

The Ontario Securities Commission

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

**The Ontario Securities Commission**

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# Chapter 1

## Notices / News Releases

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### 1.1 Notices

#### 1.1.1 OSC Staff Notice 15-702 Revised Credit for Cooperation Program

##### OSC STAFF NOTICE 15-702 REVISED CREDIT FOR COOPERATION PROGRAM

#### Purpose of the Notice

1. This notice relates to the compliance policy of the Ontario Securities Commission ("Commission") that market participants and others participating in the capital markets (collectively, "persons") should be encouraged to self-police, self-report and self-correct matters that may involve breaches of Ontario securities law or other types of misconduct that would be considered contrary to the public interest.
2. The results of cooperation by a person with Staff of the Commission in accordance with the following guidelines may lead to Staff recommendations which:
  - (a) narrow the scope of the allegations set out by Staff in connection with the commencement of an enforcement proceeding against the person;
  - (b) reduce the sanctions recommended by Staff in connection with an enforcement proceeding against the person;
  - (c) propose the resolution of the matter on the basis of a settlement agreement including, in limited circumstances, a settlement agreement in which the respondent makes no admissions of fact or liability; and
  - (d) in limited circumstances, result in Staff agreeing to take no enforcement action against the person.
3. This notice sets out the particulars aimed at encouraging persons to cooperate with Staff.

#### Staff's Expectations of Market Participants

4. A market participant that identifies a problem in respect of its systems of internal control, the reporting of financial results, misleading or incomplete disclosure, illegal or improper trading or any other inappropriate activity that has affected (or may affect) investors or cast doubt on the integrity of Ontario's capital markets, should promptly and fully self-report to the appropriate regulatory or law enforcement agency.
5. Market participants should fully cooperate with Staff, or any other regulator, when they are asked to provide assistance or information and should promptly and fully respond to all production orders and summonses.
6. When a matter is reported to Staff, a market participant should provide all necessary books and records required to assess the matter and any reports or analyses prepared by experts retained by the market participant or its counsel.
7. When a matter has been reported to a regulator, a market participant and its employees, officers and directors should make themselves available for interviews to allow Staff to assess the situation.
8. When a market participant has identified a breakdown of its system of internal controls, the market participant should promptly investigate, take corrective action and implement new systems of control, as appropriate.
9. A market participant that is aware that an employee, officer or director may have acted in a manner that is contrary to Ontario securities law, should fully investigate the matter and, independently of whatever action a regulator may take, deal with the matter promptly and appropriately.
10. A market participant should provide compensation, as appropriate, to any investors that have been harmed by inappropriate conduct or by a failure of internal controls.

### What is Not Viewed as Cooperation

11. In general, Staff will not give credit for cooperation to a market participant in situations where, during the course of an investigation, the market participant puts the interest of the firm or its officers, directors or employees ahead of its obligations to clients, shareholders or the integrity of Ontario's capital markets.
12. Specifically, no credit for cooperation will be given when market participants:
  - (a) fail to promptly and fully report serious breaches of Ontario securities law to Staff or to another regulator when the facts of the matter are known to them;
  - (b) withhold information that, in light of the circumstances, should be provided to Staff;
  - (c) arrange their affairs in such a manner as to delay reporting a matter that should be reported or to claim a privilege to avoid providing details of potential breaches of Ontario securities law;
  - (d) undertake to provide Staff with books, records or information and then fail to comply with the undertaking or fail to provide the required documents in a timely fashion;
  - (e) misrepresent the facts of a situation;
  - (f) destroy documents in an attempt to avoid production of the records;
  - (g) invoke legal advice as a defence, but refuse to disclose the advice;
  - (h) enter into settlement arrangements with employees, clients or shareholders that include an agreement not to disclose information to a regulator or an agreement to withdraw any existing complaints; and
  - (i) continue the inappropriate conduct or fail to correct internal control problems after the conduct or internal control problems have been identified to senior management and/or the board of directors.

