO). OSC staff participation on the IOSCO C5 Investment Management and IOSCO C8 Retail Investors committees informs our operational and policy work. We discuss our participation with IOSCO further on our website at www.osc.gov.on.ca. In this report, we highlight some of the recent work by IOSCO C5 and IOSCO C8 that we think will be of interest to investment fund issuers.

The investment fund products we oversee include both conventional mutual funds and non-conventional investment funds. Non-conventional funds include non-redeemable investment funds such as closed-end funds, mutual funds listed and posted for trading on a stock exchange (ETFs), commodity pools, scholarship plans, labour-sponsored or venture capital funds and flow-through limited partnerships. We discuss the different types of funds further on our website at www.osc.gov.on.ca Investment Funds - Fund Operations.

The ETF market continued to grow steadily during the course of the year. As at December 2013, there were 284 ETFs with assets of approximately $63.1 billion. In comparison, as at December 2012, there were 265 ETFs with assets of approximately $56.4 billion, representing an increase in assets of almost 12%. Over the same period, conventional fund assets increased by approximately 17%. As at September 2013, closed-end fund assets had declined by approximately $3 billion from the previous December to approximately $30.8 billion.



As these and other investment products increase in number, and as the use of ETFs by retail investors continues to grow, the OSC will continue to assess and respond to product developments and innovations with a view to promoting investor protection and assessing the sufficiency and consistency of the regulatory treatment of different investment fund products.



1. Key Policy Initiatives

1.1 Transition to IFRS

1.2 Mutual Fund Fees

1.3 Point of Sale and Risk Classification Methodology for Fund Facts

1.4 Modernization of Investment Fund Product Regulation

1.5 Exempt Market

1.6 Electronic Delivery of Documents

1.7 Scholarship Plans

OSC ONTARIO SECURITIES COMMISSION

1. Key Policy Initiatives

The OSC continues to play a leading role in several significant policy initiatives with other securities regulators in Canada through the Canadian Securities Administrators (the CSA). This section reports on the status of significant policy initiatives including:

- transition to IFRS
- mutual fund fees
- point of sale and risk classification methodology for Fund Facts
- modernization of investment fund product regulation
- exempt market
- electronic delivery of documents
- scholarship plans

1.1 Transition to IFRS

The CSA completed the final step in the transition to International Financial Reporting Standards (IFRS) for investment funds with the publication of final amendments to National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106), its Companion Policy and related amendments on October 3, 2013. Initially proposed in 2009, the IFRS-related amendments to NI 81-106 were deferred when the International Accounting Standards Board (IASB) agreed to make revisions to resolve a potentially significant accounting issue for investment funds. The final amendments reflect comments received on the 2009 proposal, additional stakeholder consultations and further IASB developments related to investment funds. The changes impact investment fund requirements relating to the presentation of financial statements and terminology to reflect the transition to IFRS.

In Ontario, the amendments to NI 81-106 and related amendments received ministerial approval on November 21, 2013. Investment funds must apply the changes for financial years beginning on or after January 1, 2014.

1.2 Mutual Fund Fees

On December 13, 2012 the CSA published for comment CSA Discussion Paper and Request for Comment 81-407 *Mutual Fund Fees* (the Discussion Paper). The Discussion Paper examined a number of investor protection issues that we think arise from the current mutual fund fee structure in Canada, including the potential conflicts of interests that embedded advisor compensation, or trailing commissions, may give rise to. It solicited comments on several potential regulatory options to address the issues

identified including, among others, introducing a statutory best interest duty for advisors and capping or banning trailing commissions.

We received 99 comment letters on the Discussion Paper from various industry stakeholders as well as various investor advocates and individual investors.

The OSC and CSA also held various in-person consultations[1] throughout the Summer and Fall of 2013, to probe deeper into some of the themes emerging from the comment letters received in response to the Discussion Paper.

On December 12, 2013 the CSA published CSA Staff Notice 81-323 *Status Report on Consultation under CSA Discussion Paper and Request for Comment 81-407 Mutual Fund Fees*, which provides a summary of the key comments received on the Discussion Paper through the comment process and the subsequent in-person consultations.

1.3 Point of Sale and Risk Classification Methodology for Fund Facts

The Point of Sale (POS) Project is a continuation of the CSA's participation in the project by the Joint Forum of Financial Market Regulators to develop a more effective disclosure regime for conventional mutual funds and segregated funds. The Fund Facts is central to the POS project and is designed to make it easier for investors to find and use key information.

On June 18, 2010, the CSA announced its approach to proceed with a staged implementation of the POS Project in CSA Staff Notice 81-319 *Status Report on the Implementation of Point of Sale Disclosure for Mutual Funds.*

Stage 1, which came into force January 1, 2011, required that mutual funds produce and file the Fund Facts, and for the Fund Facts to be available on the mutual fund's or mutual fund manager's website. The Fund Facts must also be delivered or sent to investors free of charge on request.

Stage 2, allowing the delivery of the Fund Facts to satisfy the current prospectus delivery requirements to deliver a prospectus within two days of buying a mutual fund, was completed with the publication of final amendments on June 13, 2013. The amendments are phased-in, with the amendments to Form 81-101F3 *Contents of Fund Facts Document,* including enhancements to the presentation of the risk and performance sections of the Fund Facts, effective as of January 13, 2014. The amendments that require

[1] The consultations on the Discussion Paper included a public roundtable held at the OSC on June 7, 2013, followed by non-public consultations carried out by the British Columbia Securities Commission on June 24 and 25 and by the AMF on September 5, September 17 and October 3, 2013.

delivery of the Fund Facts and allow for the Fund Facts to satisfy the current prospectus delivery requirement under securities legislation to deliver a prospectus within two days of buying a mutual fund take effect on June 13, 2014.

On September 5, 2013, we published OSC Staff Notice 81-721 - *Frequently Asked Questions on the Implementation of Stage 2 of Point of Sale Disclosure for Mutual Funds - Delivery of Fund Facts (FAQs).* The FAQs were published to respond to implementation questions related to the Stage 2 final amendments.

In Stage 3, the CSA is proceeding with three concurrent work streams: (i) the development of a CSA mutual fund risk classification methodology, (ii) proposed amendments aimed at implementing pre-sale delivery of the Fund Facts, and (iii) the development of a summary disclosure document for exchange-traded mutual funds (ETFs), similar to the Fund Facts, and a requirement to deliver the summary disclosure document within two days of an investor buying an ETF.

On December 12, 2013, the CSA published CSA Notice 81-324 and Request for Comments *Proposed CSA Mutual Fund Risk Classification Methodology for Use in Fund Facts* (the Proposed Methodology), which sets out a proposed risk classification methodology for use by mutual fund managers in the Fund Facts. The CSA developed the Proposed Methodology in response to stakeholder feedback that the CSA has received throughout the POS Project, notably that a standardized risk classification methodology proposed by the CSA would be more useful to investors as it would provide a consistent and comparable basis for measuring the risk of different mutual funds.

Prior to the publication of the Proposed Methodology, the CSA held consultations with industry representatives, academics and investor advocates to seek their feedback. The comment period for the Proposed Methodology is open until March 12, 2014. We are also seeking feedback on whether the CSA should mandate the Proposed Methodology or, alternatively, adopt it as guidance for investment fund managers.

In relation to the second work stream of Stage 3, the CSA expect to publish for comment in Spring, 2014 proposed amendments aimed at implementing pre-sale delivery of the Fund Facts. The original proposals relating to the pre-sale delivery of Fund Facts were published for comment in June 2009. The CSA are revisiting the original 2009 proposals, informed by the regulatory regimes of other jurisdictions that have implemented pre-sale delivery requirements, by IOSCO principles, and by the comments received from stakeholders.

Finally, as part of the third work stream related to Stage 3, the CSA granted exemptive relief orders introducing an alternative delivery regime for ETFs which requires delivery of a summary disclosure document with the trade confirmations for all ETF purchases as of September 2013. The CSA exemptive relief orders cover all ETF manufacturers and bank-owned dealers, which account for approximately 80% of ETF trades. The codification of these orders encompassing a Fund Facts-type document for ETFs and an accompanying alternative delivery model is expected to be published for comment in Fall, 2014.

1.4 Modernization of Investment Fund Product Regulation

The mandate for this initiative is to review the regulation of publicly offered investment funds with a view to developing rules that recognize product developments and trends in the investment fund industry. The initiative is being carried out in two phases.

Phase 1 of this initiative, which amended National Instrument 81-102 *Mutual Funds* (NI 81-102) to update certain regulatory requirements for mutual funds, came into force in 2012.

Phase 2 of this initiative, now underway, consists of three parts:

- amendments to NI 81-102 to introduce core investment restrictions and operational requirements for publicly offered non-redeemable investment funds (the NI 81-102 Amendments);

- amendments to National Instrument 81-104 *Commodity Pools* to create a more comprehensive alternative investment fund framework that will operate in conjunction with the proposed amendments to NI 81-102 (the Alternative Fund Proposals); and

- the introduction of new requirements intended to enhance the disclosure provided by all investment funds related to securities lending, repurchase and reverse repurchase transactions and to keep pace with global regulatory developments (the Securities Lending Disclosure Requirements).

The Phase 2 proposals were published for comment on March 27, 2013 for a 90 day comment period. In June, 2013, the CSA received a request from 42 market participants asking for an extension of the comment period on the basis that the Phase 2 proposals represented fundamental changes to the regulatory framework for non-redeemable investment funds, and that market participants required additional time to formulate a constructive response. In light of this request, the CSA published CSA Staff Notice 11-324 *Extension of Comment Period* (Staff Notice 11-324), which announced that the comment period for the Phase 2 proposals was being extended until August 23, 2013. Staff Notice 11-324 also provided an update prioritizing the proposed amendments that the CSA intended to finalize, and indicated

that implementation of the Alternative Fund Proposals would be considered in conjunction with certain investment restriction proposals for NI 81-102, which will be finalized and come into force at a later date.

By the closing of the comment period on August 23, 2013, the CSA had received 49 comment letters from a wide range of market participants, including investment fund managers, investment dealers, law firms and an investor advocate. The CSA have reviewed all the comments that were received and are currently working on responding to those comments with a view to finalizing the NI 81-102 Amendments and the Securities Lending Disclosure Requirements by Summer, 2014.

1.5 Exempt Market

As part of the OSC's exempt market initiative, we are pursuing the following efforts for investment funds as articulated in OSC Notice 45-712 *Progress Report on Review of Prospectus Exemptions to Facilitate Capital Raising*:

- Amending the accredited investor exemption to permit fully managed accounts, where the adviser has a fiduciary relationship with the investor, to purchase any securities on an exempt basis, including investment fund securities. Currently, in Ontario only, investment funds are carved out of the managed account category of the accredited investor exemption. Removing the carve-out would harmonize the managed account category of the accredited investor exemption in Canada. We are currently aiming to publish this amendment for comment as part of the CSA's review of the accredited investor and minimum amount exemptions.

- Improving data collection related to exempt market activities. We are currently developing for publication for comment enhanced reporting requirements and a revised form of Report of Exempt Distributions for investment fund issuers in Ontario.

1.6 Electronic Delivery of Documents

This is a reminder to all investment fund issuers that, effective February 19, 2014, OSC Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission* (OSC Rule 11-501), will make it mandatory for all market participants to electronically file a number of documents that are currently filed in paper format with the OSC.

OSC Rule 11-501 requires a number of documents to be electronically filed or delivered to the OSC, including:

- Form 45-106F1 and Form 45-501F1 *Report of Exempt Distributions*

- Applications for exemptive relief and notice filings
- Pre-files or waiver applications (for prospectuses or applications)
- Forms, notices and other materials required under Ontario's securities rules that are not filed through the System for Electronic Document Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI), or the National Registration Database (NRD).

Filers must electronically transmit the required documents through the electronic filing portal located on the OSC's website starting February 19, 2014, although market participants may elect to electronically file on a voluntary basis in the interim.

1.7 Scholarship Plans

On May 31, 2013, amendments to National Instrument 41-101 *General Prospectus Requirements* (NI 41-101), including new Form 41-101F3 *Information Required in a Scholarship Plan Prospectus* came into force (the New Form).

The New Form aims to improve the prospectus disclosure provided by scholarship plans by introducing a prospectus form tailored to reflect the unique features of this product. The New Form requires scholarship plans to provide investors with key information in a simple, accessible and comparable format to assist them in making a more informed investment decision.

Central to the New Form is the Plan Summary document. Similar to the Fund Facts for mutual funds, it is written in plain language, is to be no more than four pages, and highlights the potential risks and the costs of investing in a scholarship plan. It forms part of the prospectus, but is bound separately.

The timing of the coming into force of the New Form was designed to ensure that it was adopted by each scholarship plan provider during their 2013 prospectus renewal cycle. The CSA expect that adoption of the New Form will lead to more understandable and effective disclosure for investors, enabling them to better appreciate the possible outcomes and risks associated with investing in scholarship plans.

2. Emerging Issues and Trends

2.1 Investments in Mortgages

2.2 Update on Linked Note Offerings

2.3 Increased Use of Derivatives

2.4 Senior Secured and Floating Rate Loans

2.5 Character Conversion Transactions

OSC ONTARIO SECURITIES COMMISSION

2. Emerging Issues and Trends

2.1 Investments in Mortgages

Over the course of the last year, we saw an incremental increase in the number of prospectus offerings by issuers, purporting to be investment funds, that proposed to invest substantially all of their assets in a pool of mortgages (a mortgage investment entity or MIE). Generally, the mortgages purchased by these MIEs are originated and serviced by one or more mortgage originators, who may or may not act as the MIE's manager. In most instances, the originator uses the MIE as a source of funding for the originator's mortgage lending business. In staff's view, this type of MIE is not an investment fund.

Staff provided guidance in OSC Staff Notice 81-722 *Mortgage Investment Entities and Investment Funds*, which was published on September 12, 2013, setting out the factors that staff would consider in determining whether an MIE is an investment fund. The notice detailed the reasons for staff's view, and reminded issuers that, since these MIEs are not considered investment funds, any initial prospectus filed by such issuers should be prepared and filed in the form of a completed Form 41-101F1 *Information Required in a Prospectus,* and any continuous disclosure should be filed in accordance with the continuous disclosure regime applicable to reporting issuers that are not investment funds (National Instrument 51-102 *Continuous Disclosure Obligations*).

2.2 Update on Linked Note Offerings

We continue to review novel linked note supplements filed for pre-clearance under National Instrument 44-102 *Shelf Distributions* and CSA Staff Notice 44-304 *Linked Notes Distributed under Shelf Prospectus System*. We also continue to monitor the development of the industry generally and regulatory developments internationally.

We are becoming increasingly aware of the convergence of some notes with other investment products, particularly where the return on the notes is derived from the return on an investment fund. We are also reviewing the approach followed in other jurisdictions, such as the U.S., regarding disclosure of the fair value of the note on the cover page of the supplement. We are considering publishing guidance regarding the foregoing and as an update to CSA Staff Notice 44-304 in the upcoming fiscal year. We anticipate revising the pre-clearance criteria for notes linked to investment funds such that each offering of notes that is linked to one or more conventional mutual funds may be considered novel and subject to pre-clearance, whether a template was previously pre-cleared or not.

2.3 Increased Use of Derivatives

We have observed an increase in the use of derivatives by investment funds to offer more efficient investment exposure to areas that are harder to reach through direct investments, as well as to modify investment exposure in response to macro changes in the capital markets.

For example, certain investment funds are using currency derivatives to create fixed income exposure to emerging markets while holding domestic securities, and shorter term fixed income funds are creating exposure through interest rate derivatives while holding longer term debt. Funds are increasingly hedging and modifying their investment exposures in response to the changes in capital market expectations, including expectations relating to the direction of interest rates.

In response to this trend, our focus has been to ensure that there is a sufficient and appropriate level of disclosure so that investors can understand how the investment exposure is modified and created, and the additional risk that accompanies certain derivative transactions. We also focus on whether these exposure adjustments are within the fund's stated investment objectives and strategies.

2.4 Senior Secured and Floating Rate Loans

Over the course of the year, we observed an increase in offerings of non-investment grade fixed income products. As fixed income offerings move away from investment grade, our focus has been on ensuring that the disclosure by investment funds investing in fixed income securities provides sufficient information about the type, features and risks of the non-investment grade debt that is included in the investment fund portfolio. We note that, generally, the names and description of these investment funds (which include, for example, "senior" or "secured") may preclude investors from being alerted to the higher risks associated with the non-investment grade debt.

2.5 Character Conversion Transactions

On March 21, 2013, the Minister of Finance presented the federal government's 2013 budget. The budget contained amendments to the Tax Act (the Budget Amendments), which impacted investment funds that used specified derivatives (generally forward agreements) to provide investors with an economic return based on the performance of a reference fund.

Through the use of forward agreements, these funds were able to characterize the economic return of a reference fund, which would otherwise be treated as ordinary income in the hands of its securityholders, as capital gains. Investment funds that employed this structure generally have investment objectives of providing "tax advantaged" returns to securityholders. The Budget Amendments effectively prohibited the character conversion described above, meaning that from the effective date of the Budget Amendments, the economic returns provided to investors would be taxable as ordinary income.

Subsequent to the budget announcement, we issued OSC Staff Notice 81-719 *Effect of Proposed Income Tax Act Amendments on Investment Funds – Character Conversion Transactions* (the Conversion Notice). The Conversion Notice stated that investment fund managers should consider the effects of the Budget Amendments on their investment funds, particularly if income conversion was an essential aspect of the fund, as evidenced by the fund's investment objective, name or the manner in which the fund was marketed. The Conversion Notice further advised investment fund managers that they should consider whether affected investment funds should be capped to new and additional investments.

Investment Funds staff took part in several discussions with senior staff from the Ministry of Finance (Canada) and Canada Revenue Agency concerning the Budget Amendments. In these discussions, we provided background information on the use of character conversion transactions by investment funds and the impact of the Budget Amendments.

As a result of the Budget Amendments, we reviewed a number of prospectus amendments for investment funds, as well as applications that were filed in connection with fundamental changes being made by investment funds to alter their investment structures.

3. Disclosure and Compliance Reviews

3.1 Continuous Disclosure Reviews

3.1.1 Bullion Funds

3.1.2 Risk Ratings in Fund Facts

3.1.3 Sales Communications/Advertising

3.1.4 Fixed Income ETFs

3.1.5 Operating Expenses

3.2 Compliance and Registrant Regulation Branch and Investment Fund Manager Compliance Reviews

OSC ONTARIO SECURITIES COMMISSION

3. Disclosure and Compliance Reviews

On an ongoing basis, OSC staff review the prospectus and continuous disclosure filings of Ontario-based investment funds. Risk-based criteria are used to select investment funds for reviews of their disclosure documents. We may also choose to conduct targeted reviews of a particular industry segment or on a particular topic. In addition to our prospectus and continuous disclosure reviews, the Investment Funds Branch works closely with staff in the Compliance and Registrant Regulation (CRR) Branch on issues related to fund manager compliance and identifying possible emerging issues. This sometimes leads to us conducting joint reviews.

3.1 Continuous Disclosure Reviews

This section discusses some of our reviews and findings in connection with:

- bullion funds
- risk ratings in Fund Facts
- sales communications/advertising
- fixed income ETFs
- operating expenses

3.1.1 Bullion Funds

In response to a significant drop in gold bullion prices in April 2013, staff conducted a targeted review of investment funds that hold substantially all of their assets in precious metals bullion. In order to understand how the funds and their managers responded to the market events, we asked about the asset flows in these funds and in bullion markets, as well as the impact of the market events on the premium and discount spread of bullion exchange-traded funds. We also looked into how the fund manager assessed each fund's ability to liquidate bullion to meet redemptions in times of stress. We were informed that physical markets for bullion remained liquid during this period of declining prices. In terms of fulfilling redemption requests, gold bullion funds generally benefit from: (i) the size of the gold bullion markets relative to the funds' holdings, and (ii) the short settlement period for gold bullion transactions relative to redemption transactions which affords the ability to know, with certainty, the required liquidity to support redemption activity.

3.1.2 Risk Ratings in Fund Facts

During the year, staff completed targeted continuous disclosure reviews of risk ratings of mutual funds disclosed in their Fund Facts. Staff have conducted similar reviews in the past and continue to monitor

the risk ratings of mutual funds. As part of the review, staff focused on mutual funds in the same fund family that had both a currency hedged fund and an unhedged fund that provided exposure to the same underlying fund or portfolio. These reviews were initiated since staff noted that fund managers tend to rate both the currency hedged fund and the unhedged fund with the same risk ratings, even though volatility of past returns varied between the two funds. It is staff's view that the risk ratings for currency hedged funds should be determined separate and apart from their unhedged counterparts.

Staff communicated their views to a number of fund managers as part of these continuous disclosure reviews and also reiterated their views on this issue in the most recent Investment Funds Practitioner published in November 2013.

3.1.3 Sales Communications/Advertising

In July 2013, staff of the Investment Funds Branch issued OSC Staff Notice 81-720 *Report on Staff's Continuous Disclosure Review of Sales Communications by Investment Funds* (the Sales Communication Notice). The Sales Communication Notice sets out guidance based on our findings from a targeted continuous disclosure review of the advertising and marketing materials of publicly offered investment funds (the Sales Communication Review).

The Sales Communication Review began in May 2012. During the review, we selected 4 or 5 investment fund managers each quarter and asked for their sales communications for the previous three months. These included all published and non-print advertising in newspapers, presentations, brochures, internet ads, social media, fund manager websites, television and radio ads, email blasts, green sheets and any other marketing materials.

The fund managers included in our sample offered a range of fund types, including conventional mutual funds, closed-end funds, exchange-traded funds, commodity pools and labour sponsored investment funds. As the advertising of conventional mutual funds is primarily targeted to retail investors, we chose to focus a higher proportion of our CD reviews on this type of investment fund.

Included in our review were 8 medium to large mutual fund groups. Together, these fund groups have assets under management of more than $270 billion, or about 30% of the industry total, and offer more than 800 mutual funds to the public. We also selected 4 smaller fund groups, as well as some specialty funds. The ETF providers included in our sample represent approximately 20% of the ETF industry assets under management.

The Sales Communication Review found general compliance with disclosure requirements related to sales communications. However, some sales communications did not contain all the information mandated for a sales communication, but rather referred to another source, such as the fund's website or prospectus, for more information.

Key outcomes from the Sales Communication Review included:

- marketing, legal and/or compliance departments of fund managers initiated reviews of their current policies and procedures relating to marketing, and conducted training sessions with their staff on sales communications;
- potentially misleading performance charts in sales communications were removed or replaced with more balanced charts; and
- potentially misleading headlines and statements were removed from advertisements and marketing materials.

The Sales Communication Notice provided guidance to investment funds based on our observations from the Sales Communication Review. Topics on which we provided guidance included:

- the applicability of the disclosure requirements related to sales communications to materials created for branding purposes or for distribution to dealers;
- examples of features or statements that may cause a sales communication to be potentially misleading by creating an unrealistic expectation or an unjustified sense of safety, particularly from the perspective of the retail investor;
- the use of performance data in sales communications; and
- sales communications transmitted through alternative media.

3.1.4 Fixed Income ETFs

In response to the increased volatility seen in the fixed income markets, we undertook a review of fixed income ETFs, focusing on the liquidity of underlying assets and the effectiveness of the market making function by designated brokers. We examined how fund managers assessed the liquidity of the underlying assets of the ETFs. We also enquired with the ETF managers regarding the controls in place to ensure effective operation of the designated brokers’ market making function, including details and scope of any legal agreements, number and size of market makers, monitoring programs and contingency plans. We wrote to four ETF managers, with head-offices in Ontario, covering more than 90% of ETF assets under management.

We noted that ETF managers generally conduct thorough due diligence when selecting and monitoring the designated brokers for their funds. ETF managers generally also appear to have good controls in place to monitor market quality statistics for their ETFs such as premiums/discounts to NAV or liquidity of underlying holdings. Where required, we have communicated further with individual ETF managers regarding industry best practices. Investment Funds staff will continue to monitor market quality statistics of the Canadian ETF market on an ongoing basis to identify any instances where regulatory action may be required.

3.1.5 Operating Expenses

During the year, staff highlighted the disclosure of fees and expenses as an area of particular focus for prospectus and continuous disclosure reviews. Subsequently, staff started a targeted review of the allocation of overhead expenses between fund managers and their funds, in particular, how fund managers address conflicts of interest and whether sufficient disclosure is provided to investors in prospectuses, financial statements and the management reports of fund performance relating to these related party transactions.

This targeted review focuses on all types of publicly offered investment funds, including conventional mutual funds, ETFs and closed-end funds, and included fund managers ranging from the largest to the smallest in terms of assets under management, as well as bank-affiliated fund managers. The review is currently ongoing and we intend to publish a staff notice in 2014 with the findings of the review.

3.2 Compliance and Registrant Regulation Branch and Investment Fund Manager Compliance Reviews

In November 2013, staff of the CRR Branch published OSC Staff Notice 33-742 *OSC Annual Summary Report for Dealers, Advisers and Investment Fund Managers*. The Staff Notice summarizes new and proposed rules and initiatives impacting registrants, current trends in deficiencies from compliance reviews of registrants (and suggested practices to address them), and current trends in registration issues.

Section 4.4 of OSC Staff Notice 33-742 contains information specifically for investment fund managers derived from the reviews carried out by the CRR Branch. Topics included:

- inappropriate expenses charged to funds,
- inadequate disclosure in offering memoranda,
- inadequate oversight of outsourced functions and service providers, and
- non-delivery of net asset value adjustments.

4. Outreach, Consultation and Education

4.1 Investment Funds Product Advisory Committee (IFPAC)

4.2 The Investment Funds Practitioner

4.3 IOSCO Committee 5 – Investment Management

4.4 IOSCO Committee 8 – Retail Investors

OSC

ONTARIO SECURITIES COMMISSION

4. Outreach, Consultation and Education

We continue our efforts to be transparent regarding practices and procedures that impact investment fund issuers in as timely a manner as possible. Our intent in doing so is to better enable fund managers and their advisors to avoid potential regulatory issues when they are at the planning stage for a new fund or transaction. As indicated at various points earlier in this report, we publish guidance and updates for the investment fund industry periodically.

During the year, we updated stakeholders on the status of the IFRS-related amendments, before and after the publication of those amendments, at three events organized by national accounting firms. After publishing the amendments, we also presented to, and discussed the amendments with, the Investment Funds Standing Committee at CPA Canada. We have also participated in the discussion of on-going implementation issues at the IFRS Discussion Group at CPA Canada.

In our bid to provide responsive regulation, we engage in periodic discussions with, and seek feedback on our various policy initiatives from, other regulators such as the Mutual Fund Dealers Association of Canada and the Investment Industry Regulatory Organization of Canada. We also seek input from the OSC's Investor Advisory Panel, whose mandate is to solicit and represent the views of investors on the Commission's policy and rule-making initiatives.

As in past years, we met with staff from the Investment Management and Derivatives divisions of the Securities and Exchange Commission to discuss investment fund trends, novel products and emerging issues that are common to our respective jurisdictions. These meetings help ensure that our regulatory approaches to product development are consistent and that opportunities for regulatory arbitrage between our markets are minimized.

Finally, in an effort to ensure effective national oversight of the investment fund industry, the CSA's Investment Funds Committee holds monthly conference calls. The Committee provides a forum for discussing novel applications, policy interpretation and initiatives, and operational matters in a timely fashion. It ensures that regulatory requirements are nationally applied consistently, fairly, and effectively, pursuant to the Passport system. In January 2014, Rhonda Goldberg, Director of the Investment Funds Branch, was appointed Chair of the Committee.

4.1 Investment Funds Product Advisory Committee (IFPAC)

The OSC's IFPAC was established in August, 2011. The IFPAC, which is currently comprised of 12 external members, advises OSC staff specifically on emerging product developments and innovations occurring in the investment fund industry, and discusses the impact of these developments and emerging issues. The IFPAC also acts as one source of feedback to OSC staff on the development of policy and

rule-making initiatives to promote investor protection, fairness and market efficiency across all types of investment fund products. The IFPAC meets quarterly and members serve a two year term. The initial two year term expired in Spring, 2013, with 6 members returning and 6 new members joining. You can find a list of current IFPAC members on the OSC website.

Topics of discussion with IFPAC this year have included the cost of ownership of investment fund products, the proposed risk classification methodology for use in the Fund Facts, linked notes, the exempt market review and the changes proposed to the Report of Exempt Distribution for investment fund issuers.

4.2 The Investment Funds Practitioner

The Investment Funds Practitioner is an overview of recent and topical issues arising from applications for discretionary relief, prospectuses and continuous disclosure documents that investment fund issuers file with the OSC and that are reviewed by the Investment Funds Branch. It is intended to assist investment fund managers and their advisors who regularly prepare public disclosure documents and applications for discretionary relief on behalf of investment funds. The Practitioner is also intended to make fund managers more broadly aware of some of the issues we have raised in connection with our reviews and how we have resolved them. The Practitioner can be found on our website www.osc.gov.on.ca at Information for Investment Funds.

We have published 2 editions of the Investment Funds Practitioner since last year's summary report: May 2013 and November 2013. We welcome suggestions for future topics.

4.3 IOSCO Committee 5 - Investment Management

Investment Funds staff continued their participation in IOSCO C5 during 2013. This committee is focussed on investment management issues and is comprised of representatives from almost 30 regulators. The international developments discussed at C5 inform our policy and operational work, which is also guided by the principles and best practices published by IOSCO. During 2013, these included principles related to valuation, liquidity risk management and the regulation of ETFs. On January 8, 2014, IOSCO and the FSB jointly published a consultation document entitled "Assessment Methodologies for Identifying Non-Bank Non-Insurance Global Systemically Important Financial Institutions" for public comment. C5 participated in the development of the methodology for investment funds, including hedge funds, and fund managers. Current C5 initiatives include reviewing reliance on credit ratings and an examination of safe keeping and custody practices.

4.4 IOSCO Committee 8 - Retail Investors

During the year, Howard Wetston, Chair and CEO of the OSC, was appointed Vice Chair of the Board of IOSCO. In June 2013 he was also appointed Chair of the newly formed IOSCO Committee 8. The Investment Funds Branch, with support from the Office of the Investor, Communications, the Investor Education Fund, and Office of Domestic and International Affairs branches of the OSC, assist the Chair of C8 in carrying out his duties.

The primary mandate for C8, which was approved by the IOSCO Board in June, 2013, is to conduct IOSCO's policy work on retail investor education and financial literacy. A secondary mandate is to advise the IOSCO Board on emerging retail investor protection matters.

C8 is intended to:

- reflect IOSCO's commitment to investor protection through the promotion of investor education and financial literacy and demonstrate a leadership role in developing guidance and policy for IOSCO members on behalf of retail investors
- be a forum to share experiences and develop approaches on investor education and financial literacy; and
- help the IOSCO Board take retail investor perspectives into account in prioritizing, coordinating and driving IOSCO's work.

During the year, OSC staff led C8's effort in the development of a strategic framework document. The purpose of this project is to identify and describe work streams that will establish the strategic direction of IOSCO's investor education and financial literacy efforts. This document sets out IOSCO's niche in investor education and financial literacy, current thinking and research, a strategy for program development, proposed work streams and best practices. It is anticipated that the best practices will be published for consultation by March, 2014.

5. Feedback and Contact Information

5. Feedback and Contact Information

If you have any questions regarding, or feedback on, our third annual summary report, please send them to investmentfunds@osc.gov.on.ca.

You can find additional information regarding investment funds and the Investment Funds Branch on our website.

We have also attached a list of Investment Funds Branch staff at the end of this report.

INVESTMENT FUNDS BRANCH

NAME	EMAIL
Goldberg, Rhonda – Director	rgoldberg@osc.gov.on.ca
Chan, Raymond – Manager	rchan@osc.gov.on.ca
McKall, Darren – Manager	dmckall@osc.gov.on.ca
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Yu, Sovener – Accountant	syu@osc.gov.on.ca
Zaman, Abid – Accountant	azaman@osc.gov.on.ca

OSC Staff Notice 81-723

As the regulatory body responsible for overseeing the capital markets in Ontario, the Ontario Securities Commission administers and enforces the provincial Securities Act, the provincial Commodity Futures Act and administers certain provisions of the provincial Business Corporations Act. The OSC is a self-funded Crown corporation accountable to the Ontario Legislature through the Minister of Finance.

1.4 Notices from the Office of the Secretary

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

FOR IMMEDIATE RELEASE
February 5, 2014

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED

AND

IN THE MATTER OF
FAWAD UL HAQ KHAN and
KHAN TRADING ASSOCIATES INC.
carrying on business as MONEY PLUS

TORONTO – The Commission issued an Order in the above named matter with certain provisions. A further confidential pre-hearing conference shall take place on April 10, 2014 at 2:00 p.m.

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

A copy of the Order dated February 3, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

For media inquiries:
media_inquiries@osc.gov.on.ca

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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 Gold-Quest International and Sandra Gale

FOR IMMEDIATE RELEASE
February 5, 2014

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

AND

IN THE MATTER OF
GOLD-QUEST INTERNATIONAL and SANDRA GALE

TORONTO – The Commission issued an Order in the above named matter which provides that the pre-hearing conference scheduled for February 6, 2014 is vacated and the Hearing is adjourned to April 1, 2014 at 10:00 a.m. for a confidential pre-hearing conference, or such other date as is agreed to by the parties and determined by the Office of the Secretary.

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

A copy of the Order dated February 5, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

For media inquiries:
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1.4.3 Victor George DeLaet and Stanley Kenneth Gitzel

FOR IMMEDIATE RELEASE
February 7, 2014

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 Commission issued its Reasons and Decision and an Order pursuant to Sections 127(1) and 127(10) of the Securities Act in the above noted matter.

A copy of the Reasons and Decision and the Order dated February 6, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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1.4.4 Paul Azeff et al.

FOR IMMEDIATE RELEASE
February 10, 2014

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

AND

IN THE MATTER OF
PAUL AZEFF, KORIN BOBROW,
MITCHELL FINKELSTEIN, HOWARD JEFFREY MILLER
AND MAN KIN CHENG (a.k.a. FRANCIS CHENG)

TORONTO – The Commission issued an Order in the above named matter with certain provisions. A further confidential pre-hearing conference shall be held on August 13, 2014 at 10:00 a.m.

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

A copy of the Order dated February 7, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Kimber Resources Inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

February 3, 2014

Blake, Cassels & Graydon LLP
595 Burrard Street, P.O. Box 49314
Suite 2600, Three Bentall Centre
Vancouver, BC V7X 1L3

Attention: Krystin Kempton

Dear Madam:

Re: Kimber Resources Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

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

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

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

“Denise Weeres”
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.1.2 International Minerals Corporation – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

February 5, 2014

Stikeman Elliott LLP
Attn: Steven D. Bennett
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Dear Sirs/Mesdames:

Re: International Minerals Corporation (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

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

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

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

"Kathryn Daniels"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.1.3 CQI Capital Management L.P. et al.

Headnote

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

Applicable Legislative Provisions

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

February 4, 2014

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
CQI CAPITAL MANAGEMENT L.P.
(the Filer)

AND

IN THE MATTER OF
CQI EQUITY OPPORTUNITIES FUND I AND
CQI EQUITY OPPORTUNITIES FUND II
(together, the Initial Top Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of each of the Filer, the Initial Top Funds, and any other mutual fund which is not a reporting issuer under the *Securities Act* (Ontario) (the **Act**), that is established, advised or managed by the Filer, or its affiliate, after the date hereof (the **Future Top Funds** and, together with the Initial Top Funds, the **Top Funds**), and EOF Limited Partnership (the **Initial Underlying Fund**), and any other mutual fund which is not a reporting issuer under the Act that is established, advised or managed by the Filer, or its affiliate, after the date hereof (the **Future Underlying Funds** and, together with the Initial Underlying Fund, the **Underlying Funds**) for a decision under the securities legislation of Ontario (the **Legislation**), exempting:

(a) the Top Funds, in respect of the Top Funds investment in any of the Underlying Funds, from the restrictions in paragraphs 111(2)(b) and 111(3) of the Act that prohibit a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder (the **Related Issuer Relief**); and

(b) the Filer, or its affiliate, with respect to each of the Top Funds that invests its assets in an Underlying Fund from the restriction in sub-clause 13.5(2)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) from the restriction prohibiting a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as adviser, to invest in the securities of any issuer in which a responsible person or an associate of a responsible person is a partner, officer or director, unless the fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase (the **Consent Requirement Relief**).

together, the **Exemption Sought**.

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in (i) in respect of the Related Issuer Relief, in Alberta and (ii) in respect of the Consent Requirement Relief, in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick and Newfoundland and Labrador.

Interpretation

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

Representations

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

Filer

1. The Filer is a limited partnership formed under the laws of the Province of Manitoba with its head office in Toronto, Ontario.

2. The Filer is registered as a commodity trading manager in Ontario.

3. The Filer is registered as a dealer in the category of exempt market dealer under the applicable securities legislation in the provinces of Ontario, British Columbia, Alberta, Manitoba, Saskatchewan, Québec, Nova Scotia, New Brunswick and Prince Edward Island, and Newfoundland and Labrador.

4. The Filer is registered as an investment fund manager and an adviser in the category of portfolio manager in Ontario, Newfoundland and Labrador and Québec.

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

6. The Filer is the investment fund manager and portfolio adviser of the Initial Top Funds and the Initial Underlying Fund. The Filer, or an affiliate of the Filer, will be the investment fund manager and portfolio adviser of the Future Top Funds and the Future Underlying Funds. The Filer, or an affiliate of the Filer, will also act as trustee of any Future Underlying Fund structured as a trust.

Top Funds

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

8. Each Initial Top Fund is an open-end trust established under the laws of the Province of Ontario and governed by a master declaration of trust (the "**Declaration of Trust**").

9. The Future Top Funds will be structured as limited partnerships, trusts or corporations under the laws of Ontario or another jurisdiction of Canada.

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

11. The investment objective of the Initial Top Funds is to generate superior risk-adjusted investment returns over the long term by investing in or obtaining exposure to equity-focused investment strategies. These strategies focus on investing in equity securities, as well as index futures, convertible bonds, trust units, preferred shares, warrants, options, futures, swaps and other derivatives instruments, any of which may be listed on recognized stock exchanges or unlisted.

12. The Top Funds' investments may include, but may not be limited to, the Underlying Funds. The Filer, or its affiliate, where applicable, however, may determine to invest 100% of the assets of a Top Fund in any combination of Underlying Funds as appropriate.

13. The Initial Top Funds are identical in all respects except for the management fee charged by the Filer. CQI Equity Opportunities Fund I (formerly called GMPIM Equity Opportunities Fund) offers a Series A version of the investment strategy and its units are offered to prospectus exempt investors. CQI Equity Opportunities Fund II (formerly called GMPIM Equity Opportunities Class F Fund) offers a lower fee, Series F version of the investment strategy and its units are offered to prospectus exempt investors who are enrolled in dealer-sponsored wrap programs or flat fee accounts that are subject to an annual asset based fee and to other qualified investors for whom the Filer does not incur substantial distribution costs.

14. Neither of the Initial Top Funds is a reporting issuer under the Act nor are they in default of securities legislation of any jurisdiction of Canada. None of the Future Top Funds will be a reporting issuer under the Act.

Underlying Funds

15. Each of the Underlying Funds is, or will be, a mutual fund for purposes of the Act.

16. The Initial Underlying Fund is a limited partnership formed and organized under the laws of Ontario.

17. The Future Underlying Funds will be structured as limited partnerships, trusts or corporations under the laws of Ontario, another jurisdiction of Canada or a foreign jurisdiction.

18. The general partner of the Initial Underlying Fund is Genesis Partners GP Inc. (the **General Partner**), an affiliate of the Filer. The general partner of each Future Underlying Fund that is structured as a limited partnership will be an affiliate of the Filer.

19. The Initial Top Funds are the sole owners of units of the Initial Underlying Fund and the Filer does not expect to distribute units of the Initial Underlying Fund to the public. The Filer, or its affiliate, also does not expect to distribute units of the Future Underlying Funds to the public.

20. The Initial Underlying Fund will not be a reporting issuer under the Act. None of the Future Underlying Funds will be a reporting issuer under the Act.

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

22. Each Initial Top Fund employs a forward agreement structure. Each Initial Top Fund obtains exposure to an actively managed diversified portfolio of investments held by GMPIM Equity Opportunities Master Fund LP (the **Master Fund**) through a forward agreement (the **Forward Agreements**). The Forward Agreements will mature in January 2016.

23. On March 21, 2013, the federal Minister of Finance proposed measures (the **Character Conversion Budget Measures**) that would affect certain tax benefits gained by taxable unitholders of investment funds, like the Initial Top Funds. In particular, the Character Conversion Budget Measures would limit the ability of funds, like the Initial Top Funds, to accept any new money through the forward structure, effectively capping the Initial Top Funds and closing them to new investors (due to a moratorium on increasing exposure under forward agreements such as the Forward Agreements).

24. Accordingly, the Filer amended certain of the investment strategies and restrictions of the Initial Top Funds, to permit each Initial Top Fund to own a direct, actively managed investment portfolio with investment restrictions and strategies that are substantially similar to those of the Master Fund. The Filer has determined that rather than having to establish two separate but identical investment portfolios, it is more efficient and in the best interests of the Initial Top Funds to obtain exposure to single portfolio by investing in separate classes of the Initial Underlying Fund.

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

26. Each of the Underlying Funds and their investments are considered to be liquid. While the Underlying Funds are not restricted from purchasing and holding illiquid investments, the Filer, or its affiliate, manages or will manage, the portfolios of each Underlying Fund to ensure there is sufficient liquidity to provide for redemptions of units by unitholders of the Top Funds.

Fund-on-Fund Structure

27. The custodian of the assets of each Top Fund and each Underlying Fund is, or will be, one or more financial institutions and/or their affiliates, or such third party or parties as may be appointed by the Filer or its affiliate. The custodian of each Top Fund and each Underlying Fund meets, or will meet, the qualifications set out in subsection 6.2 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**).

28. The Top Funds allow investors to obtain exposure to the investment portfolios of the Underlying Funds and their respective investment strategies through direct investments by the Top Funds in securities of the Underlying Funds (the **Fund-on-Fund Structure**).

29. Investing in the Underlying Funds will allow the Top Funds to achieve their investment objectives in a cost efficient manner and will not be detrimental to the interests of other securityholders of the Underlying Funds.

30. An investment by a Top Fund in an Underlying Fund can provide greater diversification for a Top Fund in particular asset classes on a basis which is not materially more expensive than investing directly in the securities held by the applicable Underlying Fund.

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

32. The Filer, or its affiliate, will ensure that the arrangements between or in respect of a Top Fund and an Underlying Fund in respect of an investment pursuant to the Fund-on-Fund Structure avoid the duplication of management fees and incentive fees. The Filer currently does not charge any management fee or incentive fee to the Initial Top Funds.

33. There will be no sales fees or redemption fees payable by a Top Fund in respect of an acquisition, disposition or redemption of securities of an Underlying Fund by the Top Fund.

34. Prior to the time of purchase of securities of a Top Fund, an investor will be provided with an offering memorandum of the Top Fund that contains disclosure about the relationships and potential conflicts of interest between the Top Fund and the Underlying Funds.

35. The offering memorandum of each Top Fund will describe the Top Funds' intent, or ability, to invest in securities of the Underlying Funds and that the Underlying Funds are also managed and advised by the Filer or its affiliate.

36. Each of the Top Funds and the Underlying Funds will prepare annual audited financial statements and interim unaudited financial statements in accordance with National Instrument 81-106 – *Investment Funds Continuous Disclosure* (**NI 81-106**) and will otherwise comply with the requirements of NI 81-106, as applicable.

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

38. Securityholders of a Top Fund will receive, on request, a copy of the offering memorandum of an Underlying Fund, or other similar document, if available, and the annual and interim financial statements of any Underlying Fund in which the Top Fund invests.

39. The Filer, or its affiliate, will not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of any Underlying Fund, except that the Filer, or its affiliate, may arrange for the securities of the Underlying Fund held by a Top Fund to be voted by the beneficial holders of securities of the Top Fund.

40. Each Initial Top Fund and each Initial Underlying Fund have matching valuation dates and are valued on a weekly basis. The valuation date for each Initial Top Fund and each Initial Underlying Fund is the last business day of each week.

41. Securities of each Initial Top Fund and each Initial Underlying Fund have matching redemption dates. Each Initial Top Fund and each Initial Underlying Fund is redeemable on any valuation date.

42. An Underlying Fund will be valued no less frequently than a Top Fund.

43. An Underlying Fund will be redeemable no less frequently than a Top Fund.

44. No Underlying Fund will be a Top Fund.

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

Generally

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

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

48. In the absence of the Consent Requirement Relief, the Filer, or its affiliate, would be precluded from causing any Top Fund to invest in an Underlying Fund, unless the consent of each investor in the Top Fund is obtained, since an officer, partner, and/or director of the Filer, or its affiliate (considered a responsible person within the meaning of the applicable provisions of NI 31-103), may also be an officer, partner, and/or director of, or may perform a similar function for or occupy a similar position with, the Underlying Fund.

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

Decision

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

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

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

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

(c) no Top Fund will purchase or hold securities of an Underlying Fund unless, at the time of the purchase of securities of the Underlying Fund, the Underlying Fund holds no more than 10% of its net assets in securities of other mutual funds, unless the Underlying Fund:

(i) links its performance to the performance of another mutual fund;

(ii) purchases or holds securities of a "money market fund" (as defined by NI 81-102); or

(iii) purchases or holds securities that are "index participation units" (as defined by NI 81-102) issued by a mutual fund;

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

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

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

(g) the offering memorandum, where available, or similar document of a Top Fund, will be provided to investors in a Top Fund and will disclose:

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

(ii) that the Filer, or an affiliate of the Filer, is the investment fund manager and portfolio adviser of both the Top Fund and the Underlying Funds;

(iii) the approximate or maximum percentage of net assets of the Top Fund that the Top Fund intends to invest in securities of the Underlying Funds;

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

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

The Consent Requirement Relief

"Darren McKall"
Manager
Ontario Securities Commission

The Related Issuer Relief

"Wesley M. Scott"
Commissioner
Ontario Securities Commission

"Vern Krishna"
Commissioner
Ontario Securities Commission

2.1.4 Westcoast Energy Inc. and Union Gas Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107), s. 5.1 – the Filers request relief from the requirements under section 3.2 of NI 52-107 that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filers to prepare their financial statements in accordance with U.S. GAAP – Revocation or variation of decision – Filers request to have conditions in existing decision replaced with revised conditions – existing decision revoked – requested relief granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144 – Revocation or variation of decision.
National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.

February 5, 2014

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

AND

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

AND

IN THE MATTER OF
WESTCOAST ENERGY INC. AND UNION GAS LIMITED
(the Filers)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from Westcoast Energy Inc. (Westcoast) and Union Gas Limited (Union Gas) under the securities legislation (the Legislation) of the Jurisdictions seeking exemption (the Exemption Sought) from the requirements of sections 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107) that financial statements (a) be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises, and (b) disclose an unreserved statement of compliance with IFRS in the case of annual financial statements and an unreserved statement of compliance with IAS 34 in the case of an interim financial report.

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

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador (the Westcoast Passport Jurisdictions) with respect to Westcoast and in Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador (the Union Gas Passport Jurisdictions) with respect to Union Gas; and

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

Interpretation

2 In this decision:

(a) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 51-102 *Continuous Disclosure Obligations* and NI 52-107 have the same meaning; and

(b) “activities subject to rate regulation” has the meaning ascribed in the Handbook.

Representations

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

1. Westcoast is a corporation existing under the *Canada Business Corporations Act*; the head office of Westcoast is in Vancouver, British Columbia;

2. Union Gas is a corporation existing under the *Business Corporations Act* (Ontario); the head office of Union Gas is in Chatham, Ontario;

3. Westcoast is a reporting issuer or equivalent in the Jurisdictions and each of the Westcoast Passport Jurisdictions;

4. Union Gas is a reporting issuer or equivalent in the Jurisdictions and each of the Union Gas Passport Jurisdictions;

5. neither of the Filers is in default of securities legislation in any local jurisdiction;

6. Westcoast is an indirect wholly owned subsidiary of Spectra Energy; Westcoast indirectly owns all of the outstanding common shares of Union Gas;

7. each of the Filers and Spectra Energy Corp (Spectra Energy) has activities subject to rate regulation;

8. Spectra Energy is incorporated under the laws of Delaware;

9. Spectra Energy’s financial statements are prepared in accordance with U.S. GAAP and its annual financial statements are audited in accordance with U.S. GAAS;

10. through various holdings, Spectra Energy has a significant economic interest in Westcoast and Union Gas;

11. pursuant to U.S. GAAP, the financial statements of Westcoast and Union Gas must be consolidated into the financial statements of Spectra Energy;

12. Spectra Energy is an SEC issuer and relies on subsection 3.7 of NI 52-107 to file financial statements prepared in accordance with U.S. GAAP;

13. the Filers are not SEC issuers and therefore cannot rely on that provision;

14. by orders cited as *In the Matter of Westcoast Energy Inc. and Union Gas Limited* 2011 BCSSECCOM 394, each of the Filers have been granted relief substantially similar to the Exemption Sought (collectively, the Existing Relief);

15. the Existing Relief will expire not later than 1 January 2015; and

16. the International Accounting Standards Board (IASB) continues to work on a project focusing on accounting specific to activities subject to rate regulation; it is not yet known when this project will be completed or whether IFRS will include a specific standard that is mandatory for entities with activities subject to rate regulation.

Decision

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

The decision of the Decision Makers under the Legislation is that:

(a) the Existing Relief is revoked;

(b) the Exemption Sought is granted to each Filer in respect of the Filer's financial statements required to be filed on or after the date of this order, provided that the Filer prepares those financial statements in accordance with U.S. GAAP; and

(c) the Exemption Sought will terminate in respect of a Filer on the earliest of the following:

(i) January 1, 2019;

(ii) if that Filer ceases to have activities subject to rate regulation, the first day of the Filer's financial year that commences after the Filer ceases to have activities subject to rate regulation; and

(iii) the effective date prescribed by the IASB for the mandatory application of a standard within IFRS specific to entities with activities subject to rate regulation.

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

2.1.5 High Desert Gold Corporation – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

February 11, 2014

High Desert Gold Corporation
Suite 880
580 Hornby Street
Vancouver, BC V6C 3B6

Dear Sirs/Mesdames:

Re: High Desert Gold Corporation (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Manitoba and Yukon (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

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

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

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

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

2.2 Orders

2.2.1 Royal Oak Ventures Inc. – s. 1(6) of the OBCA

Headnote

Filer deemed to have ceased to be offering its securities to the public under the OBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990 c. B.16, AS AMENDED
(the "OBCA")**

AND

**IN THE MATTER OF
ROYAL OAK VENTURES INC.
(the "Applicant")**

**ORDER
(Subsection 1(6) of the OBCA)**

UPON the application of the Applicant to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and had an authorized capital consisting of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of non-voting shares (the "**Non-voting Shares**").

2. The head office of the Applicant is located at 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3.

3. At a special meeting of shareholders of the Applicant held on December 19, 2013, the holders of the Common Shares and the Non-voting Shares approved a special resolution authorizing the amalgamation of the Applicant with 2395914 Ontario Inc., a wholly owned subsidiary of Brookfield Holdings Canada Inc. (the "**Amalgamation**").

4. Upon the Amalgamation, shareholders of the Applicant received, for each Common Share and Non-voting Share, one preferred share of the new corporation ("**Amalco**").

5. The effective date of the Amalgamation was January 1, 2014.

6. As a result of the Amalgamation, Amalco became a private company that is wholly owned by Brookfield Holdings Canada Inc.

7. The Common Shares and the Non-voting Shares were delisted from the Canadian National Stock Exchange on January 2, 2014.

8. No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

9. The Applicant ceased to be a reporting issuer, or the equivalent, in the provinces of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland and Labrador and Yukon (the "**Jurisdictions**") effective January 21, 2014.

10. The Applicant filed a Notice of Voluntary Surrender of Reporting Issuer Status with the British Columbia Securities Commission (the "**BCSC**") under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* to voluntary surrender its reporting issuer status.