### Examples of Credit For Cooperation

13. In general, if a potential respondent acts in a responsible and cooperative manner during the course of an investigation and has self-policed, self-reported and self-corrected the matters under investigation, Staff may agree that it may be in the public interest to resolve the matter by:
  - (a) recommending that the matter not proceed by way of a quasi-criminal prosecution before the courts under section 122 of the *Securities Act* ("Act") and/or an application before the courts under section 128 of the Act;
  - (b) issuing a Notice of Hearing and Statement of Allegations in respect of an administrative proceeding before the Commission under section 127 of the Act that recognizes and gives credit for cooperation by narrowing the scope of the allegations;
  - (c) recommending the resolution of an enforcement proceeding before the Commission on the basis of a settlement agreement that recognizes and gives credit for cooperation by, for example, narrowing the description of underlying facts and including a joint recommendation respecting sanctions;
  - (d) not issuing a Notice of Hearing and Statement of Allegations in connection with an administrative proceeding before the Commission under section 127 of the Act but rather recommending that the matter be addressed by one or more of the following:
    - (i) placing terms and conditions on a potential respondent's registration; or
    - (ii) obtaining an undertaking from the person that, in the future, they will not violate Ontario securities law; or
  - (e) in appropriate circumstances, concluding the matter without taking any action against the potential respondent.
14. As a practical matter, greater cooperation during the course of an investigation will lead to reduced costs incurred by the Commission and Staff, and consequently, a reduction of the potential costs that might be assessed under section 127.1 of the Act.

15. During the course of the investigation, persons who have been less than cooperative up to a point in time, may decide thereafter to fully cooperate with Staff, and in these circumstances, such persons would normally receive partial credit for the cooperation.

**Settlement Agreements without Admissions of Fact or Liability**

16. In limited circumstances, having regard to the factors set out in paragraph 17 below, Staff may conclude that it is appropriate to recommend to a Commission hearing panel that an enforcement matter be resolved on the basis of a settlement agreement in which the respondent makes no admissions respecting facts or that it contravened Ontario securities law or acted contrary to the public interest, and which would include:
- (a) facts declared by Staff to be true based on its investigation and which are not denied by the respondent;
  - (b) the respondent's acceptance of the settlement agreement as a basis for resolving the proceeding; and
  - (c) the agreed sanctions in light of the conduct described in the settlement agreement.
17. Factors that Staff may consider in evaluating whether it may be appropriate to recommend to a Commission hearing panel the resolution of an enforcement matter on the basis of a settlement agreement that does not include admissions of fact or liability by the respondent include:
- (a) the extent to which the person provided prompt, detailed and candid cooperation during Staff's investigation;
  - (b) the degree and timeliness of the self-reporting undertaken by the person in light of the circumstances of the misconduct;
  - (c) the degree of investor harm caused by the person's conduct;
  - (d) the remedial steps taken by the person to address the misconduct;
  - (e) the agreement of the person to pay such amounts as may be appropriate in the circumstances including, where appropriate, a payment for the benefit of third parties (such as compensation to persons affected by the misconduct) and costs of the investigation;
  - (f) the agreement of the person to cease the underlying conduct and undertaking to refrain from re-offending in the future;
  - (g) the deterrent effect of the settlement agreement on the future conduct of the person and others in the capital market; and
  - (h) the agreement of the person to pay monetary amounts, if any, contemplated by the settlement agreement contemporaneously with the approval of the settlement agreement.
18. Staff emphasize that they will continue to hold persons appropriately accountable for their misconduct.
19. Staff note that the Commission's Rules of Procedure respecting the consideration and approval of settlement agreements apply equally to settlement agreements in which the respondent makes no admissions of fact or liability and, accordingly, any such proposed resolution of an enforcement matter will be subject to the adjudicative discretion of an independent Commission hearing panel whether to approve any such settlement.
20. Notwithstanding the foregoing, a no-contest settlement agreement would not be available in any of the following circumstances:
- (a) the person has engaged in abusive, fraudulent or criminal conduct;
  - (b) the person's misconduct has resulted in investor harm which has not been addressed in a satisfactory manner; and
  - (c) the person has misled or obstructed Staff during its investigation.

### No Enforcement Action Agreements

21. In limited circumstances Staff may, in the exercise of its prosecutorial discretion, conclude that it is appropriate to refrain from taking enforcement action against a person, including through entering into a no enforcement action agreement with the person. Factors informing the availability of this form of credit for cooperation include:
- (a) proactive self-reporting, cooperation with Staff and self-remediation;
  - (b) misconduct that reflects an inadvertent technical and/or isolated breach of Ontario securities law;
  - (c) the degree of investor harm caused by the person's conduct and related remedial steps taken to address that harm;
  - (d) the cessation of the underlying conduct by the person and undertaking to refrain from re-offending in the future;
  - (e) the agreement of the person to pay such amounts as may be appropriate in the circumstances, including, where appropriate, a payment for the benefit of third parties (such as compensation to persons affected by the misconduct) and costs of the investigation;
  - (f) the deterrent effect on the future conduct of the person; and
  - (g) in circumstances involving multi-person misconduct, a commitment by the person to provide Staff with active and ongoing cooperation respecting Staff's investigation and prosecution of other persons.