11. The BCSC confirmed the Applicant's non-reporting status in British Columbia effective on January 13, 2014.

12. The Applicant is no longer a reporting issuer or equivalent in any jurisdiction in Canada.

13. The Applicant has no intention to seek public financing by way of an offering of securities.

14. The Applicant's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each jurisdiction of Canada and by fewer than 51 securityholders in today worldwide.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

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

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED**

AND

**IN THE MATTER OF
FAWAD UL HAQ KHAN and
KHAN TRADING ASSOCIATES INC.
carrying on business as MONEY PLUS**

ORDER

WHEREAS on December 20, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 60 and 60.1 of the *Commodity Futures Act*, R.S.O. 1990, c. C.20, as amended (the "CFA"), in relation to a Statement of Allegations filed on December 19, 2012, in respect of Fawad Ul Haq Khan ("Khan") and Khan Trading Associates Inc. carrying on business as Money Plus (collectively, the "Respondents");

AND WHEREAS on February 5, 2013, Staff of the Commission ("Staff") and the Respondents attended before the Commission and agreed to attend a confidential pre-hearing conference on April 23, 2013;

AND WHEREAS on February 5, 2013, the Commission ordered that this matter be adjourned to a confidential pre-hearing conference on April 23, 2013 at 3:30 p.m.;

AND WHEREAS on April 26, 2013, the Commission issued a Notice of Hearing providing notice that the Commission would hold a hearing on June 24, 2013 to hear a motion application by the Respondents and the Commission would hold a further hearing on August 14, 2013 to hear a motion application by the Respondents;

AND WHEREAS on June 24, 2013, Staff attended the hearing in person, the Respondents attended the hearing via teleconference and the parties made submissions regarding the Respondents' request to have Staff's electronic disclosure provided in printed form;

AND WHEREAS on June 24, 2013, the Commission ordered that:

1. Staff shall provide one full hard copy of its disclosure documents to the Respondents by July 10, 2013; and

2. Khan shall be responsible to make arrangements to pick up the disclosure documents from Staff on the day they become available;

AND WHEREAS on August 14, 2013, Staff and the Respondents attended a hearing before the Commission, the parties made submissions regarding the Respondents' motion with respect to witnesses (the "Witness Motion") and the Panel reserved its decision on the Witness Motion;

AND WHEREAS on August 27, 2013, Staff and the Respondents confirmed their availability to attend a confidential pre-hearing conference on October 1, 2013 at 11:30 a.m.;

AND WHEREAS on August 29, 2013, the Commission ordered that a confidential pre-hearing conference shall take place on October 1, 2013 at 11:30 a.m.;

AND WHEREAS on September 25, 2013, at the request of the Commission, Staff and the Respondents confirmed their availability to attend a confidential pre-hearing conference on October 30, 2013 at 11:30 a.m.;

AND WHEREAS on September 27, 2013, the Commission ordered that the confidential pre-hearing conference scheduled to take place on October 1, 2013 be adjourned to October 30, 2013 at 11:30 a.m.;

AND WHEREAS on October 23, 2013, the Panel delivered its Reasons for Decision on the Witness Motion (the "Witness Motion Decision");

AND WHEREAS on October 30, 2013, Staff and the Respondents attended before the Commission and made submissions;

AND WHEREAS on October 30, 2013, the Commission ordered that:

1. a motion requested by the Respondents will be heard on December 16, 2013 at 11:00 a.m., and in accordance with Rule 3.2 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*"), the Respondents shall serve and file a motion record, including any affidavits to be relied upon, by December 6, 2013 at 4:30 p.m.;

2. any expert report to be relied on by the Respondents shall be served to Staff by March 6, 2014 at 4:30 p.m., in accordance with Rule 4.6 of the *Rules of Procedure*;

3. a further confidential pre-hearing conference shall take place on February 3, 2014 at 10:00 a.m.; and

4. the hearing on the merits shall commence on May 5, 2014 and shall continue until June 12, 2014, save and except for May 6, 19 and 20 and June 3, 2014 (the "Merits Hearing");

AND WHEREAS on December 16, 2013, Staff and the Respondents attended a hearing before the Commission to consider the Respondents' motion requesting: (a) the dismissal of the proceeding against them; (b) the revocation or variation of the Witness Motion Decision; and (c) that the proceeding be heard by another panel member based on a claim of bias (the "Dismissal, Reconsideration and Bias Motion") and the Panel reserved its decision;

AND WHEREAS on January 17, 2014, the Panel delivered its Reasons and Decision on the Dismissal, Reconsideration and Bias Motion;

AND WHEREAS on January 28, 2014, Staff filed an Amended Statement of Allegations;

AND WHEREAS on February 3, 2014, Staff, counsel for the Respondents and the Respondents attended a confidential pre-hearing conference before the Commission and made submissions;

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

IT IS HEREBY ORDERED that:

1. Staff shall provide to the Respondents the addresses of the Respondents' witnesses, in Staff's possession, by February 7, 2014;

2. the Respondents shall initiate an application with the Superior Court of Justice, pursuant to subsection 84(1) of the CFA, with respect to summonsing witnesses from outside Ontario as soon as possible after receiving from Staff the addresses of the Respondents' witnesses;

3. Staff shall provide to the Respondents a draft index of the documents in the proposed joint hearing brief by February 14, 2014, the Respondents shall provide to Staff any documents for inclusion in the proposed joint hearing brief by February 24, 2014 and Staff shall provide a printed copy of the joint hearing brief to the Respondents by March 5, 2014;

4. the Respondents shall make best efforts to provide Staff with any additional documents they intend to rely on at the Merits Hearing by March 28, 2014;

5. Staff shall provide a draft (or, if possible, a final version) of Staff's analysis of trading in brokerage accounts (the "Analysis") to the Respondents by March 5, 2014 and Staff shall provide Staff's witness summary, including a final version of the Analysis, to the Respondents by March 28, 2014;

6. the Respondents shall make best efforts to provide their witness summaries to Staff by March 28, 2014;

7. the Respondents shall advise Staff if they intend to object to the authenticity or admissibility of any of Staff's documentary evidence by April 7, 2014; and

8. a further confidential pre-hearing conference shall take place on April 10, 2014 at 2:00 p.m.

DATED at Toronto this 3rd day of February, 2014.

"Alan Lenczner"

DATED January 31, 2014.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.2.3 Gold-Quest International and Sandra Gale – s. 127

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

AND

IN THE MATTER OF
GOLD-QUEST INTERNATIONAL and SANDRA GALE

ORDER
(Section 127 of the Securities Act)

WHEREAS on April 1, 2008, the Ontario Securities Commission (the "**Commission**") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), that all trading in any securities of Gold-Quest International ("Gold-Quest") shall cease (the "**Temporary Order**");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Health and HarMONEY, Donald Iain Buchanan and Lisa Buchanan shall cease;

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest, Health and HarMONEY, Donald Iain Buchanan and Lisa Buchanan;

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest's officers, directors, agents or employees;

AND WHEREAS on April 8, 2008, the Commission issued a Notice of Hearing to consider among other things, the extension of the Temporary Order (the "**TCTO Hearing**");

AND WHEREAS on April 15, 2008 the Temporary Order was extended by the Commission with some amendments (the "**Amended Temporary Order**");

AND WHEREAS the Amended Temporary Order has been extended from time to time, most recently until the completion of the Hearing on the Merits;

AND WHEREAS on March 13, 2009, the Commission issued a Notice of Hearing of pursuant to sections 127 and 127.1 of the Act (the "**Hearing**") accompanied by a Statement of Allegations dated March 12, 2009, issued by Staff of the Commission ("**Staff**") with respect to Gold-Quest, 1725587 Ontario Inc. carrying on

business as Health and HarMONEY, the Harmoney Club, Donald Iain Buchanan, Lisa Buchanan and Sandra Gale;

AND WHEREAS on March 20, 2009, upon hearing submissions from Sandra Gale, counsel for Staff and counsel for Donald Iain Buchanan and Lisa Buchanan, it was ordered that the Hearing be adjourned to May 26, 2009;

AND WHEREAS on May 26, 2009, upon hearing submissions from Sandra Gale, counsel for Staff and counsel for Donald Iain Buchanan and Lisa Buchanan, it was ordered that the Hearing be adjourned to June 25, 2009;

AND WHEREAS on June 25, 2009, upon hearing submissions from counsel for Staff, counsel for Sandra Gale, and counsel for Donald Iain Buchanan and Lisa Buchanan, it was ordered that the Hearing be adjourned to August 20, 2009;

AND WHEREAS on August 20, 2009, upon hearing submissions from counsel for Staff and counsel for Sandra Gale, it was ordered that a pre-hearing conference be held on October 9, 2009;

AND WHEREAS on October 9, 2009, a pre-hearing conference was commenced and counsel for Staff, counsel for Sandra Gale and counsel for Donald Iain Buchanan and Lisa Buchanan attended before the Commission;

AND WHEREAS on October 9, 2009, counsel for Staff, counsel for Sandra Gale and counsel for Donald Iain Buchanan and Lisa Buchanan requested, and it was ordered, that the pre-hearing conference be continued on December 10, 2009;

AND WHEREAS on December 10, 2009, the pre-hearing conference was continued and counsel for Staff, Sandra Gale, counsel for Sandra Gale and counsel for Donald Iain Buchanan and Lisa Buchanan made submissions to the Commission;

AND WHEREAS Staff advised that certain of the parties intend to file an agreed statement of facts prior to the commencement of the Hearing scheduled to commence on March 25, 2010 to consider sanctions and other related matters;

AND WHEREAS on December 10, 2009, the Commission ordered that the Hearing be adjourned to March 25, 2010 and March 26, 2010 for the purpose of considering sanctions for certain of the respondents and for any other purpose that the parties may advise the Office of the Secretary;

AND WHEREAS on December 10, 2009, it was further ordered that the motion for leave of the Commission to withdraw brought by counsel for Sandra Gale was granted and leave of the Commission was granted for counsel to withdraw;

AND WHEREAS Staff and the respondents agreed to request that the Hearing should be further adjourned;

AND WHEREAS on March 23, 2010, the Hearing was adjourned to April 28, 2010 and April 29, 2010 for the purpose of considering sanctions against certain of the respondents and for any other purpose that the parties may advise the Office of the Secretary;

AND WHEREAS on April 28, 2010, Staff and counsel for Donald Iain Buchanan and Lisa Buchanan submitted an Agreed Statement of Facts on behalf of each of Donald Iain Buchanan and Lisa Buchanan;

AND WHEREAS on April 28 and September 3, 2010, Staff and counsel for Donald Iain Buchanan and Lisa Buchanan appeared before the Commission for the purpose of considering sanctions and costs;

AND WHEREAS on November 26, 2010, the Commission issued its reasons and decision on sanctions and costs with respect to Donald Iain Buchanan and Lisa Buchanan;

AND WHEREAS on March 4, 2013, Staff withdrew the allegations against Harmoney Club and Health and HarMONEY, because these companies had been administratively dissolved and cancelled, respectively;

AND WHEREAS on March 6, 2013, Staff filed an Amended Statement of Allegations with respect to Gold-Quest and Sandra Gale;

AND WHEREAS Staff requested that a pre-hearing conference be held on February 6, 2014 and such pre-hearing conference was scheduled for that date;

AND WHEREAS counsel for Sandra Gale requested that the pre-hearing conference be adjourned and Staff consented to the adjournment;

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

IT IS ORDERED that the pre-hearing conference scheduled for February 6, 2014 is vacated and the Hearing is adjourned to April 1, 2014 at 10:00 a.m. for a confidential pre-hearing conference, or such other date as is agreed to by the parties and determined by the Office of the Secretary.

DATED at Toronto this 5th day of February, 2014.

"Alan Lenczner"

2.2.4 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**

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

WHEREAS on November 12, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in this matter pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Victor George DeLaet ("DeLaet") and Stanley Kenneth Gitzel ("Gitzel") (together, the "Respondents");

AND WHEREAS on November 12, 2013, Staff of the Commission ("Staff") filed a Statement of Allegations in this matter;

AND WHEREAS the Respondents are subject to an order dated May 27, 2013 made by the Alberta Securities Commission (the "ASC") that imposes sanctions, conditions, restrictions or requirements upon them within the meaning of paragraph 4 of subsection 127(10) of the Act (the "ASC Order");

AND WHEREAS on November 27, 2013, the Commission granted Staff's application to convert this matter to a written hearing in accordance with Rule 11.5 of Commission's *Rules of Procedure* (2012), 35 OSCB 10071 and section 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS Staff filed written submissions, a hearing brief and a brief of authorities;

AND WHEREAS DeLaet made written submissions by means of an e-mail to the Commission dated December 8, 2013, and Gitzel confirmed by e-mail dated January 8, 2014 that he did not oppose the requested sanctions by Staff;

AND WHEREAS I have found that it is in the public interest to issue this Order pursuant to subsection 127(1) of the Act in reliance upon subsection 127(10) of the Act;

IT IS HEREBY ORDERED THAT:

(a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by DeLaet shall cease permanently;

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

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

(d) pursuant to paragraph 7 of subsection 127(1) of the Act, DeLaet shall resign any positions that he holds as a director or officer of any issuer;

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

(f) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Gitzel shall 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 ASC Order and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(g) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Gitzel shall 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 and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(h) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall 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 and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(i) pursuant to paragraph 7 of subsection 127(1) of the Act, Gitzel shall resign any positions that he holds as director or officer of any issuer other than the issuers referred to in paragraph (j) below; and

(j) pursuant to paragraph 8 of subsection 127(1) of the Act, Gitzel shall be

prohibited until May 27, 2023 from becoming or acting as a director or officer of any 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 provided in the ASC Order; provided that such activities do not involve trading in securities in Ontario or raising money from the investing public in Ontario.

DATED at Toronto this 6th day of February, 2014.

"James E. A. Turner"

2.2.5 Paul Azeff et al.

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

AND

IN THE MATTER OF PAUL AZEFF, KORIN BOBROW, MITCHELL FINKELSTEIN, HOWARD JEFFREY MILLER AND MAN KIN CHENG (a.k.a. FRANCIS CHENG)

ORDER

WHEREAS on September 22, 2010, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing, pursuant to ss. 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "***Securities Act***"), accompanied by a Statement of Allegations of Staff of the Commission ("**Staff**") with respect to the respondents Howard Jeffrey Miller ("**Miller**") and Man Kin Cheng ("**Cheng**") for a hearing to commence on October 18, 2010;

AND WHEREAS Miller and Cheng were served with the Notice of Hearing and Statement of Allegations dated September 22, 2010 on September 22, 2010;

AND WHEREAS at a hearing on October 18, 2010, counsel for Staff, counsel for Cheng, and Miller, appearing on his own behalf, consented to the scheduling of a confidential pre-hearing conference on January 11, 2011 at 3:00 p.m.;

AND WHEREAS on November 11, 2010, the Commission issued a Notice of Hearing, pursuant to ss. 127 and 127.1 of the *Securities Act*, accompanied by an Amended Statement of Allegations of Staff which added the respondents Paul Azeff ("**Azeff**"), Korin Bobrow ("**Bobrow**") and Mitchell Finkelstein ("**Finkelstein**"), for a hearing to commence on January 11, 2011;

AND WHEREAS Miller, Cheng, Azeff, Bobrow and Finkelstein (together, the "**Respondents**") were served with the Notice of Hearing and Amended Statement of Allegations dated November 11, 2010 on November 11, 2010;

AND WHEREAS following a hearing on January 11, 2011, counsel for Staff, counsel for Azeff, Bobrow, Finkelstein and Cheng, and Miller, appearing on his own behalf, attended a confidential pre-hearing conference;

AND WHEREAS at the confidential pre-hearing conference on January 11, 2011, all parties made submissions regarding the disclosure made by Staff and it was ordered by the Commission, on the consent of all parties, that Staff and the Respondents would exchange written proposals concerning outstanding disclosure issues and that a motion date would be set for February 22, 2011 regarding disclosure issues, if necessary;

AND WHEREAS at the request of the Respondents, and on the consent of Staff, it was agreed that the February 22, 2011 motion date would be adjourned to April 8, 2011;

AND WHEREAS a disclosure motion was held on April 8, 2011 and, after submissions by the parties, the Panel issued a Confidentiality Order and Adjournment Order dated April 8, 2011, adjourning the Respondents' disclosure motion and the hearing in this matter to a pre-hearing conference, the date of which was to be agreed to by the parties and provided to the Office of the Secretary;

AND WHEREAS on April 18, 2011, Staff filed an Amended Amended Statement of Allegations;

AND WHEREAS the Panel issued an amended Confidentiality Order and Adjournment Order dated April 19, 2011 scheduling, on consent of all parties, a confidential pre-hearing conference on June 2, 2011 at 10:00 a.m.;

AND WHEREAS all parties consented to an adjournment of the confidential pre-hearing conference from June 2, 2011 at 10:00 a.m. to August 17, 2011 at 10:00 a.m. to allow Staff to provide the Respondents with further disclosure in this matter;

AND WHEREAS on July 6, 2011, counsel for Finkelstein served Staff with motion materials seeking a stay of the proceeding against him (the "**Stay Motion**") and Staff indicated that: a) it intended to bring a motion that the Stay Motion is premature and should be heard at the hearing on the merits (the "**Prematurity Motion**"); and b) it intended to bring a motion to seek leave to put before the Panel at the hearing of the Stay Motion certain "without prejudice" communications (the "**Privilege Motion**");

AND WHEREAS counsel for Azeff and Bobrow indicated that they intend to bring a motion to compel records from a third party (the "**Third Party**" and the "**Third Party Records Motion**");

AND WHEREAS the Respondents advised that they may seek to continue the hearing of the previous disclosure motion, which had been held on April 8, 2011 and had been adjourned on April 8, 2011 and June 1, 2011, or may bring other motions relating to disclosure issues (the "**Disclosure Motion**");

AND WHEREAS a pre-hearing conference was held on August 17, 2011 and Staff and the Respondents made submissions regarding the scheduling of the various motions, including the Stay Motion, the Prematurity Motion, the Privilege Motion, the Third Party Records Motion and the Disclosure Motion;

AND WHEREAS on August 30, 2011, the Commission ordered that the Privilege Motion be heard on September 26, 2011; the Prematurity Motion and the Stay Motion be heard together commencing on November 9, 2011; the Third Party Records Motion be scheduled to be heard on a date after the Prematurity Motion and the Stay Motion have been heard and decided; the Disclosure Motion be adjourned to a date that will be fixed after the four motions have been heard and decided; and dates for the hearing on the merits of the matter be set after the five motions have been heard and decided (the "**Scheduling Order**");

AND WHEREAS the Privilege Motion, the Prematurity Motion and the Stay Motion have been heard and decided in accordance with the Scheduling Order;

AND WHEREAS Staff requested a pre-hearing conference to request, among other things, that the Scheduling Order be amended to schedule the Third Party Records Motion, the Disclosure Motion and the hearing on the merits;

AND WHEREAS a pre-hearing conference was held on October 2, 2012 at which time Staff and counsel for the Respondents attended and made submissions;

AND WHEREAS on October 2, 2012, the Commission ordered that the request for a summons to compel the production of certain records of a third party and any motion to quash such summons proceed in accordance with Rule 4.7 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "***Rules of Procedure***"), and that a pre-hearing conference be held on January 16, 2013 at which time the Commission would consider scheduling the Disclosure Motion and the hearing on the merits;

AND WHEREAS a pre-hearing conference was held on January 16, 2013, and Staff and the Respondents made submissions regarding the scheduling of the Third Party Records Motion, the Disclosure Motion and the hearing on the merits;

AND WHEREAS on January 16, 2013, the Commission ordered that: 1) the Third Party Records Motion to review the issuance of a summons shall be heard on April 8, 2013 at 10:00 a.m.; 2) the Disclosure Motion shall be heard on July 17, 2013 at 10:00 a.m.; and 3) the hearing on the merits shall commence on May 5, 2014, and continue up to and including June 20, 2014, save and except for Monday, May 19 (Victoria Day), and the alternate Tuesdays each month when meetings of the Commission are scheduled, the dates of which are unknown at this time;

AND WHEREAS on February 28, 2013, counsel for Bobrow, on notice to counsel for Azeff and Staff, requested an adjournment of the Third Party Records Motion, and Staff did not oppose the adjournment request, provided that the dates for the Disclosure Motion and the hearing on the merits were preserved;

AND WHEREAS on April 4, 2013, the Commission ordered that the date of April 8, 2013 for the hearing of the Third Party Records Motion be vacated and that the Third Party Records Motion be adjourned to July 9, 2013 at 10:00 a.m.;

AND WHEREAS on May 6, 2013, at the request of Bobrow and Azeff, the Commission issued a summons for documents from the Third Party (the "**Third Party Summons"**);

AND WHEREAS on June 28, 2013, the Third Party filed its motion record for the Third Party Records Motion seeking an order to quash part of the Third Party Summons;

AND WHEREAS the Third Party indicated that it asserted solicitor-client privilege over all documents protected by its privilege;

AND WHEREAS the Third Party Records Motion was scheduled to be argued on July 9, 2013;

AND WHEREAS on July 9, 2013, Staff, counsel for the Third Party and counsel for Bobrow, who also appeared as agent for counsel for Azeff, attended before the Commission and advised that the Third Party Records Motion had been settled on consent of Azeff, Bobrow and the Third Party on the terms of a draft order to be filed with the Commission;

AND WHEREAS on July 9, 2013, counsel for Bobrow, who also appeared as agent for counsel for Azeff, requested that the date for the Disclosure Motion, scheduled for July 17, 2013, be vacated and that the time set aside on July 17, 2013 be scheduled for the hearing of a motion to adjourn the hearing on the merits (the "**Adjournment Motion**") and a pre-hearing conference;

AND WHEREAS on July 11, 2013, the Commission ordered that: 1) the hearing of the Disclosure Motion, which was scheduled for July 17, 2013, be vacated; 2) the hearing of the Adjournment Motion be held on July 17, 2013 at 9:30 a.m.; and 3) immediately after the hearing of the Adjournment Motion on July 17, 2013, a confidential pre-hearing conference be held on July 17, 2013;

AND WHEREAS on July 16, 2013, the Commission made an order in respect of the Third Party Records Motion (the "**Third Party Records Order**"), which ordered, amongst other things, that the Third Party shall make best efforts to produce, on a rolling productions basis, the documents subject to the Third Party Records Order (the "**Third Party Documents**") to Bobrow before October 31, 2013, and in any event, no later than December 31, 2013;

AND WHEREAS on July 17, 2013, Staff and counsel for Bobrow, who also appeared as agent for counsel for Azeff, and counsel for Miller, Cheng and Finkelstein attended before the Commission and made submissions regarding the Adjournment Motion brought by counsel for Bobrow;

AND WHEREAS counsel for Bobrow submitted that he is counsel for a respondent in a criminal matter in another province (the "**Criminal Matter**"), in which target trial dates were set following a case management conference on May 21, 2013, and that the target trial dates in the Criminal Matter conflict with the scheduled dates for the hearing on the merits in this matter;

AND WHEREAS counsel for Bobrow advised the Commission that the target trial dates are expected to be affirmed at the next appearance in connection with the Criminal Matter on July 29, 2013;

AND WHEREAS the Respondents were made aware of the Commission's view that a further request for adjournment would be subject to strict scrutiny and the Commission likely would be reluctant to grant another adjournment of the hearing on the merits;

AND WHEREAS on July 17, 2013, Staff and counsel for Bobrow, who also appeared as agent for counsel for Azeff and Finkelstein, and counsel for Miller and Cheng attended a confidential pre-hearing conference immediately following the hearing of the Adjournment Motion;

AND WHEREAS the Commission encouraged the parties to ensure that any further motions would be brought before the Commission in a timely fashion to avoid any further delay of the hearing on the merits;

AND WHEREAS the parties agreed that a Disclosure Motion will be held on November 20, 2013 at 10:00 a.m. and a confidential pre-hearing conference will be held on January 16, 2014 at 10:00 a.m.;

AND WHEREAS Staff and counsel for Bobrow agreed that counsel for Bobrow will use his best efforts to provide to Staff any relevant Third Party Documents that Bobrow and Azeff intend to rely upon as evidence at the hearing on the merits before June 1, 2014, and in any event, no later than July 1, 2014;

AND WHEREAS on July 29, 2013, the Commission ordered that: 1. the Adjournment Motion brought by Bobrow was granted; 2. the original dates scheduled for the hearing on the merits shall be vacated; 3. the hearing on the merits shall commence on September 15, 2014, and continue up to and including November 7, 2014, save and except for September 23, 25 and 26, 2014, October 7, 13 and 21, 2014 and November 4, 2014; 4. a Disclosure Motion shall be held on November 20, 2013; 5. a confidential pre-hearing conference shall be held on January 16, 2014; and 6. counsel for Bobrow will use his best efforts to provide to Staff any relevant Third Party Documents that Bobrow and Azeff intend to rely upon as evidence at the hearing on the merits before June 1, 2014, and in any event, shall provide such Third Party Documents to Staff no later than July 1, 2014;

AND WHEREAS on November 19, 2013, Staff and counsel for Azeff and Bobrow, the moving parties on the Disclosure Motion, advised the Commission that the parties resolved the Disclosure Motion on consent and without costs, and that Azeff and Bobrow wished to withdraw their Disclosure Motion;

AND WHEREAS on November 20, 2013, the Commission ordered that the Disclosure Motion be withdrawn on a without costs basis and that the hearing date for the Disclosure Motion, being November 20, 2013, be vacated;

AND WHEREAS a confidential pre-hearing conference was held on January 16, 2014 and Staff and counsel for the Respondents attended and made submissions regarding the Respondents' disclosure obligations and provision of witness lists and witness summaries of the Respondents, as well as the authenticity and admissibility of Staff's documents at the hearing on the merits;

AND WHEREAS the parties indicated that they did not have the current intention to bring any further motions prior to the hearing on the merits and the Commission encouraged the parties, once again, to ensure that any further motions be brought before the Commission in a timely fashion to avoid any delay of the hearing on the merits;

AND WHEREAS all parties have the right to bring any motions should issues subsequently arise;

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

IT IS HEREBY ORDERED that:

1. the Respondents will advise Staff if they intend to object to the authenticity of any of the documents in Staff's hearing brief by July 1, 2014;

2. the Respondents will make their best efforts to advise Staff if they anticipate objecting to the admissibility of any of the documents in Staff's hearing brief by July 1, 2014 and in any event, no later than August 1, 2014;

3. the Respondents will make their best efforts to advise Staff of any additional documents (which are not in Staff's hearing brief) that they anticipate relying on at the hearing by July 1, 2014 and in any event, no later than August 1, 2014;

4. the Respondents will make their best efforts to provide Staff with witness lists and witness summaries in accordance with Rule 4.5(1), (2) and (3) of the Commission's Rules of Procedure by July 1, 2014 and in any event, no later than August 1, 2014; and

5. a further confidential pre-hearing conference shall be held on August 13, 2014 at 10:00 a.m.

DATED at Toronto this 7th day of February, 2014.

"Edward P. Kerwin"

2.2.6 BMO US High Dividend Covered Call ETF et al. – s. 1.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions

Headnote

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

Rules Cited

Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501 –
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS
(Rule)

AND

IN THE MATTER OF
BMO US HIGH DIVIDEND COVERED CALL ETF,
BMO FLOATING RATE HIGH YIELD ETF,
BMO SHORT-TERM US IG CORPORATE BOND HEDGED TO CAD INDEX ETF,
BMO DISCOUNT BOND INDEX ETF,
BMO EQUAL WEIGHT US BANKS INDEX ETF,
BMO MSCI EAFE INDEX ETF,
BMO MSCI EUROPE HIGH QUALITY HEDGED TO CAD INDEX ETF
(the Funds)

DESIGNATION ORDER
Section 1.1

WHEREAS each of the Funds is or will be listed on the Toronto Stock Exchange;

AND WHEREAS under the Universal Market Integrity Rules (UMIR), each Fund is considered an Exempt Exchange-traded Fund that is not subject to prohibitions related to trading during certain securities transactions;

AND WHEREAS the definition of “exchange-traded fund” in the Rule is substantially similar to the definition of Exempt Exchange-traded Fund in UMIR, and the purpose of the Rule and UMIR are substantially similar;

THE DIRECTOR HEREBY DESIGNATES each of the Funds as an exchange-traded fund for the purposes of the Rule.

Dated February 7, 2014

“Susan Greenglass”
Director, Market Regulation

2.2.7 Volta Resources Inc. – s. 1(6) of the OBCA

Headnote

Filer deemed to have ceased to be offering its securities to the public under the OBCA.

Applicable Legislative Provisions

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990, c. B.16, AS AMENDED
(the "OBCA")**

AND

**IN THE MATTER OF
VOLTA RESOURCES INC.
(the "Applicant")**

**ORDER
(Subsection 1(6) of the OBCA)**

UPON the application of the Applicant to the Ontario Securities Commission (the "**Commission**") for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares ("**Common Shares**");

2. The head office of the Applicant is located at 67 Yonge Street, Suite 602, Toronto, Ontario, M5E 1J8;

3. On November 14, 2013, the Applicant and B2Gold Corp. ("**B2Gold**") entered into an arrangement agreement pursuant to which B2Gold would acquire all of the issued and outstanding Common Shares based on an exchange ratio of 0.15 of a common share of B2Gold for each Common Share (the "**Exchange Ratio**") under a court-approved plan of arrangement under Section 182 of the OBCA (the "**Arrangement**");

4. The Arrangement was approved by the shareholders of the Applicant on December 17, 2013;

5. On December 19, 2013, a final order of the Superior Court of Justice (Ontario) was granted approving the Arrangement;

6. Pursuant to the articles of arrangement dated December 20, 2013 (the "**Effective Date**"), the Arrangement became effective as of 12:01 a.m. (the "**Effective Time**") on the Effective Date;

7. As of the Effective Time:

   (a) all of the issued and outstanding Common Shares held by securityholders of the Applicant were exchanged for common shares of B2Gold based on the Exchange Ratio;

   (b) the former securityholders of the Applicant became securityholders of B2Gold upon the exchange of their securities of the Applicant;

   (c) all of the outstanding stock options of the Applicant were exchanged and the former holders thereof received options to purchase common shares of B2Gold based on the Exchange Ratio; and

   (d) the Applicant became the wholly-owned subsidiary of B2Gold;

8. As of the date hereof all of the outstanding securities of the Applicant, including debt securities, which are beneficially owned, directly or indirectly, are held by B2Gold;

9. The Common Shares have been de-listed from the Toronto Stock Exchange, effective as of the close of trading on December 27, 2013;

10. No securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

11. The Applicant voluntarily surrendered its reporting issuer status in the Province of British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* and has received confirmation from the British Columbia Securities Commission dated January 7, 2014 that, effective January 13, 2014, the Applicant is not a reporting issuer in the Province of British Columbia;

12. The Applicant is a reporting issuer, or the equivalent, in all of the jurisdictions in Canada in which it is currently a reporting issuer and to its knowledge is currently not in default of any of the applicable requirements under the legislation. The Applicant has applied for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer (the "**Relief Requested**");

13. The Applicant has no intention to seek public financing by way of an offering of securities;

14. Upon the grant of the Relief Requested, the Applicant will not be a reporting issuer or equivalent in any jurisdiction of Canada;

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purpose of the OBCA.

DATED this 7th day of February, 2014.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Christopher Portner"
Commissioner
Ontario Securities Commission

2.3 Rulings

2.3.1 Ace Asset Management Inc – s. 74(1)

Headnote

Application to the Ontario Securities Commission for a ruling pursuant to subsection 74(1) of the Securities Act (Ontario) (the Act) for a ruling that the Applicant be exempted from the adviser registration requirements in subsection 25(3) of the Act. The Applicant will provide advice to certain Canadian Affiliates in Ontario only for so long as such affiliates remain affiliates of the Applicant. Filer acknowledged its activities did not comply with the registration requirements under applicable Canadian securities legislation. Exemptive relief granted is not retroactive.

Applicable Legislative Provisions

Securities Act, R.S.O., c. S.5, as am., ss. 25(3), 74(1).

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

AND

IN THE MATTER OF
ACE ASSET MANAGEMENT INC.

RULING
(Subsection 74(1) of the Act)

UPON the application (the **Application**) of Ace Asset Management Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for a ruling pursuant to subsection 74(1) of the Act that the Applicant be exempted from the adviser registration requirements in subsection 25(3) of the Act;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant is a corporation existing under the laws of the State of Delaware, based in New York. The Applicant does not have an office or employees in Canada.

2. The Applicant is part of a multi-national group of companies headquartered in Zurich, Switzerland and collectively known as the 'ACE Group'. The Applicant is an affiliated company of ACE INA Insurance and ACE INA Life Insurance (together, the **Canadian Companies**), both of which are insurance companies established under the laws of Canada that carry on business as Canadian federally licensed insurance companies with their head offices located in Toronto, Ontario. The Applicant is also an affiliated company of Combined Insurance Company of America (**Combined** and, together with the Canadian Companies, the **Canadian Affiliates**), which is established under the laws of the State of Illinois and carries on business in Canada as a federally licensed branch of a foreign insurance company with its Canadian head office in Markham, Ontario. Each of the Canadian Affiliates is a direct or indirect wholly-owned subsidiary or branch of ACE Limited, the parent company of the ACE Group.

3. The Applicant provides investment management services solely to entities in the ACE Group, including branches, subsidiaries and other entities related to ACE Limited. Given that the Applicant does not provide investment management services to entities outside of the ACE Group, the Applicant is exempt from the requirements to register as an adviser with the U.S. Securities and Exchange Commission under the United States *Investment Advisers Act of 1940*. As of October 31, 2013, the Applicant provided investment oversight on approximately $60 billion on behalf of entities in the ACE Group.

4. The Applicant provides investment advice and portfolio management services to the Canadian Affiliates with respect to the portfolio assets of the Canadian Affiliates maintained in connection with their respective Canadian businesses. For certain of the Canadian Affiliates, the provision of these services by the Applicant commenced as early as 2002. The Applicant provided these services to the Canadian Affiliates without obtaining adviser registration under the Act on the basis of a good faith determination that it was not providing advice to others with respect to investing in securities or buying or selling securities because it was providing such advice only to affiliates within the ACE Group. The Applicant

seeks to continue to provide investment advice and portfolio management services solely to affiliates in the ACE Group, including the Canadian Affiliates, on a basis that would not require adviser registration under the Act.

5. Except as indicated in the previous paragraph, the Applicant is not in default of any requirements of securities legislation in Ontario.

6. The Applicant provides investment advice and portfolio management services on a portfolio of assets held by an Affiliated Company that includes Canadian securities (being part of the investment objectives of the Canadian portfolios of the Canadian Affiliates). However, the international adviser registration exemption in section 8.26 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) does not apply with respect to the Canadian portfolio assets of the Canadian Affiliates managed by the Applicant since such advice is not incidental to the advice it is providing on a “foreign security” (as defined in Section 8.26(2) of NI 31-103).

7. There is no requirement for employees of a corporation to be registered as advisers under the Act if such employees provide investment advice to their employer on a portfolio assets held by such employer. The Canadian Affiliates do not currently employ, nor do they intend to employ, individuals who provide investment advice with respect to its Canadian portfolio assets, but rather the Canadian Affiliates have outsourced the adviser function to the Applicant, an affiliate of the Canadian Affiliates. Outsourcing the investment function is permitted under the federal insurance company legislation.

8. The Canadian portfolio assets held by the Canadian Affiliates and managed by the Applicant are owned by each of the respective Canadian Affiliates. There are no external stakeholders (such as, for example, holders of variable annuity contracts or segregated funds/separate accounts for policyholders) that have any direct interest in the performance of such portfolios. Accordingly, there are no stakeholders in Ontario or elsewhere other than the Canadian Affiliates that are directly affected by the investment advice provided by the Applicant.

9. Subsection 74(1) of the Act provides that a ruling may be made by the Commission that a person or company is not subject to section 25 of the Act, subject to such terms and conditions as the Commission considers necessary, where the Commission is satisfied that to do so would not be prejudicial to the public interest.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 74(1) of the Act, that the Applicant is exempt from the adviser registration requirements of subsection 25(3) of the Act in respect of it acting as an adviser to its affiliates in Ontario, provided that:

1. the Applicant provides investment advice and portfolio management services in Ontario only to its affiliates that:

   (a) are licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada or a branch of a foreign insurance company in Canada, or

   (b) are holding companies that have as their principal business activity to hold securities of one or more affiliates that are each licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada; and

2. with respect to any particular affiliate, the investment advice and portfolio management services provided in Ontario are provided only as long as that affiliate remains:

   (a) an "affiliate" of the Applicant as defined in the Act, and

   (b) a "permitted client" as defined in NI 31-103.

February 7, 2014

“Deborah Leckman”
Commissioner
Ontario Securities Commission

“Christopher Portner”
Commissioner
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 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

REASONS AND DECISION
(Subsections 127(1) and 127(10) of the Act)

Decision: February 6, 2014

Panel: James E. A. Turner – Vice-Chair

Counsel: Donna E. Campbell – For Staff of the Commission

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SCHEDULE “A” – FORM OF ORDER

REASONS FOR DECISION

I. OVERVIEW

[1] This was a hearing (the “**Hearing**”) conducted in writing before the Ontario Securities Commission (the “**Commission**”) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”) to consider whether it is in the public interest to make an order imposing market conduct restrictions against Victor George DeLaet (“**DeLaet**”) and Stanley George Gitzel (“**Gitzel**”) (together, the “**Respondents**”).

[2] A Notice of Hearing in this matter was issued by the Commission on November 12, 2013 and a Statement of Allegations was filed by Staff of the Commission (“**Staff**”) on the same date. Both the Notice of Hearing and the Statement of Allegations were duly served on the Respondents.

[3] On November 27, 2013, the Commission heard an application by Staff to convert this matter to a written hearing in accordance with Rule 11.5 of the Commission’s *Rules of Procedure* (2012), 35 OSCB 10071, and section 5.1(2) of the *Statutory*

Powers Procedure Act, R.S.O. 1990, c. S. 22, as amended. The Respondents were duly served with that application but did not appear at the application hearing or make any submissions.

[4] The Commission granted Staff's application to proceed by way of written hearing and set a schedule for submission of materials by the parties.

[5] Staff filed written submissions, a hearing brief and a brief of authorities.

[6] Neither DeLaet nor Gitzel filed written submissions. DeLaet sent an e-mail dated December 8, 2013 to the Commission opposing Staff's proposed sanctions, including the permanent ban from acquiring securities (see paragraphs 25 to 28). Gitzel sent an e-mail dated January 8, 2014 to the Commission indicating that he did not oppose the sanctions requested by Staff.

Facts

[7] The Respondents are subject to an order made by the Alberta Securities Commission (the "**ASC**") dated May 27, 2013 (the "**ASC Order**") that imposes sanctions, conditions, restrictions or requirements on them.

[8] In its findings on liability dated February 8, 2013, a panel of the ASC (the "**ASC Panel**") found that DeLaet and Gitzel each made materially misleading statements to investors, contrary to subsection 92(4.1) of the Alberta *Securities Act*, R.S.A. 2000, c. S-4 (the "**ASA**"). The ASC Panel also found that DeLaet perpetrated a fraud, contrary to subsection 93(b) of the ASA.

[9] The conduct for which the Respondents were sanctioned occurred between approximately May 2007 to February 2008 (the "**Material Time**").

The Investment Scheme

[10] DeLaet and Gitzel were directors or officers, or both directors and officers, of various issuers comprising the now bankrupt Focused Life Group of Companies (the "**Focused Group**"), a collection of several corporations and limited partnerships purporting to be established to participate in the "life settlement" industry in the United States. Under a life settlement, the future death benefits payable under a life insurance policy are sold to a buyer in exchange for an immediate payment to the person whose life is insured. The buyer expects a profit to the extent that the amount of the death benefits, when paid, exceeds the total of what was paid for the assignment, the cost of premiums to keep the life insurance policy in good standing until the insured person's death, the cost of reinsurance bonding, and transaction costs.

[11] According to the investment scheme, the purchased life insurance policies were to be backed by "reinsurance bonds". If the death benefits under a purchased policy were not paid within a specified time, the reinsurance bond would entitle the policy buyer to an equivalent payment from the bond issuer.

[12] In reality, only one of 27 life insurance policies sold was covered by a reinsurance bond. During the Material Time, the Focused Group raised approximately $35 million under four offerings of securities of the Focused Group pursuant to offering memoranda. No returns were ever generated from Focused Group's investment in life settlements.

[13] DeLaet was the controlling mind of each entity within the Focused Group. He bore primary responsibility for the written materials used to sell Focused Group securities. Gitzel was subordinate to DeLaet. Nonetheless, Gitzel had significant responsibilities for Focused Group operations, including the marketing of Focused Group securities to investors.

[14] Gitzel is also involved in an unrelated real estate development project (the "**Sundre Project**") involving certain land in or near Sundre, Alberta. Money was raised for this project from public investors, many of whom were also Focused Group investors. This project has met with difficulties. With the assistance of an independent developer, Gitzel continues to be involved in the Sundre Project including carrying out activities such as obtaining permits and approvals and selling lots once they are developed.

[15] Staff relies on subsection 127(10)4 of the Act, which permits the Commission to make an order under subsections 127(1) or 127(5) of the Act in respect of a person or company who is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company (see paragraph 44 of these reasons).

[16] These are my reasons for the market conduct restrictions I impose pursuant to subsections 127(1) of the Act in reliance on subsection 127(10) of the Act.

II. FINDINGS OF THE ALBERTA SECURITIES COMMISSION

[17] In its reasons, the ASC Panel found that:

(a) DeLaet and Gitzel each made direct misrepresentations in connection with the sale of Focused Group securities, contrary to section 92(4.1) of the ASA; and

(b) DeLaet engaged in a course of conduct that he knew would perpetrate a fraud, contrary to subsection 93(b) of the ASA.

The ASC Order

[18] The ASC Order imposed the following sanctions, conditions, restrictions or requirements on the Respondents:

(a) against DeLaet:

(i) under subsections 198(l)(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 subsections 198(l)(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 ASC's investigation and hearing;

(b) against Gitzel:

(i) under subsection 198(l)(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 subsection 198(l)(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 subsections 198(l)(d) and (e) of the ASA, 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 ASC's investigation and hearing.

III. SUBMISSIONS

A. SUBMISSIONS OF STAFF

[19] Staff submits that in order to protect Ontario investors and the integrity of Ontario capital markets it is in the public interest for the Commission to impose market conduct restrictions on the Respondents consistent with the sanctions imposed by the ASC pursuant to the ASC Order.

[20] Staff requests the following market conduct restrictions against DeLaet:

(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, the acquisition of any securities by DeLaet cease 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 a director or officer of any issuer; and

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

[21] Staff requests the following market conduct restrictions against Gitzel:

(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 ASC Order and the Order of the Commission in this proceeding) 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, the 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 and the Order of the Commission in this proceeding) 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 and the Order of the Commission in this proceeding) 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 any 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 any issuer, except that this order does not preclude him from acting as a director or officer (or both) of 1290569 Alberta Inc. and 1531663 Alberta Inc., for the purpose of moving forward the Sundre Project, 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.

[22] Staff does not request the imposition of administrative penalties against the Respondents.

[23] Staff submits that I am entitled to issue an order imposing those market conduct restrictions based on the evidence before me, which consists solely of the ASC Order and the ASC Panel's reasons for issuing the ASC Order.

B. SUBMISSIONS OF THE RESPONDENTS

DeLaet

[24] DeLaet did not appear at the hearing and, except as noted below, did not make written submissions.

[25] DeLaet made submissions via an e-mail to the Commission dated December 8, 2013. In his e-mail, he submits that the Commission has no reason to impose any sanctions on him because there is no evidence of any impending or future threat to the public. DeLaet also specifically opposes Staff's request for a permanent ban from acquiring any securities.

[26] DeLaet submits the proposed acquisition ban causes harm to his ability to retire and invest his retirement savings in shares of public or private companies. DeLaet submits that the proposed ban is a direct violation of his individual rights and freedoms under the *Canadian Charter of Rights and Freedoms* (the "***Charter***").

[27] DeLaet submits that the proposed market conduct restrictions are unnecessarily punitive. He further submits that there should be a separate hearing to prove that sanctions in Ontario are warranted and that investors in Ontario have been harmed. (I note, in this respect, that this written hearing constitutes a separate hearing to determine whether market conduct restrictions should be imposed upon DeLaet under the Act.)

[28] DeLaet submits that by granting the proposed ban in Ontario, the Commission will deny him his right under the Charter to make a proper living. Further, he cites the Canadian Human Rights Act (the "Human Rights Act") and submits that the sanctions proposed by Staff violate his right to invest in his retirement fund.

Gitzel

[29] Gitzel did not appear at the hearing and did not file written submissions.

[30] Gitzel sent an e-mail to the Commission dated January 8, 2014, indicating that he did not contest the sanctions requested by Staff.

C. STAFF REPLY SUBMISSIONS

[31] Staff submits that DeLaet's submissions raise three novel issues not addressed in Staff's original submissions:

(a) whether Staff's request that DeLaet be permanently prohibited from acquiring any securities pursuant to paragraph 2.1 of subsection 127(1) of the Act imposes sanctions upon DeLaet that are not substantially identical to those ordered by the ASC;

(b) whether the sanctions requested by Staff violate DeLaet's rights under sections 6 or 7 of the *Charter*; and

(c) whether the sanctions requested by Staff are discriminatory against DeLaet pursuant to the *Human Rights Act*.

Staff submits that all three of these submissions should be dismissed.

(a) Permanent Prohibition

[32] Staff submits that the order requested by Staff does not impose any sanctions upon DeLaet that are not substantially identical to those previously ordered by the ASC under the ASC Order. The order requested by Staff seeks to mirror the ASC Order, to the extent possible, given the slightly different statutory provisions in the ASA and the Act.

[33] Staff submits that any reciprocal order issued by the Commission in reliance on subsection 127(10) of the Act should be substantially identical to the order issued by the originating jurisdiction. For instance, given that the ASC Order permanently prohibits DeLaet from purchasing any securities, a permanent acquisition ban in Ontario would put in place a substantially identical market conduct restriction. Staff relies in this respect on the recent decision in *McLean v. British Columbia (Securities Commission)* 2013 SCC 67 ("***McLean***").

[34] Staff disagrees with DeLaet's submissions that the order requested by Staff has no bearing on the public interest and is unnecessarily punitive. The role of the Commission under section 127 of the Act is to protect the public interest including by removing from Ontario capital markets those whose past conduct is such as to warrant apprehension of future conduct detrimental to Ontario investors or the integrity of the Ontario capital markets.

[35] Staff submits that subsection 127(10) of the Act allows the Commission to consider any convictions of, or orders made against, an individual in other jurisdictions when deciding whether or not to make an order under subsection 127(1) of the Act in the public interest (*Euston Capital*, *supra*, at paras. 56 to 57). There is no requirement that the previous conduct have a direct nexus or connection to Ontario.

(b) Violation of the Charter

[36] DeLaet submits that the order requested by Staff violates his rights under sections 6 and 7 of the *Charter*. Staff disagrees with that submission.

[37] Section 6(2) of the *Charter* states:

> Every citizen of Canada and every person who has the status of a permanent resident of Canada has the right

(a) to move to and take up residence in any province; and

(b) to pursue the gaining of a livelihood in any province.

(*The Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (UK),1982, c ll, Part I *Canadian Charter of Rights and Freedoms* at section 6(2))

[38] Staff submit that the right to gain a livelihood is not absolute. Section 6(2) of the Charter must be read in conjunction with subsection 6(3), which limits that right:

(3) The rights specified in subsection (2) are subject to

(a) any laws or practices of general application in force in a province other than those that discriminate among persons primarily on the basis of province of present or previous residence; and

(b) any laws providing for reasonable residency requirements as a qualification for the receipt of publicly provided social services.

(*Charter*, *supra*, at section 6(3))

[39] Staff submits that the order requested, and any corresponding difficulty that DeLaet may experience in his ability to generate retirement income, is not discriminatory within the meaning of section 6(2) of the *Charter*.

[40] Section 7 of the *Charter* states that "[e]veryone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice".

[41] Staff submits that DeLaet's rights under section 7 of the *Charter* are not engaged by the order requested by Staff.

[42] Staff also disagrees with DeLaet's submission that the principles of fundamental justice have not been followed in this proceeding. DeLaet was served with copies of the Notice of Hearing, the Statement of Allegations and Staff's submissions. DeLaet had notice of this written hearing and of the case he had to meet, and he had an opportunity to respond to that case by making submissions, which he has done. Accordingly, Staff submits that there has been compliance with the principles of fundamental justice in this proceeding.

(c) The Canadian Human Rights Act

[43] Staff submits that the Commission has no authority to hear or decide issues under the *Human Rights Act*.

IV. ANALYSIS

(a) Subsection 127(10) of the Act

[44] Subsection 127(10) of the Act provides as follows:

127 (10) Inter-jurisdictional enforcement – Without limiting the generality of subsections (1) and (5), an order may be made under subsection (1) or (5) in respect of a person or company if any of the following circumstances exist:

…

4. The person or company is subject to an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on the person or company.

[45] The ASC Order makes the Respondents subject to an order of the ASC that imposes sanctions, conditions, restrictions or requirements on them, within the meaning of paragraph 4 of subsection 127(10) of the Act.

[46] In *Re Euston Capital Corp.* (2009), 32 OSCB 6313 ("***Euston Capital***"), the Commission concluded that subsection 127(10) can be the grounds for an order in the public interest under subsection 127(1) of the Act, based on a decision and order made in another jurisdiction:

> … we conclude that we can make an order against the Respondents pursuant to our public interest jurisdiction under section 127 of the Act on the basis of decisions and orders made in other jurisdictions, if we find it necessary in order to protect investors in Ontario and the integrity of Ontario's capital markets.
>
> (*Euston Capital*, *supra*, at para. 26)

[47] I therefore find that I have the authority to make a public interest order against the Respondents under subsection 127(1) of the Act, in reliance on subsection 127(10) of the Act, based on the ASC Order. To do so, I must conclude that such an order is in the public interest because it is necessary to protect Ontario investors or the integrity of Ontario capital markets. An important consideration is that the Respondents' conduct would have constituted a breach of the Act and/or would have been considered to be contrary to the public interest if that conduct had occurred in Ontario (*JV Raleigh Superior Holdings Inc., Re* (2013), 36 OSCB 4639 at para. 16 ("***JV Raleigh***")).

[48] I must also determine whether, based on the ASC Order, the market conduct restrictions proposed by Staff are appropriate in the circumstances.

(b) Exercising the Commission's Public Interest Discretion in Reliance on the ASC Order

[49] The ASC Panel imposed permanent market conduct sanctions against DeLaet based on its findings that DeLaet breached the ASA and engaged in a course of conduct that he knew would perpetrate a fraud. The Commission has consistently held that an act of fraud in connection with the issue of or trading in securities is one of the most serious securities violations. Staff submit that in order to prevent possible future harm to Ontario investors and to protect the integrity of Ontario capital markets, the Commission should exercise its jurisdiction to impose market conduct restrictions in the public interest that are substantially identical to the ASC Order.

[50] In *McLean*, the Supreme Court of Canada held that, given the reality of inter-provincial capital markets, there can be no disputing the indispensable nature of inter-jurisdictional co-operation among securities regulators in Canada. The Supreme Court observed in *McLean* that as a consequence of the "twin orders" of the Ontario and British Columbia Securities Commissions, the appellant in question was prohibited from engaging in "substantially identical conduct" in both Ontario and British Columbia for identical periods of time (*McLean*, *supra*, at paras. 15, 51 and 67). Accordingly, the Court upheld the issue of the reciprocal order by the British Columbia Securities Commission.

[51] The Commission has held that a transactional nexus to Ontario is not a necessary pre-condition to the exercise of the Commission's public interest jurisdiction. Rather, a connection to Ontario is only one of a number of factors to be considered in the exercise of the Commission's public interest discretion under section 127 of the Act (*Euston Capital*, *supra*, at para. 42). Further, Staff is not required in this proceeding to establish that investors in Ontario were harmed by DeLaet's previous conduct. The question is whether Ontario market conduct restrictions should be imposed on DeLaet to prevent possible future harm to Ontario investors or Ontario capital markets. The only evidence of the possibility of such harm is the ASC Order and the reasons of the ASC Panel sanctioning DeLaet for his past conduct in Alberta. We reject DeLaet's submission that Staff's requested market conduct restrictions are unnecessarily punitive.

(c) Violation of the Charter

[52] The Supreme Court of Canada held in *Canadian Egg Marketing Agency v. Richardson* [1998] 3 SCR 157 ("***Canadian Egg***") that section 6 of the *Charter* does not protect an individual's right to engage in any specific type of economic activity. Rather, section 6 of the *Charter* guarantees that mobility in pursuit of livelihood will not be prevented by means of unequal treatment on the basis of residence:

> The objective of s. 6 should not be interpreted in terms of a right to engage in any specific type of economic activity. Entrenching mobility with regard to specified factors of economic production was proposed and roundly rejected. By contrast, the inclusion of s. 6 in the Charter reflects a human rights objective: to ensure mobility of persons, and to that end, the pursuit of a livelihood on an equal footing with others regardless of residence. It guarantees the mobility of persons, not as a feature of the economic unity of the country, but in order to further a human rights purpose. It is centered on the individual. Section 6 neither categorically guarantees nor excludes the right of an individual to move goods, services, or capital into a province without regulation operating to interfere with that movement. Rather, s. 6 relates to an essential attribute of personhood, and guarantees that mobility in the pursuit of a livelihood will not be prevented by means of unequal treatment based on residence by the laws in force in the jurisdiction in which that livelihood is pursued.

> Given these purposes, the focus of the analysis in s. 6 is not the type of economic activity involved, but rather the purpose and effect of the particular regulation, and whether that purpose and effect infringes the right to be free from discrimination on the basis of residence in the pursuit of a livelihood.
>
> (*Canadian Egg*, at paras. 66 to 67)

[53] Accordingly, section 6 of the *Charter* does not affect the Commission's ability to impose market conduct restrictions on the Respondents in these circumstances.

[54] With respect to section 7 of the *Charter*, the Commission has held that an order prohibiting an individual from trading in shares does not violate that section. In *Glendale Securities Inc.*, (1996), 19 OSCB 6273 at page 26, and *Marchment & MacKay Ltd (Re)*, 19 OSCB 6637 at page 40, the Commission held that the ability to trade in securities is not a liberty interest protected by the Charter. The Commission noted the Divisional Court's decision in *Kopyto v. Law Society of Upper Canada*, in which the Court held "in our view, section 7 of the *Charter* does not guarantee a right to a particular livelihood or professional membership". Based on the Divisional Court's finding in *Kopyto*, the Commission concluded that section 7 of the *Charter* does not protect economic, commercial or property rights.

[55] Accordingly, I dismiss DeLaet's submissions with respect to sections 6 and 7 of the Charter.

(d) The Canadian Human Rights Act

[56] Any complaints pursuant to the *Human Rights Act* relating to discriminatory practices must be filed with the Canadian Human Rights Commission and must be heard by the Canadian Human Rights Tribunal. The Commission does not have the legislative authority to hear or decide issues arising under that Act. (*Canadian Human Rights Act*, R.S.O. 1985, c. H6, sections 40 and 48.1; *Tranchemontagne v. Ontario (Director, Disability Support Program)*, [2006] SCJ No. 14 ("***Tranchemontagne***") at paras. 39 to 40)

[57] In *Tranchemontagne*, the Supreme Court held that the Social Benefits Tribunal's mandate included the Human Rights Code of Ontario (the "**Ontario *Code***") and formed part of its legislative scheme (*Tranchemontagne*, *supra*, at para. 40). Unlike the legislative scheme in *Tranchemontagne*, the Commission does not have the legislative authority under the Act to apply the *Human Rights Act* to its proceedings.

[58] Further, unlike the Ontario *Code*, the *Human Rights Act* is a federal statute that prohibits discrimination by federally regulated agencies. The Commission, as a provincial administrative tribunal, does not have jurisdiction to hear matters under federal jurisdiction.

[59] Based on the foregoing, I dismiss DeLaet's submissions with respect to the *Human Rights Act*.

A. SHOULD MARKET CONDUCT RESTRICTIONS BE IMPOSED?

The Commission's Public Interest Jurisdiction

[60] In exercising the Commission's public interest jurisdiction under section 127 of the Act, I must consider the purposes of the Act. Those purposes, set out in subsection 1.1 of the Act, are:

(a) to protect investors from unfair, improper or fraudulent practices; and

(b) to foster fair and efficient capital markets and confidence in capital markets.

[61] In pursuing these purposes, I must have regard for the fundamental principles described in section 2.1 of the Act. That section provides that one of the primary means for achieving the purposes of the Act are restrictions on fraudulent and unfair market practices and procedures.

[62] Further, the Divisional Court in *Erikson v. Ontario (Securities Commission)* [2003] O.J. No. 593 (Div. Ct.) at para. 55 acknowledged that "participation in the capital markets is a privilege and not a right."

[63] The Supreme Court of Canada has held that the purpose of the Commission's public interest jurisdiction is neither remedial nor punitive; it is protective and preventative, intended to be exercised to prevent likely future harm to Ontario's capital markets (*Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, [2001] 2 SCR 132 ("***Asbestos***") at paras. 42 to 43). As stated in *Re Mithras Management Ltd.* (1990), 13 OSCB 1600 at 1610-1611:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now section 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In doing so we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.

[64] Accordingly, the Commission's public interest jurisdiction may be exercised to prevent possible future harm to Ontario investors and capital markets (see *Asbestos*, *supra*, at para. 41).

[65] While the Commission must make its own determination of what is in the public interest, it is important that the Commission recognize the increasingly complex and cross-jurisdictional nature of securities markets. (See *McLean*, *supra*, at para. 50 of these reasons, *JV Raleigh*, *supra*, at paras. 21-26, and *New Futures Trading International Corp.* (2013), 36 OSCB 5713 at paras. 22-27)

Reliance on Subsection 127(10) of the Act

[66] The Commission held in *Elliott, Re* (2009), 23 OSCB 6931 at para. 24 ("*Elliott*") that "subsection 127(10) ... allows the Commission to consider any convictions or orders made against an individual in other jurisdictions, when deciding whether or not to make an order under subsection 127(1) or (5) in the public interest."

[67] While the Commission may rely on the findings in another jurisdiction, it must satisfy itself that any order it makes is in the public interest:

> The applicability of subsection 127(10) to the BCSC Order and the Settlement Agreement does not automatically lead to the conclusion that this Panel must make an order similar to that made by the BCSC against Elliott. Rather, we must first consider whether or not sanctions are necessary to protect the public interest, before exercising any powers granted to us under subsections 127(1) and (5), and second, if necessary, consider what the appropriate sanctions should be.
>
> (*Elliott*, *supra*, at para. 27)

[68] As discussed above at paragraph 51 of these reasons, in issuing a public interest order made in reliance on subsection 127(10), the Commission can rely upon the findings made in other jurisdictions and does not require a direct connection between the misconduct that occurred and Ontario capital markets (*McLean* and *Euston Capital*, *supra*, *Weeres, Re* (2013), 36 OSCB 3608 and *Shantz (Re)* (2013), 36 OSCB 5993).

Reliance on the ASC Order

[69] In considering the imposition of market conduct restrictions in this matter, I am relying on the ASC Order and the reasons of the ASC Panel. In my view, it is not appropriate in doing so to revisit or second-guess the ASC Panel's findings.

[70] The ASC's findings are set out in paragraph 17 of these reasons. Had the relevant conduct of the Respondents occurred in Ontario, that conduct would have contravened Ontario securities law and would have been harmful to investors and the Ontario capital markets. DeLaet's conduct involved perpetrating a fraud on investors. Both Respondents by their conduct have demonstrated that they should not be permitted to freely participate in Ontario capital markets. That was the conclusion of the ASC Panel with respect to participation by the Respondents in the Alberta capital markets.

[71] I find that it is necessary and in the public interest to protect Ontario investors and the integrity of Ontario's capital markets to impose market conduct restrictions on the Respondents.

B. THE APPROPRIATE MARKET CONDUCT RESTRICTIONS

[72] Staff submits that the market conduct restrictions imposed in the ASC Order are appropriate to the misconduct of the Respondents and serve as both specific and general deterrence. Staff further submits that a protective order imposing market conduct restrictions on the Respondents, substantially identical to those imposed by the ASC Order, are appropriate to protect Ontario investors and Ontario capital markets from similar misconduct by the Respondents.

[73] In determining the nature and duration of the appropriate market conduct restrictions in these circumstances, I must consider the relevant facts and circumstances before me, including:

(a) the seriousness of the Respondents' conduct and breaches of the ASC Act;

(b) the harm to investors in Alberta;

(c) whether or not the restrictions I impose will serve to deter the Respondents from engaging in similar abuses of Ontario investors and Ontario capital markets; and

(d) the terms of the ASC Order.

[74] The most compelling facts in these circumstances are that the Respondents were found by the ASC Panel to have breached Alberta securities law and DeLaet was found to have perpetuated a fraud on investors.

[75] The ASC Panel found that DeLaet perpetrated a fraud on investors and stated that:

> We further found that DeLaet engaged in a course of conduct that he knew would perpetrate a fraud on investors, "lied and knew he was lying" and engaged in "a clear, continuing and deliberate deceit, its purpose to obtain money from investors."
>
> …
>
> It is clear to us that DeLaet does not "get it." He failed completely to acknowledge his responsibility for the harm done to investors through his deceit. We can only conclude that he does not himself, even now, recognize that harm and his causal role. This factor bolsters the need for significant protective sanctions against DeLaet.
>
> (ASC Order at paras. 32 and 40)

[76] In respect of Gitzel, the ASC Panel noted, "we do not consider him currently fit to raise money in the capital market."

[77] As mitigating considerations, the ASC Panel acknowledged Gitzel's lesser role in the Focused Group investment scheme. The ASC Panel held that Gitzel appreciated the seriousness of his misconduct and the harm done to investors, and the panel accepted as genuine Gitzel's contrition for the resulting harm. As noted above, Gitzel did not oppose the sanctions requested by Staff.

[78] There was an absence of mitigating factors in the case of DeLaet. The ASC Panel found DeLaet's failure to recognize the seriousness of his misconduct to be an aggravating factor, and concluded that DeLaet presented a risk of serious future harm to the capital markets.

[79] Based on the foregoing, I have concluded that it is in the public interest to make an order under subsection 127(1) of the Act imposing on the Respondents the market conduct restrictions set out below. Those market conduct restrictions are substantially identical to those imposed under the ASC Order and are for the same duration.

[80] I therefore impose the following market conduct restrictions on DeLaet:

(a) trading in any securities by DeLaet shall cease permanently;

(b) the acquisition of any securities by DeLaet shall cease permanently;

(c) any exemptions contained in Ontario securities law shall not apply to DeLaet permanently;

(d) DeLaet shall resign any positions that he holds as a director or officer of any issuer; and

(e) DeLaet shall be prohibited permanently from becoming or acting as an officer or director of any issuer;

[81] I impose the following market conduct restrictions on Gitzel:

(a) trading in any securities by Gitzel shall 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 ASC Order and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(b) the acquisition of any securities by Gitzel shall 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 and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(c) any exemptions contained in Ontario securities law shall 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 and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(d) Gitzel shall resign any positions that he holds as director or officer of any issuer other than the issuers referred to in paragraph (e) below; and

(e) Gitzel shall be prohibited until May 27, 2023 from becoming or acting as a director or officer of any 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 provided in the ASC Order, provided that such efforts do not involve trading in securities in Ontario or raising money from the investing public in Ontario.

V. CONCLUSION

[82] Accordingly, I find that it is in the public interest to issue an order in the form attached as Schedule “A” hereto.

DATED at Toronto this 6th day of February, 2014.

"James E. A. Turner"

Schedule "A"

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

ORDER
(Subsections 127(1) and 127(10))

WHEREAS on November 12, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in this matter pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Victor George DeLaet ("DeLaet") and Stanley Kenneth Gitzel ("Gitzel") (together, the "Respondents");

AND WHEREAS on November 12, 2013, Staff of the Commission ("Staff") filed a Statement of Allegations in this matter;

AND WHEREAS the Respondents are subject to an order dated May 27, 2013 made by the Alberta Securities Commission (the "ASC") that imposes sanctions, conditions, restrictions or requirements upon them within the meaning of paragraph 4 of subsection 127(10) of the Act (the "ASC Order");

AND WHEREAS on November 27, 2013, the Commission granted Staff's application to convert this matter to a written hearing in accordance with Rule 11.5 of Commission's *Rules of Procedure* (2012), 35 OSCB 10071 and section 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS Staff filed written submissions, a hearing brief and a brief of authorities;

AND WHEREAS DeLaet made written submissions by means of an e-mail to the Commission dated December 8, 2013, and Gitzel confirmed by e-mail dated January 8, 2014 that he did not oppose the requested sanctions by Staff;

AND WHEREAS I have found that it is in the public interest to issue this Order pursuant to subsection 127(1) of the Act in reliance upon subsection 127(10) of the Act;

IT IS HEREBY ORDERED THAT:

(a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by DeLaet shall cease permanently;

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

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

(d) pursuant to paragraph 7 of subsection 127(1) of the Act, DeLaet shall resign any positions that he holds as a director or officer of any issuer;

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

(f) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Gitzel shall 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 ASC Order and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(g) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Gitzel shall 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 and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(h) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall 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 and this Order) in RRSPs and RESPs for the benefit of one or more of Gitzel, his spouse and dependent children;

(i) pursuant to paragraph 7 of subsection 127(1) of the Act, Gitzel shall resign any positions that he holds as director or officer of any issuer other than the issuers referred to in paragraph (j) below; and

(j) pursuant to paragraph 8 of subsection 127(1) of the Act, Gitzel shall be prohibited until May 27, 2023 from becoming or acting as a director or officer of any 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 provided in the ASC Order; provided that such activities do not involve trading in securities in Ontario or raising money from the investing public in Ontario.

DATED at Toronto this 6th day of February, 2014.

____
James E. A. Turner

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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
Algae Biosciences Corporation	07 Feb 14	19 Feb 14		
Far City Mining Limited	06 Feb 14	18 Feb 14		
Solid Gold Resources Corp.	06 Feb 14	18 Feb 14		

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
BluMetric Environmental Inc.	30 Jan 14	11 Feb 14		13 Feb 14	
Innovative Composites International Inc.	07 Feb 14	19 Feb 14			
Penfold Capital Acquisition IV Corporation	05 Feb 14	18 Feb 14			
Stans Energy Corp.	30 Jan 14	11 Feb 14	11 Feb 14		

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
Innovative Composites International Inc.	07 Feb 14	19 Feb 14			
Penfold Capital Acquisition IV Corporation	05 Feb 14	18 Feb 14			
Stans Energy Corp.	09 Dec 13	20 Dec 13	20 Dec 13		
Stans Energy Corp.[1]	30 Jan 14	11 Feb 14	11 Feb 14		
Strike Minerals Inc.	19 Sept 13	01 Oct 13	01 Oct 13		
Strike Minerals Inc.[2]	18 Nov 13	29 Nov 13	29 Nov 13		

Note:

[1] New respondent was added to the MCTO against Stans Energy Corp.

[2] New respondent was added to the MCTO against Strike Minerals Inc.

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Chapter 5

Rules and Policies

5.1.1 OSC Rule 11-501 Electronic Delivery of Documents

OSC RULE 11-501 ELECTRONIC DELIVERY OF DOCUMENTS

Interpretation

1. (1) In this Rule

"form filer" means a person or company required or permitted by Ontario securities law to file or deliver a required document with the Ontario Securities Commission;

"NRD" has the meaning ascribed to it in National Instrument 31-102 *National Registration Database*;

"required document" means

(a) a document listed in Appendix A; or

(b) any other document required to be filed with or delivered to the Ontario Securities Commission under Ontario securities law by

(i) a market participant, or

(ii) another person or company exempted from a requirement of Ontario securities law by reason of section 147 of the Act or an application otherwise provided for in Ontario securities law;

"SEDAR" has the meaning ascribed to it in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

"SEDI" has the meaning ascribed to it in National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*.

(2) In this Rule, unless the context otherwise requires, "document" includes "information", "material" and "notice" as those words are used in Ontario securities law.

(3) In this Rule, a reference to a document that is required or permitted to be delivered includes a document that is required or permitted to be deposited with, or delivered, furnished, sent, provided or submitted to, the Ontario Securities Commission under Ontario securities law.

(4) The transmission of a document in electronic format to the Ontario Securities Commission under section 2 of this Rule constitutes

(a) if the document is required or permitted to be filed under Ontario securities law, the filing of that document under Ontario securities law; and

(b) if the document is required or permitted to be delivered to the Ontario Securities Commission under Ontario securities law, the delivery of that document.

Electronic filing

2. (1) Each required document of a person or company must be transmitted to the Ontario Securities Commission electronically by the person or company following the steps set out at https://www.osc.gov.on.ca/filings.

(2) Subsection 2(1) does not apply to any required document that is

(a) filed or delivered through SEDAR, SEDI or NRD;

(b) filed or delivered under the Ontario Securities Commission Rules of Procedure; or

(c) filed or delivered under Part V, Part VI or Part VII of the Securities Act.

Temporary technical difficulties exemption

3. (1) If unanticipated technical difficulties prevent the timely transmission of a required document, the form filer may transmit the document by e-mail as soon as practical and in any event no later than 2 business days after the day on which the filing was required.

(2) A filing under subsection (1) must include the following legend at the top of the first page:

THIS REPORT IS BEING FILED UNDER A TEMPORARY TECHNICAL DIFFICULTIES EXEMPTION

(3) In addition to filing or delivery under subsection (1), a copy of each completed required document of a form filer must be transmitted under section 2 as soon as practical after the unanticipated technical difficulty has been resolved and in any event no later than 3 business days after resolution of the technical difficulties.

(4) If a document is filed or delivered as required under this section, the date by which the document is required to be filed or delivered under Ontario securities law is deemed to be the date on which the document is filed electronically under section 2.

Exemption

4. The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

Effective Date

5. This Rule comes into force on February 19, 2014.

Appendix A

Document Reference	Description of Document
Securities Act, s. 1(10)	Applications to the Commission under clause 1(10) of the *Securities Act*
Securities Act, s. 1(11)	Applications to the Commission under clause 1(11) of the *Securities Act*
Securities Act, Part VIII	Applications to the Commission for recognition or designation under Part VIII of the *Securities Act*
Securities Act, s. 21.4	Applications to the Commission for the voluntary surrender of a recognition or designation under section 21.4 of the *Securities Act*
Securities Act, s. 75(3) 51-102, s. 7.1(2), 81-106, s. 11.2(4)	Confidential material change reports permitted to be filed under subsection 75(3) of the *Securities Act,* subsection 7.1(2) of National Instrument 51-102 *Continuous Disclosure Obligations,* or subsection 11.2(2) of NI 81-106 *Investment Fund Continuous Disclosure*
Securities Act, s. 75(4) 51-102, s. 7.1(5), 81-106, s. 11.2(4)	The notification required under subsection 75(4) of the *Securities Act*, subsection 7.1(5) of NI 51-102 *Continuous Disclosure Obligations*, or subsection 11.2(4) of NI 81-106 *Investment Fund Continuous Disclosure*
Securities Act, Part XXIII.1	Notices and other documents to be sent to the Commission under Part XXIII.1 of the *Securities Act*
Securities Act, s. 144	Applications to the Commission to vary or revoke a recognition or designation granted under Part VIII of the *Securities Act*
11-202	Pre-filings or waiver applications within the meaning of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*
11-203	Pre-filings, as defined in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*
11-203	Applications, as defined in National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*
11-205	Applications to become Designated Rating Organization, under the process set out in National Policy 11-205 *Process for Designation of Credit Rating Organizations in Multiple Jurisdictions*
12-202	Applications to vary or revoke a CTO as defined in National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order*
13-101 s. 2.1	Documents to be filed with the Commission by issuers not required to comply with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval* in accordance with section 2.1 of that Instrument
13-101 s. 2.3	Documents to be filed with the Commission in paper format under section 2.3 of National Instrument 13-101 *System for Electronic Document Analysis and Retrieval*
13-502F4	Form 13-502F4 *Capital Markets Participation Fee Calculation*
13-502F5	Form 13-502F5 *Adjustment of Fee for Registrant Firms and Unregistered Exempt International Firms*
13-503F1	Form 13-503F1 *Capital Markets Participation Fee Calculation (Firms registered only under the Commodity Futures Act)*
13-503F2	Form 13-503F2 *Adjustment of Fee for Registrant Firms registered only under the Commodity Futures Act*
13-502F8	Form 13-502F8 *Designated Rating Organizations – Participation Fee*
21-101F1	Form 21-101F1 *Information Statement Exchange or Quotation and Trade Reporting System*
21-101F2	Form 21-101F2 *Initial Operation Report Alternative Trading System*

Document Reference	Description of Document
21-101F3	Form 21-101F3 *Quarterly Report of Alternative Trading System Activities*
21-101F4	Form 21-101F4 *Cessation of Operations Report for Alternative Trading System*
21-101F5	Form 21-101F5 *Initial Operation Report for Information Processor*
21-101F6	Form 21-101F6 *Cessation of Operations Report for Information Processor*
24-101F1	Form 24-101F1 *Registered Firm Exception Report of DAP/RAP Trade Reporting and Matching*
24-101F2	Form 24-101F2 *Clearing Agency - Quarterly Operations Report of Institutional Trade Reporting and Matching*
24-101F3	Form 24-101F3 *Matching Service Utility - Notice of Operations*
24-101F4	Form 24-101F4 *Matching Service Utility - Notice of Cessation of Operations*
24-101F5	Form 24-101F5 *Matching Service Utility - Quarterly Operations Report of Institutional Trade Reporting and Matching*
25-101F1	Form 25-101F1 *Designated Rating Organization Application and Annual Filing*
25-101F2	Form 25-101F2 *Submission to Jurisdiction and Appointment of Agent for Service of Process*
31-103 s. 11.9	Notice of acquisition pursuant to section 11.9 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
31-103 s. 11.10	Notice of acquisition pursuant to section 11.10 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
31-103 s. 12.2	Notice of repayment or termination of subordination agreement pursuant to section 12.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
31-103 s. 12.7	Notice of change, claim or cancellation of insurance policy pursuant to section 12.7 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
31-103F1	Form 31-103F1 *Calculation of Excess Working Capital*, together with associated financial information as required by sections 12.12, 12.13 and 12.14 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*
31-103F2	Form 31-103F2 *Submission to Jurisdiction and Appointment of Agent for Service*
31-103F3	Form 31-103F3 *Use of Mobility Exemption*
31-317	CSA Staff Notice: 31-317 (Revised) *Reporting Obligations Related to Terrorist Financing*
32-102F1	Form 32-102F1 *Submission to Jurisdiction and Appointment of Agent for Service for International Investment Fund Manager*
32-102F2	Form 32-102F2 *Notice of Regulatory Action*
33-109F5	Form 33-109F5 *Change of Registration Information*
33-109F6	Form 33-109F6 *Firm Registration*
33-506F5	Form 33-506F5 *Change of Registration Information (Commodity Futures Act)*
33-506F6	Form 33-506F6 *Firm Registration (Commodity Futures Act)*
35-101F1	Form 35-101F1 *Form of Submission to Jurisdiction and Appointment of Agent for Service of Process by Broker-Dealer*

Document Reference	Description of Document
35-101F2	Form 35-101F2 *Form of Submission to Jurisdiction and Appointment of Agent for Service of Process by Agents of the Broker-Dealer*
43-101F1	Form 43-101F1 *Technical Report*
45-101F	Form 45-101F *Information Required in a Rights Offering Circular*
45-101 s. 3.1(1)2	A statement of the issuer sent pursuant to paragraph 2 of subsection 3.1(1) of National Instrument 45-101 *Rights Offerings*
45-101 s. 10.1	Notice and materials sent pursuant to subsection 10.1 of National Instrument 45-101 *Rights Offerings*
45-106F1	Form 45-106F1 *Report of Exempt Distribution*
45-106 s. 2.42(2)(a)	Notice to the Commission given pursuant to paragraph 2.42(2)(a) of National Instrument 45-106 *Prospectus and Registration Exemptions*
45-106 s. 4.1(4)	Letters filed with the Commission pursuant to subsection 4.1(4) of National Instrument 45-106 *Prospectus and Registration Exemptions*
45-501F1	Form 45-501F1 *Report of Exempt Distribution*
45-501 s. 5.4	Delivery of an offering memorandum or any amendment to a previously delivered offering memorandum in accordance with section 5.4 of OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions*
71-101F1	Form 71-101F1 *Forms of Submission to Jurisdiction and Appointment of Agent for Service of Process*
81-102 s. 5.8(3)	Notice to the Commission by a manager under subsection 5.8(3) of National Instrument 81-102 *Mutual Funds*
81-102 s. 6.7(3)	Delivery of custodian compliance reports under subsection 6.7(3) of National Instrument 81-102 *Mutual Funds*
81-102 s. 12.1(2), 12.1(3)	Compliance reports under subsection 12.1(2) or 12.1(3) of National Instrument 81-102 *Mutual Funds*
81-106 s. 2.11(c)	Notice to the Commission that a mutual fund is relying on the exemption not to file its financial statements in section 2.11 of National Instrument 81-106 *Investment Fund Continuous Disclosure*
91-507, Part 4	OTC Derivative Trade Reporting (not already reported to repository) pursuant to Part 4 of OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*
Business Corporations Act, s. 1(6)	Applications to the Commission under subsection 1(6) of the *Business Corporations Act*
Business Corporations Act, s. 46(4)	Applications to the Commission under subsection 46(4) of the *Business Corporations Act*
Business Corporations Act, s. 113	Applications to the Commission under section 113 of the *Business Corporations Act*
Business Corporations Act, s. 158(1.1)	Applications to the Commission under subsection 158(1.1) of the *Business Corporations Act*
Business Corporations Act, s. 190(6)	Applications to the Commission under subsection 190(6) of the *Business Corporations Act*
Ont. Reg. 289/00 made under the Business Corporations Act, s. 4(b)	Applications to the Commission for consents under subsection 4(b) of Ont. Reg. 289/00 made under the *Business Corporations Act*

Document Reference	Description of Document
Loan and Trust Corporations Act, s. 213(3)(b)	Applications to the Commission for approvals under subsection 213(3)(b) of the *Loan and Trust Corporations Act*

5.1.2 Amendments to NP 11-202 Process for Prospectus Reviews in Multiple Jurisdictions, NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions and NP 11-205 Process for Designation of Credit Rating Organizations in Multiple Jurisdictions

POLICY AMENDMENT IN ONTARIO TO
NATIONAL POLICY 11-202 *PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS*

1. Section 8.1 of National Policy 11-202 Process for Prospectus Reviews in Multiple Jurisdictions is changed by adding the following after subsection 8.1(1):

(1.1) Despite subsection (1), in Ontario prefilings and waiver applications are submitted in accordance with Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*.

2. Section 1 becomes effective February 19, 2014.

POLICY AMENDMENT IN ONTARIO TO
NATIONAL POLICY 11-203 *PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS*

1. Section 5.5 of National Policy 11-203 Process for Exemptive Relieve Applications in Multiple Jurisdictions is changed by replacing "applications@osc.gov.on.ca***" with "***https://www.osc.gov.on.ca/filings***".***

2. Section 1 becomes effective February 19, 2014.

POLICY AMENDMENT IN ONTARIO TO
NATIONAL POLICY 11-205 *PROCESS FOR DESIGNATION OF*
CREDIT RATING ORGANIZATIONS IN MULTIPLE JURISDICTIONS

1. Section 13 of National Policy 11-205 Process for Designation of Credit Rating Organizations in Multiple Jurisdictions is changed by replacing "applications@osc.gov.on.ca***" with "***https://www.osc.gov.on.ca/filings***".***

2. Section 1 becomes effective February 19, 2014.

5.1.3 Amendment to R.R.O. 1990, Reg. 1015

ONTARIO REGULATION
made under the
SECURITIES ACT
amending Reg. 1015 of R.R.O. 1990
(GENERAL)

1. Subsection 3(1.2) of Regulation 1015 of the Revised Regulations of Ontario, 1990 is revoked.

2. Section 4 of the Regulation is amended by striking out "shall be marked "Confidential" and placed in an envelope addressed to the Secretary marked "Confidential — s. 75"" at the end of the portion after clause (b) and substituting "shall be designated as confidential and refer to section 75 of the Act".

3. Section 161 of the Regulation is amended by striking out the portion before clause (a) and substituting the following:

> **161.** Except as otherwise provided in the Act, section 174 of this Regulation, Ontario Securities Commission Rule 11-501 *Electronic Delivery of Documents to the Ontario Securities Commission*, Ontario Securities Commission Rule 55-502 *Facsimile Filing or Delivery of Section 109 Reports*, National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*,

Commencement

4. This Regulation comes into force on the later of February 19, 2014 and the day this Regulation is filed.

Chapter 7

Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-16F1 AND 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/04/2013 to 12/31/2013	37	Acker Finley Select Canada Focus Fund - Units	162,976.17	18,547.30
01/01/2013 to 12/31/2013	60	Acker Finley Select US Value 50 Fund - Units	1,212,286.70	3,334,453.82
01/14/2014 to 01/24/2014	26	Advantagewon Oil Corp. - Common Shares	1,154,100.00	11,541,000.00
01/16/2014	1	Affinity Asia Pacific Fund IV (No. 2) L.P. - Limited Partnership Interest	164,580,000.00	1.00
01/22/2014	7	Ainslie Oil Corp. - Units	186,000.00	803,332.00
01/14/2014	4	Amorfix Life Science Ltd. - Units	280,000.00	1,000,000.00
01/31/2013 to 11/29/2013	8	Artemis Asset Allocation Fund - Units	14,850.00	N/A
11/01/2013	3	AYAL Capital Advisors Canadian Feeder LP - Limited Partnership Units	10,000,000.00	100,000.00
11/01/2013	1	AYAL Capital Advisors Fund LP - Limited Partnership Units	143,100,000.00	1,431,000.00
01/14/2014	2	Azincourt Uranium Inc. - Common Shares	1,500,000.00	5,050,504.00
01/21/2014	1	Bank of Montreal - Notes	10,972,000.00	1.00
01/17/2014	2	Barclay Bank PLC - Notes	500,000.00	N/A
01/17/2014	3	Barclays Bank PLC - Notes	550,000.00	3.00
01/17/2014 to 01/21/2014	2	Barclays Bank PLC - Notes	100,000.00	N/A
01/22/2014	34	Beacon Consumer Holdings Inc. - Notes	1,804,000.00	35.00
12/30/2013	2	Bowmore Exploration Ltd. - Units	268,905.00	2,068,500.00
02/08/2013 to 12/27/2013	2	BTH Tactical Growth Fund - Units	304,619.66	24,342.36
01/07/2013 to 12/31/2013	134	Burgundy American Equity Fund - Units	47,994,060.36	N/A
01/07/2013 to 12/31/2013	73	Burgundy Asian Equity Fund - Units	26,483,687.50	N/A
01/07/2013 to 12/30/2013	20	Burgundy Balanced Foundation Fund - Units	33,325,243.59	N/A
01/07/2013 to 04/15/2013	2	Burgundy Balanced Income Fund - Units	31,967.94	N/A
01/07/2013 to 12/23/2013	18	Burgundy Balanced Pension Fund - Units	84,822,042.17	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/07/2013 to 12/31/2013	335	Burgundy Bond Fund - Units	49,476,566.74	N/A
02/25/2013 to 12/23/2013	9	Burgundy Canada Equity Fund - Units	4,936,963.53	N/A
01/14/2013	1	Burgundy Canada Plus Fund - Units	499,999.99	N/A
01/21/2013 to 12/23/2013	5	Burgundy Canadian Large Cap Fund - Units	46,647,240.21	N/A
01/07/2013 to 12/31/2013	126	Burgundy Canadian Small Cap Fund - Units	37,685,757.48	N/A
01/14/2013 to 12/23/2013	18	Burgundy Compound Reinvestment Fund - Units	20,642,170.77	N/A
02/19/2013 to 12/30/2013	6	Burgundy Core Plus Bond Fund - Units	10,134,511.65	N/A
01/21/2013 to 11/11/2013	3	Burgundy EAFE Fund - Units	7,411,218.60	N/A
01/07/2013 to 12/31/2013	85	Burgundy Emerging Markets Fund - Units	142,187,498.37	N/A
01/07/2013 to 12/31/2013	94	Burgundy European Equity Fund - Units	33,851,858.18	N/A
02/28/2013 to 08/26/2013	2	Burgundy European Foundation Fund - Units	2,282,900.01	N/A
01/07/2013 to 12/23/2013	30	Burgundy Focus Asian Equity Fund - Units	987,952.56	N/A
01/07/2013 to 12/30/2013	100	Burgundy Focus Canadian Equity Fund - Units	128,374,025.08	N/A
01/21/2013 to 12/30/2013	41	Burgundy Global Focused Opportunities Fund - Units	7,686,028.06	N/A
03/04/2013	1	Burgundy Government Bond Fund - Units	10,000.00	N/A
01/14/2013	2	Burgundy Independence Fund - Units	599,999.99	N/A
01/07/2013 to 12/31/2013	608	Burgundy Money Market Fund - Units	236,296,529.45	N/A
01/07/2013 to 12/23/2013	66	Burgundy Partners' Balanced RSP Fund - Units	5,242,834.59	N/A
06/24/2013 to 12/09/2013	2	Burgundy Partners' Equity RSP Fund - Units	476,343.96	N/A
01/07/2013 to 12/31/2013	1402	Burgundy Partners' Global Fund - Units	342,860,406.33	N/A
09/30/2013 to 12/31/2013	29	Burgundy Partners' Opportunities Fund - Units	32,792,033.78	N/A
01/07/2013 to 12/31/2013	449	Burgundy Total Return Bond Fund - Units	41,764,310.65	N/A
01/14/2013	1	Burgundy T.S. Fund - Units	500,000.00	N/A
08/30/2013	1	Burgundy U.S. Mid Cap Fund - Units	999,999.99	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/14/2013 to 12/31/2013	40	Burgundy U.S. Money Market Fund - Units	21,223,809.57	N/A
01/07/2013 to 12/31/2013	125	Burgundy U.S. Smaller Companies Fund - Units	34,301,462.65	N/A
01/14/2013 to 12/30/2013	42	Burgundy U.S. Small/Mid Cap Fund - Units	23,610,987.37	N/A
12/31/2013	38	B.E.S.T. Active 365 Fund LP - Limited Partnership Units	1,683,690.05	N/A
01/01/2013 to 12/31/2013	63	Canadian ABCP Fund LP - Units	51,308,530.00	513,085.00
01/01/2013 to 12/31/2013	245	Canadian ABCP Investment Fund - Units	24,385,881.00	176,294.00
01/22/2014	1	Canadian Continental Exploration Corp. - Warrants	0.00	250,000.00
12/31/2013	10	Canadian First Financial Group Inc. - Common Shares	411,247.05	N/A
01/10/2014	6	Canadian Imperial Bank of Commerce - Notes	2,700,000.00	27,000.00
01/02/2014	1	Cevian Capital II Ltd. - Common Shares	6,805,120.00	64,000.00
01/01/2013 to 11/01/2013	24	ChapelGate Credit Opportunity Fund Limited - Common Shares	43,798,224.72	158,423.00
01/01/2013 to 11/01/2013	1	ChapelGate Credit Opportunity Fund Limited - Common Shares	783,225.00	7,351.76
01/01/2013 to 11/01/2013	1	ChapelGate Credit Opportunity Fund Limited - Common Shares	500,196.00	4,750.20
01/23/2014	1	CHC Gold Ltd. - Common Shares	55,650.00	5,000.00
01/01/2013 to 12/31/2013	7	CIBC Balanced Fund - Units	11,604,676.40	N/A
01/01/2013 to 12/31/2013	8	CIBC Canadian Bond 30 Year Duration Pool - Units	225,860,309.84	N/A
01/01/2013 to 12/31/2013	18	CIBC Canadian Bond Active Universe Pool - Units	48,064,491.08	N/A
01/01/2013 to 12/31/2013	10	CIBC Canadian Bond Corporate Investment Grade Pool - Units	39,810,819.81	N/A
01/01/2013 to 12/31/2013	11	CIBC Canadian Bond Long Term Index Pool - Units	595,983,024.48	N/A
01/01/2013 to 12/31/2013	18	CIBC Canadian Bond Universe Index Pool - Units	161,029,561.00	N/A
01/01/2013 to 12/31/2013	14	CIBC Canadian Equity All Cap Value Pool - Units	40,351,876.31	N/A
01/01/2013 to 12/31/2013	6	CIBC Canadian Equity Large Cap Dividend Value Pool - Units	9,089,684.26	N/A
01/01/2013 to 12/31/2013	8	CIBC Canadian Equity Small Cap Pool - Units	47,974,034.69	N/A
01/01/2013 to	8	CIBC Canadian Equity S&P/TSX Index Fund - Units	142,809,333.46	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/31/2013				
01/01/2013 to 12/31/2013	22	CIBC Canadian Money Market Fund - Units	53,187,112.76	N/A
01/01/2013 to 12/31/2013	16	CIBC EAFE Equity Pool - Units	12,674,432.33	N/A
01/01/2013 to 12/31/2013	1	CIBC Global Balanced Fund - Units	11,564,193.25	N/A
01/01/2013 to 12/31/2013	3	CIBC Global Equity Growth Pool - Units	15,020,516.45	N/A
01/01/2013 to 12/31/2013	5	CIBC International Equity Index Pool - Units	6,411,375.20	N/A
01/01/2013 to 12/31/2013	11	CIBC Socially Responsible Balanced Pool - Units	23,639,980.43	N/A
01/01/2013 to 12/31/2013	9	CIBC US Equity Value Pool - Units	9,172,723.35	N/A
01/01/2013 to 12/31/2013	16	CIBC U.S. Equity S&P 500 Index Pool - Units	7,139,490.20	N/A
01/12/2011 to 12/07/2011	13	CIBC Wood Gundy Enhanced Equity Fund - Units	1,034,990.00	121,274.61
05/02/2012	1	CIBC Wood Gundy Enhanced Equity Fund - Units	100,000.00	12,425.60
01/01/2013 to 12/31/2013	2	Claren Road Credit Fund Ltd. - Common Shares	3,571,205.70	3,499.00
01/14/2014	3	Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. - Notes	22,830,060.79	3.00
01/22/2014	23	Coro Mining Corp. - Units	1,020,500.00	10,205,000.00
01/16/2014	35	Corse Energy Corp. - Special Warrants	5,175,000.00	5,840,000.00
11/21/2013 to 12/20/2013	25	Creative Wealth Monthly Pay Trust - Trust Units	918,310.00	91,831.00
01/23/2014	3	Credit Agricole S.A. - Notes	6,660,000.00	6,000.00
01/28/2014	46	Desert Star Resources Ltd. - Units	1,051,899.84	5,843,888.00
02/01/2013 to 12/01/2013	1	ECM Feeder Fund 1 - Units	248,965,913.00	1,592,662.59
05/01/2013 to 12/02/2013	106	EHP Advantage Fund - Units	7,893,610.00	N/A
01/01/2013 to 12/31/2013	3	Elliott International Limited - Common Shares	22,973,351.15	22,309.45
01/23/2014	3	EP Energy Corporation - Common Shares	8,880,000.00	400,000.00
12/13/2013	314	Evans Value Fund - Units	1,708,334.00	96,666.59
01/10/2013 to 08/26/2013	10	Excalibur Capital Protection Fund - Limited Partnership Units	4,140,709.49	77.54
01/01/2013 to 12/31/2013	40	FAM Balanced Fund - Units	15,518,589.00	143,378.50

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2013 to 12/31/2013	113	FAM Registered Balanced Fund - Units	5,023,894.00	46,062.85
01/01/2013 to 12/31/2013	18	Fiera Quantum Diversified Alpha Fund - Units	2,152,216.00	18,454.00
01/16/2014	37	First Access Funding Corp. - Debentures	997,000.00	37.00
01/01/2014 to 01/08/2014	9	Foremost Mortgage Trust - Mortgage	1,508,337.00	1,508,337.00
01/22/2013 to 12/31/2013	12	GE Asset Management Canada Fund- Canadian Equity - Units	29,451,622.53	2,346,964.67
12/31/2013	1	GE Asset Management Canada Fund- Multistyle Equity - Units	3,649,001.34	249,431.17
12/31/2013	3	GE Asset Management Canada Fund - International Equity - Units	4,807,111.50	366,675.70
01/04/2013 to 12/31/2013	2	GE Asset Management Canada Fund II - Canada Equity - Units	18,621,388.76	1,591,460.68
12/31/2013	112	Ginkgo Mortgage Investment Corporation - Preferred Shares	1,315,365.08	131,536.51
01/10/2014	13	GreenStar Agricultural Corporation - Units	1,396,925.00	1,643,441.00
01/20/2014	11	GreenStar Agricultural Corporation - Units	477,400.00	561,647.00
01/07/2014	40	Greystone Real Estate Fund Inc. - Common Shares	52,395,000.00	514,438.04
01/21/2014	2	Harbinger Group Inc. - Notes	6,050,000.00	5,500.00
01/01/2013 to 12/31/2013	6	HCP Bank Fund L.P. - Limited Partnership Units	1,575,000.00	81,200.00
01/01/2013 to 12/31/2013	77	HCP Financials Market Neutral Fund - Trust Units	6,836,600.00	68,366.00
01/01/2013 to 12/31/2013	24	HCP Financials Opportunities Fund L.P. - Limited Partnership Units	8,120,000.00	81,200.00
01/22/2014	1	JinkoSolar Holding Co; Ltd. - American Depository Shares	782,600.00	20,000.00
01/15/2014	4	JP Morgan Bank Canada - Notes	10,230,000.00	4.00
01/17/2014 to 01/21/2014	6	JP Morgan Structured Products B.V. - Notes	1,000,000.00	N/A
04/01/2013 to 12/01/2013	6	KAIOG Partners Fund L.P. - Units	4,290,000.00	N/A
04/01/2013 to 12/01/2013	7	KAIOG Partners Fund L.P. - Units	1,825,000.00	13,367.10
04/01/2013 to 12/01/2013	1	KAIOG Partners Fund L.P. - Units	750,000.00	N/A
05/01/2013 to 12/01/2013	2	King Street Capital Ltd. - Units	21,388,600.00	N/A
12/01/2013	1	King Street Europe Ltd. - Common Shares	21,388,600.00	N/A
11/30/2013 to	13	Kootney Energy RSP Fund - Units	105,778.20	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/31/2013				
01/01/2013 to 12/31/2013	102	Leith Wheeler Canadian Equity Fund Series A - Units	150,183,116.35	4,295,864.69
01/01/2013 to 12/31/2013	51	Leith Wheeler Core Active Bond Pooled Fund - Units	94,648,087.70	9,147,413.09
01/01/2013 to 12/31/2013	14	Leith Wheeler Diversified Pooled Fund - Units	91,800,937.30	7,256,656.27
01/01/2013 to 12/31/2013	74	Leith Wheeler Fixed Income Fund Series A - Units	21,382,114.39	1,957,798.32
01/01/2013 to 12/31/2013	77	Leith Wheeler Income Advantage Fund Series A - Units	8,762,350.53	822,287.99
01/01/2013 to 12/31/2013	1	Leith Wheeler Income Pooled Fund - Units	74,000.00	6,727.71
01/01/2013 to 12/31/2013	249	Leith Wheeler International Pooled Fund - Units	107,920,629.21	7,097,309.58
01/01/2013 to 12/31/2013	53	Leith Wheeler Special Canadian Equity Pooled Fund - Units	22,649,437.98	4,500,314.62
01/01/2013 to 12/31/2013	12	Leith Wheeler Unrestricted Diversified Pooled Fund - Units	109,116,916.62	9,201,178.48
01/01/2013 to 12/31/2013	176	Leith Wheeler US Equity Fund Series A - Units	16,152,549.09	4,979,326.92
01/01/2013 to 12/31/2013	13	Leith Wheeler US Pension Pooled Fund - Units	9,177,492.42	2,866,045.85
09/20/2013 to 12/31/2013	5	Lightwater Conservative Long Short Fund - Units	528,749.27	8,334.00
10/04/2013	1	Lone Star Real Estate Fund III (Bermuda) L.P. - Limited Partnership Interest	6,183,600.00	0.16
01/27/2014	50	Loyalist Group Limited - Common Shares	10,010,000.00	14,300,000.00
01/01/2013 to 12/31/2013	39	Manion Wilkins & Associates Ltd. - Units	328,138,978.00	1,858,994.22
12/31/2013	173	Marquest Mining 2013-II Super Flow-Through Limited Partnership - Units	4,645,000.00	N/A
01/01/2013 to 12/31/2013	47	Mawer Balanced Pooled Fund - Trust Units	322,134,680.78	28,200,766.37
01/01/2013 to 12/31/2013	27	Mawer Canadian Bond Pooled Fund - Trust Units	90,616,686.73	9,294,908.98
01/01/2013 to 12/31/2013	30	Mawer Canadian Equity Pooled Fund - Trust Units	243,034,243.03	12,564,663.66
01/01/2013 to 12/31/2013	20	Mawer International Equity Pooled Fund - Trust Units	107,322,323.46	8,694,454.82
01/01/2014 to 01/29/2014	10	MCF Securities Inc. - Units	510,982.18	510,982.18
01/21/2014	3	mDialog Corporation - Debentures	250,000.00	3.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/14/2014	1	Metalex Ventures Ltd. - Flow-Through Shares	79,953.88	639,631.00
01/24/2014	2	Morgan Stanley - Notes	4,424,800.00	4,000.00
12/31/2013	9	Morrison Laurier Mortgage Corporation - Preferred Shares	1,089,390.00	N/A
01/29/2014	30	Myca Health Inc. - Units	1,378,125.89	322,770.00
01/20/2014	3	MyHealth Partners Inc. - Common Shares	1,750,175.00	1,750.00
01/04/2013 to 12/27/2013	344	NWM Balanced Mortgage Fund - Units	94,770,022.76	N/A
01/02/2013 to 12/31/2013	334	NWM Bond Fund - Units	49,982,701.82	N/A
01/31/2013 to 12/31/2013	47	NWM Canadian Tactical high Income Fund - Units	16,356,100.00	N/A
07/19/2013 to 12/27/2013	87	NWM Core Portfolio Fund - Units	21,649,122.69	N/A
01/04/2013 to 12/27/2013	205	NWM Global Bond Fund - Units	24,685,147.31	N/A
01/04/2013 to 12/27/2013	260	NWM Global Equity Fund - Units	40,777,997.91	N/A
01/04/2013 to 12/27/2013	289	NWM High Yield Bond Fund - Units	44,926,022.43	N/A
01/04/2013 to 12/27/2013	145	NWM Precious Metal Fund - Units	12,550,425.00	N/A
01/04/2013 to 12/27/2013	182	NWM Preferred Share Fund - Units	29,222,066.00	N/A
01/04/2013 to 12/27/2013	148	NWM Primary Mortgage Fund - Units	40,225,485.66	N/A
03/28/2013 to 12/31/2013	21	NWM Private Equity Limited Partnership - Units	11,503,023.00	N/A
01/04/2013 to 12/27/2013	189	NWM Real Estate Fund - Units	23,003,510.00	N/A
01/02/2013 to 12/31/2013	483	NWM Strategies Income Fund - Units	65,135,067.91	N/A
01/31/2013 to 12/31/2013	61	NWM U.S. Tactical High Income Fund - Units	27,752,058.40	N/A
01/01/2013 to 12/31/2013	1	O'Connor Global Multi-Strategy Alpha Limited - Units	25,461,340.00	N/A
12/18/2013	2	Onex Partners IV LP - Limited Partnership Interest	246,450,000.00	N/A
03/27/2013 to 12/02/2013	4	Overstone Fund plc - Common Shares	14,748,866.46	N/A
01/24/2014	1	Playmates Toys Limited - Common Shares	2,579,000.00	5,000,000.00
01/15/2014	4	Posera-HDX Limited - Debentures	1,350,000.00	1,350.00
12/01/2013	2	Prosiris Global Opportunities Fund Limited - Preferred	25,521,600.00	24,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
		Shares		
01/01/2014	1	Raine Partners II LP - Limited Partnership Interest	10,636,000.00	N/A
01/16/2014	3	Royal Standard Minerals Inc. - Common Shares	185,452.99	0.00
01/01/2013 to 09/01/2013	6	Samara Fund - Units	1,798,000.00	N/A
12/31/2013	14	Secure Capital MIC Inc. - Preferred Shares	2,491,918.00	2,491,918.00
01/16/2014 to 01/23/2014	36	SecureCare Capital Inc. - Bonds	1,149,879.00	N/A
01/31/2013 to 12/31/2013	28	Shoreline West Fund Ltd. - Units	11,475,000.00	11,475.00
01/17/2014 to 01/24/2014	12	SIF Solar Energy Income & Growth Fund - Units	442,000.00	4,420.00
01/02/2013 to 12/31/2013	7	SLI Bond Pooled Fund - Units	12,554,043.00	117,642.63
01/02/2013 to 12/20/2013	6	SLI Capped Canadian Equity Pooled Fund - Units	3,559,581.00	39,287.27
01/31/2013 to 12/13/2013	2	SLI Conservative Diversified Pooled Fund - Units	4,189,944.24	43,464.11
07/10/2013 to 12/04/2013	8	SLI Global Absolute Return Strategies Private Series Pooled Fund - Units	42,407,720.00	412,743.94
01/08/2013 to 12/31/2013	8	SLI International Equity Pooled Fund - Units	7,254,511.00	97,712.74
01/31/2013 to 12/13/2013	11	SLI LDI Bond Pooled Fund - Units	64,137,137.00	551,251.07
01/31/2013 to 12/13/2013	4	SLI LDI Government Bond Pooled Fund - Units	111,020,536.00	1,114,522.21
01/15/2013 to 12/30/2013	4	SLI Long Term Liability Government Bond Pooled Fund - Units	45,196,082.00	494,747.00
01/15/2013 to 12/23/2013	4	SLI Mid Term Liability Government Bond Pooled Fund - Units	52,184,938.00	526,226.71
01/08/2013 to 12/31/2013	23	SLI Money Market Pooled Fund - Units	4,534,311.00	592,552.82
01/08/2013 to 12/24/2013	2	SLI Short Term Bond Pooled Fund - Units	6,884,665.00	69,446.56
01/15/2013 to 12/13/2013	2	SLI Short Term Liability Government Bond Pooled Fund - Units	10,137,414.00	101,596.28
01/02/2013 to 12/31/2013	9	SLI US Equity Pooled Fund - Units	12,464,008.00	124,552.21
01/16/2014	14	Source Exploration Corp. - Units	386,250.00	5,150,000.00
05/01/2013 to 07/01/2013	4	Taconic Opportunity Offshore Fund Ltd. - Common Shares	7,243,116.00	N/A
12/31/2013	33	Terra 2013 Charitable Flow-Through Limited Partnership - Limited Partnership Units	1,184,200.00	11,842.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2013 to 12/31/2013	34	The SoundVest Portfolio Fund - Trust Units	6,356,105.50	519,449.31
12/12/2013	1	Trez Capital Finance Fund IV Limited Partnership - Limited Partnership Interest	23,500,000.00	23,500,000.00
12/20/0123	2	Trident VI Parallel Fund L.P. - Limited Partnership Interest	304,380,000.00	N/A
01/09/2014	1	Triton Debt Opportunities Fund I No. 2 L.P. - Limited Partnership Interest	103,229,000.00	N/A
01/07/2013 to 10/31/2013	1	T. Rowe Price Fund SICAV - Global Large Cap Equity Fund Class I - Common Shares	3,189,835.88	116,900.92
11/29/2013	1	T. Rowe Price Funds SICAV- Global Growth Equity Fund Class I - Common Shares	1,201,585.04	42,294.44
01/29/2013	1	T. Rowe Price Funds SICAV - Global Equity Fund Class I - Common Shares	966,695.95	86,743.46
01/13/2014 to 01/17/2014	9	UBS AG, Jersey Branch - Certificates	2,695,730.60	9.00
01/20/2014 to 01/24/2014	16	UBS AG, Jersey Branch - Certificates	5,316,381.68	16.00
01/16/2014	1	UBS AG, London Branch - Notes	500,000.00	N/A
01/16/2014 to 01/17/2014	2	UBS AG, Zurich - Certificates	166,231.52	2.00
01/23/2014 to 01/24/2014	4	UBS AG, Zurich - Certificates	322,115.58	4.00
01/01/2013 to 12/31/2013	27	UBS (Canada) American Equity Fund - Units	23,191,761.78	N/A
01/20/2014	1	UBS (Canada) Global Allocation Fund - Units	37,000.00	3,879.00
01/01/2013 to 12/31/2013	5	UBS (Canada) Global Allocation Fund - Units	24,686,360.56	N/A
01/01/2013 to 12/31/2013	18	UBS (Canada) Global Equity Fund - Units	5,796,771.92	N/A
01/01/2013 to 12/31/2013	4	UBS (Canada) Global Large Cap Equity Fund - Units	1,089,635.82	N/A
01/01/2013 to 12/31/2013	1	UBS (Canada) Global Multi-Strategy Alpha Fund - Units	7,372,300.00	69,508.05
01/01/2013 to 12/31/2013	1	UBS (Canada) Global Multi-Strategy Fund - Units	20,898,060.00	2,072,339.14
01/01/2013 to 12/31/2013	2	UBS (Canada) High Yield Debt Fund - Units	5,454,060.70	508,392.58
01/01/2013 to 12/31/2013	23	UBS (Canada) International Equity Fund - Units	20,360,567.74	N/A
01/01/2013 to 12/31/2013	14	UBS (Canada) US Equity Growth Fund - Units	2,138,489.52	N/A
01/01/2013 to 12/31/2013	1	UBS (UK) Real Estate Funds Selection LP Global ex-Canada - Units	31,368,000.00	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/27/2014	26	Uracan Resources Ltd. - Flow-Through Shares	413,000.00	3,600,000.00
01/31/2013 to 09/30/2013	1	UTAM Canadian Credit Fund - Units	5,082,700.00	504,130.66
01/31/2013 to 09/30/2013	2	UTAM Canadian Equity Fund - Units	7,572,151.00	764,213.90
01/31/2013 to 12/31/2013	2	UTAM Canadian Fixed Income Fund - Units	173,319,700.00	18,111,866.61
06/28/2013 to 09/30/2013	1	UTAM International Equity Fund - Units	580,100.00	52,477.84
01/01/2013 to 12/31/2013		U.S. Equity Fund (non-taxable) - Units		N/A
01/02/2013 to 12/01/2013	58	Venator Founders Fund LP - Limited Partnership Units	19,817,700.62	812,876.77
01/02/2013 to 12/02/2013	76	Venator Income Fund - Trust Units	18,262,608.00	2,832,259.44
01/02/2013 to 12/02/2013	76	Venator Investment Trust - Trust Units	6,977,700.69	939,414.31
09/03/2013 to 10/01/2013	6	Venator Select Fund - Limited Partnership Units	2,900,000.00	285,729.78
12/31/2013	20	Vertex Arbitrage Fund - Trust Units	3,206,000.00	N/A
12/31/2013	59	Vertex Fund - Trust Units	18,404,866.05	N/A
12/31/2013	15	Vertex Managed Value Portfolio - Trust Units	3,142,311.89	N/A
12/31/2013	40	Villabar Woodland Ridge Limited Partnership (Amended) - Limited Partnership Units	6,296,512.00	40.00
01/01/2013 to 12/31/2013	2	WMP (Canada) Canada Long Bond Plus Portfolio - Units	401,470,216.08	35,420,272.23
01/01/2013 to 12/31/2013	2	WMP (Canada) Canada Universe Bond Portfolio - Units	125,978,816.03	12,729,661.45
01/01/2013 to 12/31/2013	4	WMP (Canada) Global Opportunities Portfolio - Units	19,426,000.00	1,942,600.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Baytex Energy Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated February 6, 2014
NP 11-202 Receipt dated February 6, 2014
Offering Price and Description:
$ * - * Subscription Receipts each
representing the right to receive one Common Share
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
Scotia Capital Inc
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Barclays Capital Canada Inc.
Desjardins Securities Inc.
Merrill Lynch Canada Inc.
AltaCorp Capital Inc.
Canaccord Genuity Corp.
Credit Suisse Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Peters & Co. Limited
FirstEnergy Capital Corp.
Cormark Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2161573

Issuer Name:
Baytex Energy Corp.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Short Form Prospectus
dated February 7, 2014
NP 11-202 Receipt dated February 7, 2014
Offering Price and Description:
$1,300,038,000.00 - 33,420,000 Subscription Receipts
each
representing the right to receive one Common Share.
Price: $38.90 per Subscription Receipt
Underwriter(s) or Distributor(s):
Scotia Capital Inc
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Barclays Capital Canada Inc.
Desjardins Securities Inc.
Merrill Lynch Canada Inc.
AltaCorp Capital Inc.
Canaccord Genuity Corp.
Credit Suisse Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Peters & Co. Limited
FirstEnergy Capital Corp.
Cormark Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #2161573

Issuer Name:
Luna Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 6, 2014
NP 11-202 Receipt dated February 7, 2014
Offering Price and Description:
$20,001,000.00 - 16,950,000 Common Shares
Price: $1.18 per Offered Share
Underwriter(s) or Distributor(s):
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
BMO NESBITT BURNS INC.
HAYWOOD SECURITIES INC.
RBC DOMINION SECURITIES INC.
Promoter(s):
-
Project #2161779

Issuer Name:
Timbercreek Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 10, 2014
NP 11-202 Receipt dated February 10, 2014
Offering Price and Description:
$30,000,000.00 - 6.35% Convertible Unsecured Subordinated Debentures due March 31, 2019
Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
GMP SECURITIES L.P.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
CANAC
CORD GENUITY CORP.
DUNDEE SECURITIES LTD.
Promoter(s):
-
Project #2161704

Issuer Name:
Transeastern Power Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 7, 2014
NP 11-202 Receipt dated February 7, 2014
Offering Price and Description:
$ * - * Units
$1.00 per Unit
and
$ * - 7.5% Convertible Unsecured Subordinate Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
Ravi Sood
J. Colter Eadie
Project #2161814

Issuer Name:
Aumento Capital II Corporation
Type and Date:
Final Long Form Non-Offering Prospectus dated February 4, 2014
Receipted on February 7, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2139763

Issuer Name:
BMO S&P/TSX Capped Composite Index ETF
BMO S&P 500 Hedged to CAD Index ETF
BMO MSCI EAFE Hedged to CAD Index ETF
BMO MSCI Emerging Markets Index ETF
BMO Global Infrastructure Index ETF
BMO Dow Jones Industrial Average Hedged to CAD Index ETF
BMO Short Federal Bond Index ETF
BMO Short Provincial Bond Index ETF
BMO Short Corporate Bond Index ETF
BMO High Yield US Corporate Bond Hedged to CAD Index ETF
BMO S&P/TSX Equal Weight Banks Index ETF
BMO S&P/TSX Equal Weight Oil & Gas Index ETF
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF
BMO China Equity Index ETF
BMO India Equity Index ETF
BMO Equal Weight Utilities Index ETF
BMO Nasdaq 100 Equity Hedged to CAD Index ETF
BMO Junior Gold Index ETF
BMO Mid Corporate Bond Index ETF
BMO Mid Federal Bond Index ETF
BMO Long Corporate Bond Index ETF
BMO Aggregate Bond Index ETF
BMO Equal Weight REITs Index ETF
BMO Junior Oil Index ETF
BMO Junior Gas Index ETF
BMO Equal Weight US Health Care Hedged to CAD Index ETF
BMO Equal Weight US Banks Hedged to CAD Index ETF
BMO Long Federal Bond Index ETF
BMO Real Return Bond Index ETF
BMO Emerging Markets Bond Hedged to CAD Index ETF
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF
BMO Mid-Term US IG Corporate Bond Index ETF
BMO Mid Provincial Bond Index ETF
BMO Long Provincial Bond Index ETF
BMO S&P/TSX Equal Weight Industrials Index ETF
BMO S&P/TSX Equal Weight Global Gold Index ETF
BMO S&P 500 Index ETF
BMO S&P/TSX Laddered Preferred Share Index ETF
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF
BMO Discount Bond Index ETF
BMO Equal Weight US Banks Index ETF
BMO MSCI EAFE Index ETF
BMO MSCI Europe High Quality Hedged to CAD Index ETF
(Units)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 30, 2014
NP 11-202 Receipt dated February 4, 2014
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
BMO Asset Management Inc.
Project #2150284

Issuer Name:
BMO Monthly Income ETF
BMO Covered Call Canadian Banks ETF
BMO Covered Call Utilities ETF
BMO Covered Call Dow Jones Industrial Average Hedged to CAD ETF
BMO Canadian Dividend ETF
BMO Low Volatility Canadian Equity ETF
BMO US Dividend Hedged to CAD ETF
BMO US Dividend ETF
BMO Low Volatility US Equity ETF
BMO US High Dividend Covered Call ETF
BMO Floating Rate High Yield ETF
BMO Ultra Short-Term Bond ETF (formerly BMO 2013 Corporate Bond Target Maturity ETF)
BMO 2015 Corporate Bond Target Maturity ETF
BMO 2020 Corporate Bond Target Maturity ETF
BMO 2025 Corporate Bond Target Maturity ETF
(Units)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated January 30, 2014
NP 11-202 Receipt dated February 4, 2014
Offering Price and Description:
Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
BMO Asset Management Inc.
Project #2150290

Issuer Name:
Brand Leaders Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 5, 2014
NP 11-202 Receipt dated February 6, 2014
Offering Price and Description:
Warrants to Subscribe for up to 958,872 Units at a Subscription Price of $11.74
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2157258

Issuer Name:
Dynamic Small Business Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 24, 2014 to the Annual Information Form dated November 29, 2013
NP 11-202 Receipt dated February 5, 2014
Offering Price and Description:
Series A, F, FI, G, I, IP, O and OP units @ Net Asset Value
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
GCIC Ltd.
Promoter(s):
1832 Asset Management L.P.
Project #2113472

Issuer Name:
Exchange Income Corporation
Principal Regulator - Manitoba
Type and Date:
Final Short Form Prospectus dated February 4, 2014
NP 11-202 Receipt dated February 4, 2014
Offering Price and Description:
$40,000,000.00
7 YEAR 6.00% CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
LAURENTIAN BANK SECURITIES INC.
RAYMOND JAMES LTD.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
ALTACORP CAPITAL INC.
STONECAP SECURITIES INC.
Promoter(s):
-
Project #2156856

Issuer Name:
Global Educational Trust Plan
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 3, 2014
NP 11-202 Receipt dated February 5, 2014
Offering Price and Description:
Scholarship Trust Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Global Educational Trust Foundation
Project #2141367

Issuer Name:
Greater Toronto Airports Authority
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated February 10, 2014
NP 11-202 Receipt dated February 10, 2014
Offering Price and Description:
$1,500,000,000.00 Medium-Term Notes (Secured)
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2160052

Issuer Name:
Madalena Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 4, 2014
NP 11-202 Receipt dated February 4, 2014
Offering Price and Description:
$20,000,050.00
28,571,500 Common Shares
Price: $0.70 per Common Share
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION
RBC DOMINION SECURITIES INC.
BEACON SECURITIES LIMITED
NATIONAL BANK FINANCIAL INC.
Promoter(s):
-
Project #2158319

Issuer Name:
Opsens Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated February 10, 2014
NP 11-202 Receipt dated February 10, 2014
Offering Price and Description:
$8,000,039.00
4,666,800 Units and 6,164,300 Common Shares
at a price of $0.75 per Unit and $0.73 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #2157791

Issuer Name:
Sandvine Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 5, 2014
NP 11-202 Receipt dated February 5, 2014
Offering Price and Description:
$33,000,000.00
10,000,000 Common Shares
PRICE: $3.30 PER COMMON SHARE
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2158272

Issuer Name:
Scotia Innova Income Portfolio (Series A and Series T Units)
Scotia Innova Balanced Income Portfolio (Series A and Series T Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated February 5, 2014 to the Simplified Prospectuses dated November 8, 2013
NP 11-202 Receipt dated February 7, 2014
Offering Price and Description:
Series A and Series T Units
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Promoter(s):
-
Project #2085025

Issuer Name:
Storm Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 5, 2014
NP 11-202 Receipt dated February 6, 2014
Offering Price and Description:
$29,725,000.00
7,250,000 Common Shares
$4.10 per Common Share
Underwriter(s) or Distributor(s):
FIRSTENERGY CAPITAL CORP.
PETERS & CO. LIMITED
NATIONAL BANK FINANCIAL INC.
CLARUS SECURITIES INC.
RBC DOMINION SECURITIES INC.
CORMARK SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
Promoter(s):
-
Project #2159034

Issuer Name:
Timmins Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 4, 2014
NP 11-202 Receipt dated February 4, 2014
Offering Price and Description:
$25,005,000.00 - 16,670,000 Common Shares
Price: $1.50 per Common Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
GMP SECURITIES L.P.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
PI FINANCIAL CORP.
Promoter(s):
-
Project #2158496

Issuer Name:
Torex Gold Resources Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 4, 2014
NP 11-202 Receipt dated February 4, 2014
Offering Price and Description:
$125,040,000.00 - 104,200,000 Units Price: $1.20 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Dundee Securities Ltd.
GMP Securities L.P.
Scotia Capital Inc.
Macquarie Capital Markets Canada Ltd.
RBC Dominion Securities Inc.
Clarus Securities Inc.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #2157799

Issuer Name:
Wells Fargo Canada Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated February 5, 2014
NP 11-202 Receipt dated February 6, 2014
Offering Price and Description:
$7,000,000,000.00
Medium Term Notes
(unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #2157809

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspended (Regulatory Action)	Crown Hill Asset Management Inc.	Portfolio Manager	January 31, 2014
Consent to Suspension (Pending Surrender)	Wolfcrest Capital Advisors Inc.	Portfolio Manager	January 30, 2014
Suspended (Regulatory Action)	Altitude Mutual Fund Limited Partnership	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	January 31, 2014
Suspended (Regulatory Action)	Sora Group Wealth Advisors Inc.	Investment Dealer	January 31, 2014
Suspended (Regulatory Action)	Ascendant Securities Inc.	Investment Dealer	January 31, 2014
Suspended (Regulatory Action)	D2M Inc.	Portfolio Manager	January 31, 2014

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 TSX – Notice of Approval – Amendments to Part IV of the TSX Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

**AMENDMENTS TO PART IV OF THE
TORONTO STOCK EXCHANGE (“TSX”) COMPANY MANUAL**

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto for recognized exchanges, Toronto Stock Exchange (“**TSX**”) has adopted, and the Ontario Securities Commission (“**OSC**”) has approved, amendments (the “**Amendments**”) to Part IV of the TSX Company Manual (the “**Manual**”). The Amendments are public interest rule amendments to the Manual. The Amendments were published for public comment in a request for comments on October 4, 2012 (“**Request for Comments**”).

Reasons for the Amendments

The Amendments are further to the set of amendments to Parts I and IV of the Manual published on October 4, 2012 (the “**2012 Amendments**”). The 2012 Amendments introduced the requirement for issuers listed on TSX to: (i) elect directors individually; (ii) hold annual elections for all directors; (iii) disclose annually in their materials sent to security holders in connection with a meeting of security holders at which directors are being elected: (a) whether they have adopted a majority voting policy for directors at uncontested meetings; and (b) if not, to explain their practices for electing directors; and explain why they have not adopted a majority voting policy; (iv) advise TSX if a director receives a majority of “withhold” votes (if a majority voting policy has not been adopted); and (v) promptly issue a news release providing detailed voting results for the election of directors.

TSX proposed the Amendments to improve corporate governance standards in Canada by providing a meaningful way for security holders to hold individual directors accountable. TSX believes these Amendments enhance transparency and improve the governance dialogue between issuers, security holders and other stakeholders.

TSX has monitored the corporate governance landscape in Canada and other jurisdictions and believes that adopting majority voting will better align Canadian practices with those of other major jurisdictions. Currently, Canadian investors have a less effective voice in electing directors than investors in certain other jurisdictions because neither securities nor corporate law in Canada require issuers to have majority voting for director elections at uncontested meetings.

TSX considered the comments received on the Request for Comments. In addition, TSX surveyed a cross-section of 200 listed issuers for their compliance with the director election requirements during the summer of 2013. TSX found that 76% of the surveyed issuers had adopted majority voting policies and that almost 46% of those issuers adopted their policies in 2013.

As a result, TSX has determined to implement the Amendments.

The Amendments require each director of a TSX listed issuer, other than a listed issuer that is a majority controlled issuer (as defined below), to be elected by a majority of the votes cast with respect to his or her election other than at contested meetings (the “**Majority Voting Requirement**”). An issuer must adopt a majority voting policy (a “**Policy**”) if it does not otherwise satisfy the Majority Voting Requirement in a manner acceptable to TSX, for example, by applicable statutes, articles, by-laws or other similar instruments.

Issuers that are majority controlled are exempt from the Majority Voting Requirement. A majority controlled issuer, however, must disclose annually in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected that (1) it is exempt from the Majority Voting Requirement and (2) its reasons for not adopting majority voting. Majority controlled is defined as a security holder or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors, as of the record date for the meeting.

Summary of the Final Amendments

TSX received thirty-four (34) comment letters in response to the Request for Comments. A summary of the comments submitted, together with TSX's responses, is attached as **Appendix A**. Overall, a majority of commenters support the Amendments. Some, however, question TSX's jurisdiction in setting requirements for director elections and therefore do not support the Amendments.

TSX thanks all commenters for their feedback and suggestions.

A number of commenters submitted that TSX should exempt majority controlled corporations from the requirement to adopt majority voting as contemplated in the Amendments. Majority controlled corporations are concerned that if they were to be subject to the requirement to adopt majority voting, minority security holders may be misled into believing that their vote may impact the outcome of director elections, when the election results are predetermined.

TSX agrees with these commenters and has modified the initially proposed Amendments accordingly. As a result of the comment process, TSX has also made certain other non-material revisions to the drafting of the Amendments. A blackline of the Amendments showing changes made since they were published in the Request for Comments, is attached as **Appendix B.**

Text of the Amendments

The final Amendments are attached as **Appendix C**.

Effective Date

The Amendments will become effective for listed issuers on June 30, 2014 (the "**Effective Date**"). Issuers with fiscal years ending on or after June 30, 2014 must comply with the Amendments at their first annual meeting following the Effective Date.

Applicants for listing on TSX after the Effective Date and applicants with a listing application in progress after the Effective Date are expected to explain to TSX if they are in compliance with the Amendments, and if not, to describe their plan and time frame in which they will become compliant with the Amendments.

Unless exempted, all TSX listed issuers are expected to be in compliance with the Amendments by June 30, 2015. After that date, issuers who are not in compliance with the Amendments will be considered to be in breach of the Manual.

TSX will continue to monitor the corporate governance landscape in Canada and internationally, as well as the effect of the Amendments on its issuers and the marketplace.

APPENDIX A
SUMMARY OF COMMENTS AND RESPONSES

Part IV – Majority Voting

List of Commenters:

Addenda Capital (AC)	ATCO Group (includes ATCO Ltd. and Canadian Utilities Limited) (ATCO)
British Columbia Investment Management Corporation (bcIMC)	Blackrock, Inc. (Blackrock)
The Canadian Advocacy Counsel for Canadian CFA Institute Societies (CFA)	Canadian Coalition for Good Governance (CCGG)
Canadian Investor Relations Institute (CIRI)	Canada Pension Plan Investment Board (CPPIB)
Canadian Tire Corporation, Limited (Canadian Tire)	Confidential Comment Letter
Council of Institutional Investors (CII)	FAIR Canada (Canadian Foundation for Advancement of Investor Rights) (FAIR)
George Weston Limited (Weston)	Hermes Equity Ownership Services (Hermes)
IGM Financial Inc. (IGM)	International Corporate Governance Network (ICGN)
Imperial Oil Limited (Esso)	LeClerc, Robert L. Q.C. (LeClerc)
Nash, Elizabeth M. (Nash)	Northwest & Ethical Investments Inc. (NEI)
Norton Rose LLP[1] (Norton Rose)	Ontario Bar Association – Business law – Securities Subcommittee (OBA)
Ontario Teachers' Pension Plan (OTPP)	PIAC (Pension Investment Association of Canada) (PIAC)
PGGM Investments[2] (PGGM)	Power Corporation of Canada (PCC)
Power Financial Corporation (PFC)	PSP Investments (PSP)
Qube Investment Management Inc. (QIM)	Shareholder Association for Research and Education, F&C Management Ltd. (SHARE)
Social Investment Organization (SIO)	State Board of Administration of Florida (Florida)
Tethys Petroleum Limited (Tethys)	USS Investment Management Limited (Universities Superannuation Scheme) (USS)

Capitalized terms used and not otherwise defined in the Notice of Approval shall have the meaning in the TSX Request for Comments – Amendments to Part IV of the Toronto Stock Exchange Company Manual dated October 4, 2012.

[1] On behalf of a working group of capital market participants having a combined market cap of more than $50 million.

[2] On behalf of Pensionenfonds Zorg en Welzijn, among others.

Summarized Comments Received	*TSX Response*
1. Do you support TSX mandating that its listed issuers have majority voting, which may be satisfied by adopting a majority voting policy for uncontested director elections? Please identify positive and negative impacts if issuers are required to have majority voting.	
Yes, we support TSX mandating majority voting. (CII, NEI, PGGM, PIAC, PSP, SHARE, SIO, OTPP, USS, CCGG, ICGN, Florida, OBA, bcIMC, Blackrock, CFA, CPPIB, FAIR, Hermes, AC) Majority voting for uncontested director elections will enhance the accountability of directors to security holders (SHARE, Blackrock) and will increase transparency and open communication. (CIRI, CFA) Canada's reputation will be enhanced for supporting strong governance. (AC, CFA, OTPP) Mandatory majority voting will require less oversight and resources from TSX because TSX will not need to allocate resources to evaluate disclosure of issuers who have not adopted majority voting. (FAIR) Plurality voting reduces investor confidence in the public markets so, while market regulation is not the commenter's primary choice, the TSX Amendments are the only practical alternative to address the issue at this time. (QIM) Majority Voting can be satisfied by adopting a non-binding majority voting policy that incorporates the requirements set out in Section 461.3 of the Manual. (CIRI)	A majority of commenters support TSX mandating majority voting for its listed issuers and see positive benefits for the Canadian market, including enhanced engagement and accountability. TSX agrees that the Canadian market will benefit if TSX adopts the Amendments.
TSX should replace the "withhold" votes under plurality voting with a majority vote allowing security holders to vote "for" or "against" directors. (AC)	TSX appreciates the feedback, however, determining the form of proxy is a matter of corporate and securities law and is outside of the jurisdiction of TSX.
The adoption of mandatory majority voting is not universally supported by major stock exchanges and plurality voting has been the standard for North American corporations. (Tethys)	TSX thanks the commenter for its input. TSX, however, believes that adopting majority voting is an important tool in strengthening the Canadian corporate governance regime.
If issuers adopt majority voting policies, they may lose directors with unique experience or expertise that complements the board of directors. (Norton Rose)	TSX notes that issuers may lose directors for a number of reasons unrelated to majority voting results. TSX encourages its issuers to prepare for such a situation by maintaining an 'evergreen' list of potential board candidates.
TSX should not impose majority voting unless it can find a way to exclude the "withhold" votes of US brokers who believe that "withhold" means the same as a non-vote. (Nash)	TSX notes that several TSX listed issuers that are interlisted in the US have adopted majority voting and have not raised this as a concern.
Issuers should have the flexibility to adopt director election practices that comply with applicable laws and suit their unique governance concerns. Regulation is not required. (ATCO)	TSX thanks the commenter for its input.
TSX should not impose a "one size fits all" standard for all issuers. If TSX determines to move forward with the Amendments, controlled companies should be exempted from	TSX has exempted majority controlled issuers from the majority voting requirement in the Amendments. The Amendments also contemplate dual share class companies.

Summarized Comments Received	*TSX Response*
them. (Canadian Tire, Weston, ATCO, Norton Rose, PCC, PFC) Majority voting is impractical for controlled companies and serves no valuable purpose. (Weston) While supportive of efforts by the CSA, the Amendments by TSX are premature and are not suitable for controlled companies. (IGM) The adoption of a majority voting policy by a majority controlled company may be misleading to security holders as they cannot meaningfully impact the election of directors. (Canadian Tire, IGM, Esso, Norton Rose, PCC, PFC, ATCO) Adopting majority voting for controlled companies would result in the imposition of additional complexity without any meaningful change to the outcome of director elections. (ATCO) The CCGG recognizes that controlled companies have unique governance considerations and exempts these companies from majority voting guidelines. (Weston, IGM, Norton Rose, PCC, ITG, PFC) NYSE has exempted controlled companies from certain NYSE rules. (Weston) TSX should devise an alternate model for controlled corporations (Hermes, Esso) as well as for companies with dual share classes. (Hermes) TSX has acknowledged that controlled corporations have unique considerations regarding majority voting. (Norton Rose)	
Binding majority voting can present significant corporate, securities and operational problems. (CIRI) TSX should not impose mandatory majority voting. (ATCO, IGM, Norton Rose, PCC, PFC, Tethys, Confidential Comment Letter)	TSX has not mandated binding majority voting. The Amendments allow issuers to adopt a majority voting policy which TSX believes satisfactorily addresses these concerns.
Directors could be put in a difficult situation in fulfilling their fiduciary duties if bound to accept director resignations. (Norton Rose)	TSX neither intends for nor believes that the Amendments interfere with the exercise of the board of directors' fiduciary duties. TSX believes that the board is better positioned to determine what constitutes 'exceptional circumstances' for itself when determining whether to accept a resignation.
Mandatory majority voting may create unexpected negative consequences if an issuer has given nominating rights to an entity with which it has partnered and the nominee does not receive a majority of "for" votes. (Confidential Comment Letter)	TSX recognizes that exceptional circumstances may exist. A majority voting policy allows the directors to examine these situations to determine whether or not to accept the resignation of the director.

Summarized Comments Received	*TSX Response*
2. Do you believe it would be useful for TSX to provide specific guidance that it expects that the board of directors will typically accept the resignation of a director that receives a majority of "Withhold" votes, absent exceptional circumstances? If you agree, please suggest the preferred means to provide it (for example in a Staff Notice, in commentary about the Amendment or in the drafting of the Amendment itself).	
It is useful for TSX to provide guidance and it should be part of the Amendments. (AC, bcIMC, CIRI, CII, CPPIB, FAIR, NEI, PGGM, PIAC, PSP, SIO, OBA, OTPP, CCGG)	In the event that the board determines not to accept the resignation of a director, TSX has included in the Amendments the requirement to issue a press release disclosing in detail the reasons for not accepting the resignation. TSX believes that the board is in the best position to determine what those exceptional circumstances may be.
Guidance would be useful but no comment (Hermes, SHARE) and no preference (PGGM) on what form this guidance should be in. TSX should encourage issuers to fully disclose the Policy and engage in dialogue with security holders. (Hermes)	TSX has included in the Amendments the requirement that issuers with a Policy provide a detailed description of the Policy in their Management Information Circulars.
TSX should provide guidance in a Staff Notice or other commentary outside of the Amendments to preserve flexibility in reorganizing a board or board committee, particularly for smaller or closely held issuers. (CFA)	TSX appreciates the input.
In instances where the board reasonably concludes that accepting a resignation is not in the best interests of the issuer, the board needs to clearly explain why it will not accept the resignation. Requiring this disclosure will ensure that boards undertake a thoughtful review of the voting outcome and do not reject the will of security holders absent special circumstances. (Blackrock)	The Amendments require an issuer to fully state the reasons why the board did not accept the resignation in a news release.
TSX should provide guidance as to what would amount to an "exceptional circumstance" and this should be limited to considerations of timing and finding replacements. (SIO)	TSX has concluded that, at this time, the board of directors is better positioned to determine what constitutes 'exceptional circumstances' for itself.
The guidance in the Amendment should require the board to accept the resignation of a director that receives a majority of withhold votes. (CII) Allowing the board to determine whether to accept resignation allows the board to override a security holder vote. (USS)	TSX does not believe that it should require the board to accept a resignation if the board, exercising its fiduciary duty, determines that there are exceptional circumstances. TSX believes that the board, in exercising its fiduciary duty, should retain the latitude to determine whether exceptional circumstances exist in each case and whether or not to accept the resignation. The board must fully state the reasons for its decision in a press release if it does not accept the resignation.
Where a majority of security holders have voted against a director, the time period for the board to decide whether to accept the resignation should be reduced from 90 days to 45 days following the meeting. (CFA) A 90-day time frame within which the board can accept a resignation is too long. The maximum time should be 60 days and then, only when the board or committee quorums are compromised. In all other situations, boards should act without delay. (Hermes)	TSX believes that 45 days for responding may be too short as a universal standard. The 90-day time frame is the accepted standard found in current Canadian majority voting policies.

Summarized Comments Received	*TSX Response*
Guidance should clarify that delaying the acceptance of a resignation may be appropriate under extraordinary circumstances related to the composition of the board or voting results and that rejecting a resignation should only be considered in the rarest of cases. Board discretion must be exercised consistent with fiduciary duties. (CPPIB, PIAC, FAIR, PSP, OBA, OTPP)	TSX believes that the board, in exercising its fiduciary duty, should retain latitude to determine whether or not to accept the resignation within the timeframe, provided that the issuer fully states the reasons for its rationale in a press release if it does not accept the resignation.
Once a director fails to receive the required support from security holders, even if there are exceptional reasons as to why the board cannot immediately accept the resignation, a transition plan to enable the board to accept the resignation should immediately be enacted. (CCGG)	TSX thanks the commenter for its input.
Section 461.3 does not clearly define what “majority voting” means and a definition is required. (LeClerc)	TSX has provided a definition of majority voting in the Amendments.
It would be inappropriate for TSX to provide this guidance since directors are subject to a statutory standard governing whether to accept a resignation. (Canadian Tire, Norton Rose, Tethys) Directors have more information about a director’s performance than security holders who do not sit on the board. While the number of “withhold” votes should be an important consideration, boards may come to a reasonable conclusion not to accept a director’s resignation. (Canadian Tire) Decisions should be made on a case by case basis by the board exercising their fiduciary duties. TSX cannot provide meaningful guidance and anticipate all scenarios. (Norton Rose) Corporate law and Supreme Court of Canada decisions provide guidance on fiduciary duties so TSX guidance is unnecessary and could constrain directors in the exercise of their duties. (Norton Rose) Boards should be allowed to decide what “exceptional circumstances” mean for each issuer. (Tethys) Issuers should be allowed to follow a principles-based determination of what constitutes “exceptional circumstances” under which the board might reject a director’s resignation, provided that there is appropriate disclosure. (CIRI)	TSX acknowledges that the board of directors of an issuer must fulfill its fiduciary duty and agrees that the board is best positioned to determine what constitutes exceptional circumstances.
3. What positive or negative impact may Amendments have on other market participants or the market in Canada in general?	
The Canadian markets’ reputation will be improved for supporting strong governance standards. (AC, CFA, CPPIB, NEI, TPP, CCGG, OBA) The Amendments strengthen investor protection and the confidence of foreign investors (CFA, CPPIB, PIAC, PSP, OTPP, CCGG, OBA) and enhance accountability. (Hermes, QIM, bcIMC, Blackrock, FAIR, CFA)	TSX agrees that the Canadian market, as a whole, will benefit from the adoption of the Amendments.

Summarized Comments Received	*TSX Response*
The Amendments improve dialogue with security holders. (Hermes, USS, Florida) Majority voting allows security holders to exercise their most fundamental right. (bcIMC, Blackrock) Other markets such as the U.K., the Netherlands, Australia, New Zealand, Germany and France have had positive experiences with majority voting. (USS) No negative consequences are foreseen (NEI) based on evidence from issuers that have already adopted majority voting. (bcIMC, Hermes) Fears of failed elections or loss of directors with particular experience/expertise have not actually occurred or are unwarranted in Canada. (CPPIB, OTPP, PIAC, OBA, AC) Investors only need to remove directors in exceptional circumstances where the director is no longer serving security holders, therefore most issuers will not be impacted. (bcIMC) Potential negative effects, such as governance or other issues arising from director departure, can be managed by delaying the departure for a reasonable period of time until the board can be reconstituted. (CFA)	
A majority voting policy whereby a plurality voting standard still applies has the advantage (over binding majority voting) of giving security holders a significant say in director elections while not removing the fiduciary duties of the board. A non-binding majority voting policy allows the board the final say in the make-up of the board in the rare, but possible, situations where exceptional circumstances may cause the board to reject a director's resignation. (CIRI) Boards could lose directors with particular experience or expertise and the loss could compromise board stability at a time when executive tenure is becoming shorter. In some instances, mandatory majority voting results in votes being withheld for political reasons as opposed to reasons related to director performance. (Norton Rose) Until shareholder organizations enhance transparency about their roles, solicit input of issuers prior to making voting recommendations or become accountable to a majority of an issuer's security holders, majority voting will have negative consequences. Issuers may be forced to have higher quorum requirements to ensure that the will of a few institutional shareholders does not result in unrepresentative elections which may prejudice minority security holders. Issuers will be encouraged to solicit votes more aggressively and, in turn, drive up costs to security holders. (Tethys) The "comply or explain" model already implies that the adoption of a majority voting policy is best practice and there are corollary negative implications for issuers with legitimate	TSX thanks the commenter for its views. The Amendments will allow the board of directors to manage these issues, should they arise. TSX thanks the commenter for its response. TSX believes that one of the fundamental rights of security holders is to elect directors. The Amendments provide a workable solution to give investors a stronger voice in director elections. TSX believes that the Amendments represent important enhancements to the dialogue between issuers and stakeholders and that mandatory majority voting will improve

Summarized Comments Received	*TSX Response*
explanations for non-adoption. (PCC, PFC)	director accountability.
In responding to comments received regarding the 2012 Amendments, TSX indicated its understanding that controlled corporations have unique considerations in this regard but that TSX believes controlled corporations should disclose and explain their choice to adopt or not adopt majority voting. The Proposed Amendments do not mention the unique considerations of controlled corporations. The commenter strongly urges TSX to consider and recognize controlled corporations in the Amendments. (ATCO) May create confusion or uncertainty without advancing the interests of affected parties. (ATCO) Could create the impression that a "withhold" vote would result in a director resignation and could result in meaningless disclosure. (Canadian Tire, Norton Rose) Creates increased complexity (Norton Rose) and increased costs that are not in the best interests of security holders. (IGM, PCC, PFC) TSX should address the issue of dual class capital structures and controlled corporations, since a majority voting policy does not have the same benefits for those structures as in widely held companies. TSX should find an appropriate model, such as the election by holders of subordinate voting securities of a minority of directors. (Hermes)	TSX has exempted majority controlled companies from the requirement to adopt majority voting in the Amendments. TSX notes that certain majority controlled companies provide minority security holders with the right to elect a minority of directors. TSX, however, has determined not to mandate majority voting for majority controlled issuers. The Amendments also contemplate dual share class issuers.
4. Do you support the jurisdiction of TSX to adopt and enforce the Amendments? If not, please support your response, and differentiate the Amendments from the September RFC Amendments being finalized today.	
We believe that TSX has the jurisdiction to adopt and enforce the Amendments. (AC, CFA, CIRI, CPPIB, FAIR, Hermes, NEI, PGGM, PIAC PSP, SIO, OTPP, CCGG, OBA) The OSC's approval of recent governance-related amendments to the Manual shows that TSX has jurisdiction. (CCGG) TSX efforts are complementary to similar efforts underway by securities regulators and will expedite the adoption of commonly accepted best practices in Canada. (CPPIB, CCGG, OBA) Certain commenters were silent about whether TSX has jurisdiction with respect to the Amendments but were supportive of TSX's efforts to improve director election practices. (bcIMC, Blackrock, ICGN) The preferred solution is to see corporate law revised to eliminate plurality voting altogether. The Amendments are an excellent first step in establishing the majority voting standard. (OTPP) Market regulation is not the commenter's primary choice but, on the matter of majority voting, the commenter sees no other practical alternatives at this time since plurality voting reduces investor confidence and undermines the markets. (QIM)	TSX thanks the commenters for their input.

Summarized Comments Received	*TSX Response*
TSX does not have jurisdiction since director elections are a matter of corporate law. (ATCO, IGM, Norton Rose, PCC, PFC) Changes to majority voting should be considered by relevant legislative authorities. (Tethys) It is inappropriate for TSX to impose requirements in addition to the 2012 Amendments for director elections. (ATCO, PCC, PFC) TSX jurisdiction is primarily over disclosure of material information and the issuance of securities. Issuers should adopt and disclose whatever corporate governance policy works best for each issuer, provided that the policy is in accordance with applicable laws. (IGM) TSX has generally exited the field of corporate governance and should defer to the CSA since the CSA are in a better position to intervene and have more efficient and effective enforcement tools. (Norton Rose)	TSX understands various sources of legal and regulatory requirements exist regarding corporate governance and director election practices. TSX does not believe that these other sources restrict TSX's jurisdiction to adopt the Amendments, as supported by the director election requirements reflected in the 2012 Amendments.
The Amendments are unnecessary as Canadian security holders already have the ability to express dissatisfaction with one or more directors. The *Canada Business Corporations Act* allows security holders holding 5% or more of the issuer's securities to submit a proposal from security holders. In addition, security holders can nominate directors from the meeting floor. (Norton Rose)	While other mechanisms may exist for security holders to express their views, TSX believes the Amendments provide security holders with an important and accessible way to engage with issuers.
5. Are there additional ancillary rule amendments or other relevant issues not discussed in the Request for Comments that should be considered in adopting the Amendments?	
We support the CCGG's[3] call for reform of the proxy voting system (FAIR, PCC, PFC) and request for the OSC to take steps in 2013 to develop specific proposals in respect of the proxy voting scheme. (FAIR) Broader issues surrounding the proxy-voting process also need to be addressed for security holders to see an improvement in governance. Director election measures are an improvement, but accuracy of director votes remains suspect. (CIRI, Norton Rose, USS)	TSX thanks the commenters for these views. They are outside the scope of the current Amendments but have been brought to the attention of the Ontario Securities Commission.
Majority voting requirements should apply to TSX and TSX Venture Exchange listed issuers. (CCGG)	TSX has provided this input to TSX Venture Exchange for its consideration.
TSX should require disclosure of voting results for each item on the proxy by press release, not just for voting results cast "for" and "withheld", to improve communication between security holders and issuers and to improve accountability. (FAIR)	TSX thanks the commenter for its views.

[3] CCGG's Policy – *Governance Differences of Equity Controlled Corporations*, October 1, 2011 recommends boards of controlled companies adopt a policy to: 1) allow shareholders to vote for each individual director; 2) disclose the results of director elections promptly after each AGM; and 3) immediately adopt CCGG Majority Voting policy if at any time controlling shareholder holds less than 50%.

Summarized Comments Received	*TSX Response*
TSX should coordinate its review and development of the Amendments and other shareholder democracy initiatives with the CSA to minimize the burden on issuers. (CIRI)	Under the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto, the OSC must approve amendments to TSX rules. TSX will monitor CSA shareholder democracy developments and review the appropriateness and need for its rules in light of any CSA proposals.
Issuers should be required to move beyond an initial board policy and to implement majority voting by obtaining security holder approval to add majority voting to the issuer's articles or by-laws. (AC)	TSX thanks the commenter for its input.
If majority voting were to be mandatory, the proposed text of Subsection 461.3 should be amended to read: "Whether or not to accept the resignation." (Norton Rose)	TSX has incorporated this suggestion in the final Amendments.
The 30 day comment period is unreasonably short given the nature and impact of the Amendments. (CIRI)	The 30 day period is standard for exchange rule amendments. Accommodation for comments to be submitted after the comment period has ended may be provided upon request in appropriate circumstances.
The December 31, 2013 effective date is appropriate. (CIRI) The Amendments should not be applicable until the 2014 proxy season, at the earliest, to allow issuers to make any required changes to their structure and practices in preparation of mandatory majority voting. (Norton Rose)	The Amendments will come into effect on June 30, 2014. Issuers with years ending on or after that date must comply with the Amendments at their first annual meeting following June 30, 2014.
The commenter sets out a proposed regime (that it has suggested should be implemented in the US) that would allow for directors who receive a majority of affirmative votes to appoint the number of directors necessary to constitute a lawful board in the event that certain directors were to have to resign. (CII)	TSX thanks the commenter for its input. The proposal is outside the current scope of the Amendments.
Canadian regulators should reform securities regulation to require all voting to be conducted by ballot to protect security holders and improve accurate disclosure. They should undertake a public consultation of reforms that would allow security holders to put forward nominees for election to the board and have their nominees listed in the issuer's information circular without the current onerous and expensive legal requirements. Security holders should be allowed to communicate with or solicit other security holders without the need for a dissident circular. (FAIR)	TSX thanks the commenter for providing this input but notes that securities regulation reform is outside of the jurisdiction of TSX.
Binding majority voting should be the long-term goal since the proposed reform does not go far enough. (Hermes)	TSX thanks the commenter for its input.
Support for provisions that will balance the power between security holders and issuers, such as proxy access and the right to nominate directors. (PGGM)	TSX thanks the commenter for the suggestion but notes that proxy access and nomination rights are outside the jurisdiction of TSX.
If majority voting is mandated, it should be limited to uncontested elections. (Norton Rose)	The Amendments reflect that majority voting applies only to uncontested elections.

Summarized Comments Received	*TSX Response*
Enhanced disclosure about a director’s skills, planned contribution to the board and perspectives on key issues that are relevant to the issuer would be helpful, as well as a discussion of how the individual nominee adds value to the board. (USS)	TSX agrees that investors may find the suggested information helpful. TSX encourages issuers to provide enhanced corporate governance disclosure to help investors better understand the issuer’s practices, processes and people.

APPENDIX B
BLACKLINE OF THE FINAL AMENDMENTS

Section 461.3

Each director of a listed issuer must be elected by a majority (50% +1 vote) of the votes cast with respect to his or her election other than at contested meetings[1] ("Majority Voting Requirement").

A listed issuer must adopt a majority voting policy (a "Policy"), unless it otherwise satisfies the Majority Voting Requirement in a manner acceptable to TSX, for example, by applicable statutes, articles, by-laws or other similar instruments. The Policy must, substantially, provide for the following:

(a) ~~Listed issuers must have majority voting for the election of directors at uncontested security holder meetings. In satisfaction of this requirement, a listed issuer may *adopt a majority voting policy* that requires a director that receives a majority of the total votes cast withheld from him or her to~~any director must immediately tender his or her resignation to the board of directors~~, to be effective on acceptance by the board. The policy must also provide that the board shall consider the resignation and disclose by news release the board's decision whether to accept that resignation and the reasons for its decision no later than *90 days after the date of the resignation*.~~ if he or she is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election;

(b) the board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The board shall accept the resignation absent exceptional circumstances;

(c) the resignation will be effective when accepted by the board;

(d) a director who tenders a resignation pursuant to this Policy will not participate in any meeting of the board or any sub-committee of the board at which the resignation is considered; and

(e) the listed issuer shall promptly issue a news release with the board's decision, a copy of which must be provided to TSX. If the board determines not to accept a resignation, the news release must fully state the reasons for that decision.

If an issuer adopts a Policy to satisfy the Majority Voting Requirement, it must fully describe the Policy on an annual basis, in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected.

Listed issuers that are majority controlled[2] are exempted from the Majority Voting Requirement. Listed issuers with more than one class of listed voting securities may only rely on this exemption with respect to the majority controlled class or classes of securities that vote together for the election of directors. A listed issuer relying on this exemption must disclose, on an annual basis in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected, its reliance on this exemption and its reasons for not adopting majority voting.

Section 461.4

Following each meeting of security holders at which there is a vote on the election of directors at an uncontested meeting, each listed issuer must forthwith issue a news release disclosing the detailed voting results ~~of the votes received~~ for the election of each ~~directors[5].~~ director[5].

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5 The news release is intended to provide the reader with insight into the level of support received for each director. Accordingly, issuers should disclose one of the following in their news release: (i) the percentages of votes received 'for' and 'withheld' for each director; (ii) the total votes cast by ballot with the number that each director received 'for'; or (iii) the percentages and total number of votes received' for' each director.

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1 A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board.

2 Majority controlled is defined as a security holder or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors, as of the record date for the meeting.

~~5 If the vote is by show of hands, the issuer will disclose the number of securities voted by proxy in favour or withheld for each director and the outcome of the vote by a show of hands.~~

If no formal count has occurred that would meaningfully represent the level of support received by each director, for example when a vote is conducted by a show of hands, TSX expects the disclosure at least to reflect the votes represented by proxy that would have been withheld from each nominee had a ballot been called, as a percentage of votes represented at the meeting.

APPENDIX C
THE FINAL AMENDMENTS SECTION 461.3

Each director of a listed issuer must be elected by a majority (50% +1 vote) of the votes cast with respect to his or her election other than at contested meetings[4] ("Majority Voting Requirement").

A listed issuer must adopt a majority voting policy (a "Policy"), unless it otherwise satisfies the Majority Voting Requirement in a manner acceptable to TSX, for example, by applicable statutes, articles, by-laws or other similar instruments. The Policy must, substantially, provide for the following:

(a) any director must immediately tender his or her resignation to the board of directors if he or she is not elected by at least a majority (50% +1 vote) of the votes cast with respect to his or her election;

(b) the board shall determine whether or not to accept the resignation within 90 days after the date of the relevant security holders' meeting. The board shall accept the resignation absent exceptional circumstances;

(c) the resignation will be effective when accepted by the board;

(d) a director who tenders a resignation pursuant to this Policy will not participate in any meeting of the board or any sub-committee of the board at which the resignation is considered; and

(e) the listed issuer shall promptly issue a news release with the board's decision, a copy of which must be provided to TSX. If the board determines not to accept a resignation, the news release must fully state the reasons for that decision.

If an issuer adopts a Policy to satisfy the Majority Voting Requirement, it must fully describe the Policy on an annual basis, in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected.

Listed issuers that are majority controlled[5] are exempted from the Majority Voting Requirement. Listed issuers with more than one class of listed voting securities may only rely on this exemption with respect to the majority controlled class or classes of securities that vote together for the election of directors. A listed issuer relying on this exemption must disclose, on an annual basis in its materials sent to holders of listed securities in connection with a meeting at which directors are being elected, its reliance on this exemption and its reasons for not adopting majority voting.

Section 461.4

Following each meeting of security holders at which there is a vote on the election of directors at an uncontested meeting, each listed issuer must forthwith issue a news release disclosing the detailed voting results for the election of each director[5].

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5 The news release is intended to provide the reader with insight into the level of support received for each director. Accordingly, issuers should disclose one of the following in their news release: (i) the percentages of votes received 'for' and 'withheld' for each director; (ii) the total votes cast by ballot with the number that each director received 'for'; or (iii) the percentages and total number of votes received "for" each director.

If no formal count has occurred that would meaningfully represent the level of support received by each director, for example when a vote is conducted by a show of hands, TSX expects the disclosure at least to reflect the votes represented by proxy that would have been withheld from each nominee had a ballot been called, as a percentage of votes represented at the meeting.

[4] A contested meeting is defined as a meeting at which the number of directors nominated for election is greater than the number of seats available on the board.

[5] Majority controlled is defined as a security holder or company that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors, as of the record date for the meeting.

13.3 Clearing Agencies

13.3.1 Material Amendments to CDS Rules – Financial Institutions – Request for Comments

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS RULES

FINANCIAL INSTITUTIONS

REQUEST FOR COMMENTS

A. DESCRIPTION OF THE PROPOSED CDS RULE AMENDMENTS

The proposed rule amendment updates the definition of "Financial Institutions" in the CDS Participant Rules so as to add Schedule III banks, a category of permitted banks under the *Bank Act* since 1999.

B. NATURE AND PURPOSE OF THE PROPOSED CDS RULE AMENDMENTS

The *Bank Act* identifies categories of banks permitted to operate in Canada. In 1999, the *Bank Act* was amended to add Schedule III banks to the list of permitted banks. Prior to the amendment only Schedule I and Schedule II banks were permitted to operate in Canada.

Reference to banks in the definition of "Financial Institutions" in sub-section 1.2.1 of the CDS Participant Rules lists Schedule I and Schedule II banks. This definition was drafted before the 1999 amendment to the *Bank Act*. This definition in CDS' Participant Rules was an exhaustive list of permitted banks reflecting the law as it stood prior to 1999, but was never updated to reflect the 1999 amendment to the *Bank Act*.

The proposed rule amendment updates the definition of "Financial Institutions" to accord with the list of permitted banks under the *Bank Act*.

The proposed rule amendments will insert the words "or III" in paragraph of a) of the definition of "Financial Institutions" in sub-section 1.2.1 of the CDS Participant Rules.

C. IMPACT OF THE PROPOSED CDS RULE AMENDMENTS

(a) CDS Clearing – The proposed rule amendment will update the CDS Participant Rules and will ensure that CDS continues to satisfy its recognition order requirements concerning reasonable access to its services.

(b) CDS Participants – The proposed rule amendment will ensure that all Participants continue to have reasonable access to CDSX, a requirement under CDS' recognition orders.

(c) & (d) Other Market Participants and *Securities and Financial Markets in General* – The proposed rule promotes diversity in the capital markets.

C.1 Competition

The proposed rule amendments are not expected to have any impact on the competitive landscape of the Canadian capital markets or CDS Participants.

C.2 Risks and Compliance Costs

The admission of schedule III banks as CDS Participants provides diversification to the pool of CDS Participants.

Under the category of "Foreign Institutions", CDS Participant Rules already permit foreign banks (and other foreign institutions) to be Receivers of Credit.

Applications from schedule III banks will be assessed on their merits in accordance with CDS' Participant Rules and Risk Model.

Every schedule III bank that applies to be a CDS Participant will be required to provide a foreign legal opinion in a form satisfactory to the Bank of Canada and CDS.

CDS does not expect that the proposed rule amendment will result in any compliance costs for CDS, its Participants, or other market participants.

C.3 Comparison to International Standards – (a) Committee on Payment and Settlement Systems of the Bank for International Settlements, (b) Technical Committee of the International Organization of Securities Commissions, and (c) the Group of Thirty

CDS believes that the proposed rule amendments will help CDS respond to Principle 18 (Access and participation requirements) of the *Principles for Financial Market Infrastructures* ("PFMIs") published by the Committee on Payment and Settlement Systems of the International Organization of Securities Commissions (CPSS-IOSCO) published in April 2012, which relates to effective by ensuring that current and prospective Participants have reasonable access to CDSX.

D. DESCRIPTION OF THE RULE DRAFTING PROCESS

D.1 Development Context

CDS developed the proposed rule amendment in response to its recognition order requirements to provide reasonable access to its services following the reorganization of one of its Participant. It also recognized the need to update its definition to reflect the 1999 amendment to the *Bank Act.* CDS consulted prior versions of its rules and contextual documentation in the drafting of this proposed rule amendment.

D.2 Rule Drafting Process

Each amendment to the CDS Participant Rules is reviewed by CDS' Legal Drafting Group ("LDG"). The LDG is a committee that includes members of Participants' legal and business groups.

D.3 Issues Considered

CDS considered its recognition order requirement to provide reasonable access to its services.

CDS considered that it already has the ability to accept foreign bank branches as Receivers of Credit.

CDS considered that its Participant Rules were never amended to keep up with changes to the list of permitted banks under the *Bank Act*.

D.4 Consultation

In accordance with CDS' recognition order requirements, the proposed rule amendment will be submitted to its regulators for considerations and published on the OSC and the AMF websites for public comment.

D.5 Alternatives Considered

Not amending the definition of "Financial Institutions" in the CDS Participant Rules to include schedule III banks could result in an unreasonable access to CDS services and could be a contravention of CDS' recognition order requirements and Principle 18 of the PFMIs. No alternatives were considered.

D.6 Implementation Plan

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act, by* the British Columbia Securities Commission pursuant to Section 24(d) of the British Columbia *Securities Act* and by the *Autorité des marchés financiers* ("AMF") pursuant to section 169 of the Québec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX®, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act.* The Ontario Securities Commission, the British Columbia Securities Commission, the *Autorité des marchés financiers* and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The amendments to CDS Participant Rules are expected to become effective upon approval of the amendments by the Ontario Securities Commission, the Autorité des marchés financiers, and the British Columbia Securities Commission following public notice and comment.

E. TECHNOLOGICAL SYSTEMS CHANGES (E.1, E.2, E.3)

The proposed rule amendment is not expected to have an impact on technological systems, or require changes to such systems, for CDS, for CDS Participants, or for other market participants.

F. COMPARISON TO OTHER CLEARING AGENCIES

Rules for the Canadian Derivatives Clearing Corporation ("CDCC") do not prohibit Schedule III banks from applying for membership or from being Members.

Under the *Canadian Payment Associations Act*, banks in Canada, including "authorized foreign banks" must be members of the Canadian Payments Association. Members of the CPA may access the Large Value Transfer System ("LVTS").

G. PUBLIC INTEREST ASSESSMENT

CDS believes that the proposed amendments are not contrary to the public interest.

H. COMMENTS

Comments on the proposed amendments should be in writing and submitted within 30 calendar days following the date of publication of this notice in the Ontario Securities Commission Bulletin to:

Legal Department
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9
Fax: 416-365-1984
e-mail: attention@cds.ca

Copies should also be provided to the Autorité des marchés financiers, British Columbia Securities Commission and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

Me Anne-Marie Beaudoin
Secrétaire générale
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

Télécopieur: (514) 864-6381
Courrier électronique:
consultation-en-cours@lautorite.qc.ca

Manager, Market Regulation
Market Regulation Branch
Ontario Securities Commission
22nd Floor, Box 55,
20 Queen Street West
Toronto, Ontario, M5H 3S8

Fax: 416-595-8940
e-mail: marketregulation@osc.gov.on.ca

Doug MacKay
Manager, Market and SRO Oversight
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, B.C. V7Y 1L2

Fax: 604-899-6506
Email: dmackay@bcsc.bc.ca

Mark Wang
Manager, Legal Services
British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, B.C., V7Y 1L2

Fax: 604-899-6506
Email: mwang@bcsc.bc.ca

CDS will make available to the public, upon request, all comments received during the comment period.

I. PROPOSED CDS RULE AMENDMENTS

Appendix "A" contains text of current CDS Participant Rules marked to reflect proposed amendments as well as text of these rules reflecting the adoption of the proposed amendments.

APPENDIX "A"
PROPOSED CDS RULE AMENDMENTS

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
1.2.1 Definitions "Financial Institution" means any one of the following: (i) a bank named in Schedule I or II or III to the Bank Act (Canada); (ii) an institution regulated pursuant to an Act respecting financial services cooperatives (Québec); (iii) a trust company or corporation, a loan company or corporation, a credit union, a savings and credit union or a credit union central, which is incorporated and regulated under the laws of Canada or any province or territory thereof; or (iv) a crown corporation created pursuant to and governed by the Alberta Treasury Branches Act (Alberta).	1.2.1 Definitions "Financial Institution" means any one of the following: (i) a bank named in Schedule I or II or III to the Bank Act (Canada); (ii) an institution regulated pursuant to an Act respecting financial services cooperatives (Québec); (iii) a trust company or corporation, a loan company or corporation, a credit union, a savings and credit union or a credit union central, which is incorporated and regulated under the laws of Canada or any province or territory thereof; or (iv) a crown corporation created pursuant to and governed by the Alberta Treasury Branches Act (Alberta).

Chapter 25

Other Information

25.1 Permissions

25.1.1 Sanitec Corporation – s. 38(3)

Headnote

Filer granted permission from the Director, pursuant to s. 38(3) of the Securities Act (Ontario), to make listing representations in its preliminary and final offering documents to the effect that the filer has applied for admission of its ordinary shares to trading on NASDAQ OMX Stockholm and that the shares are expected to be admitted for trading.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 38(3).

November 26, 2013

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto, ON M5L 1A9

Attention: Ralph Lindzon

Re: Sanitec Corporation – Application for Permission to Make a Listing Representation

Pursuant to an application dated November 21, 2013 (the **Application**), Sanitec Corporation (the **Filer**) applied for permission to include in its preliminary and final Canadian Offering Memorandum (as defined below) a representation that application has been made to list its ordinary shares (the **Shares**) offered in Ontario under that document on NASDAQ OMX Stockholm (**NASDAQ OMX**) and that the Shares are expected to be admitted to trading on NASDAQ. The Filer has represented that:

(a) The Filer is a public limited liability company incorporated under the laws of Finland and has its head office in Finland.

(b) The Filer is not a reporting issuer in any jurisdiction in Canada.

(c) The Application is being made in connection with the initial public offering (the **Offering**) of the Shares in Sweden. Sofia IV S.`a r.l. is offering the Shares that are the subject of the Offering. The Shares are proposed to be distributed on a private placement basis to investors in Ontario. The Shares are not currently listed on any stock exchange or quotation system.

(d) Prospective Ontario purchasers, who must be "accredited investors", as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions*, and "permitted clients", as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, will receive a copy of the preliminary and/or final offering memorandum provided to investors outside Sweden, together with a Canadian supplement or “wrapper” (together, the **Canadian Offering Memorandum**).

(e) The Canadian Offering Memorandum will contain one or more representations identical or substantially similar to the following (the **Listing Representations**): “The Board of Directors of Company has applied for admission of the Shares to trading on NASDAQ OMX Stockholm under the symbol ‘SNTC’. It is expected that the Shares will be admitted to trading on NASDAQ OMX Stockholm and that trading in the Shares will commence, on or about December 10, 2013.”

(f) The Filer applied for admission of the Shares to trading on NASDAQ OMX on November 11, 2013. However, NASDAQ OMX has not granted approval to the listing of the Shares, conditional or otherwise, nor has it consented to, or indicated that it does not object to, the Listing Representations.

(g) The Filer seeks permission to include the Listing Representations in the Canadian Offering Memorandum to be provided to or made available to prospective Ontario purchasers.

Based upon the representations above, the Director hereby grants permission to the Filer, pursuant to subsection 38(3) of the *Securities Act* (Ontario), to include the Listing Representations in the Canadian Offering Memorandum to be provided or made available to prospective Ontario purchasers provided that, at the time they are made, the Listing Representations are factually correct and are made in compliance with the rules of NASDAQ OMX.

“Shannon O’Hearn”
Manager, Corporate Finance Branch
Ontario Securities Commission

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