### How to Contact Staff to Self-report and Offer Cooperation

22. A person may contact Staff to self-report and/or offer his/her cooperation in a number of ways:
- (a) persons are encouraged to directly contact Enforcement Staff as well as the OSC Contact Centre;
  - (b) market participants that are the subject of a compliance review by Staff are encouraged to directly provide their information to Compliance Staff; and
  - (c) persons may contact Staff indirectly through their legal counsel as a step toward providing information.
23. Staff will generally require a person that is self-reporting and/or offering to provide cooperation to disclose particulars about their conduct and the circumstances so that Staff may evaluate the information and the potential benefits of cooperation, including possible credit. For example:
- (a) a fact witness can forward documentation to Staff and attend an interview with Staff to provide further particulars and respond to questions; or
  - (b) a person who has failed to comply with Ontario securities law or acted contrary to the public interest can contact Staff directly (or through his/her legal counsel) to propose a meeting during which the person can provide particulars about his/her misconduct and discuss the prospect of offering cooperation to Staff respecting an investigation into the conduct of other persons.
24. At the discretion of Staff, a meeting with a person who may have engaged in misconduct may be held on the understanding that statements made by the person to Staff during the meeting would not be used against the person in subsequent enforcement proceedings by the Commission; however, the Commission and Staff could use statements made during the meeting for other purposes, including:
- (a) as a source of leads to discover additional evidence;
  - (b) for impeachment purposes if the person makes later statements that are inconsistent;
  - (c) in a prosecution for perjury, obstructing justice and/or the giving of contradictory evidence; and
  - (d) sharing the information with another securities, derivatives or financial regulatory authority or self-regulatory body or organization.



### Disclosure of Credit Granted for Cooperation

25. For the assistance of persons that may be considering self-reporting and offering to cooperate with Staff, Staff will disclose examples of credit that have been granted for cooperation in actual cases. This enhanced transparency will include:
- (a) ensuring that hearing panels when considering sanctions are informed about the cooperation provided by a respondent and the corresponding credit recommended by Staff;
  - (b) ensuring that settlement agreements and/or related news releases include particulars as to any credit that may have been granted for cooperation provided by the respondent; and
  - (c) periodically reporting, on a generic basis, describing circumstances in which Staff has determined not to initiate an enforcement action against persons.

**1.2 Notices of Hearing**

**1.2.1 Knowledge First Financial Inc. – ss. 127, 127.1**

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

**AND**

**IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.**

**NOTICE OF HEARING  
(Sections 127 and 127.1)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Friday, March 7, 2014 at 11:00 a.m., or as soon thereafter as the hearing can be held:

**AND TAKE NOTICE THAT** the purpose of the hearing is to consider whether it is in the public interest for the Commission to: (a) approve the Settlement Agreement between Staff of the Commission and Knowledge First Financial Inc. (“KFFI”); and (b) make such other order as the Commission may consider appropriate.

**BY REASON OF** the allegations set out in the Statement of Allegations dated March 5, 2014 and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 6th day of March, 2014.

“Josée Turcotte”  
Acting Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.**

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

**STAFF OF THE ONTARIO SECURITIES COMMISSION MAKE THE FOLLOWING ALLEGATIONS:**

1. Knowledge First Financial Inc. ("KFFI") distributes units of four distinct savings plans which are Registered Education Savings Plans under the *Income Tax Act*, R.S.C. 1985, c.1 (5th) supp.), as amended.
2. KFFI is registered with the Commission as both an investment fund manager and as a dealer in the category of scholarship plan dealer.
3. KFFI has been the subject of four compliance field review reports since 2003 by Staff of the Compliance and Registrant Regulation Branch ("CRR Staff"). KFFI also had terms and conditions previously imposed on its registration by CRR Staff, namely from July 9, 2004 to June 1, 2005 and from June 1, 2005 to February 21, 2006. The last compliance field review report on KFFI dated June 14, 2012 (the "2012 Compliance Report") had a review period of October 1, 2010 to September 30, 2011. In some cases, CRR Staff found KFFI to be deficient in similar areas to those previously identified as containing deficiencies.
4. As set out in the 2012 Compliance Report, on or between October 1, 2010 to September 30, 2011, KFFI did not meet reasonable compliance practices by failing to adequately meet its compliance obligations in certain of its sales supervision and compliance activities and thereby engaged in conduct contrary to the public interest.

Dated at Toronto this 5th day of March, 2014.

**1.2.2 Pro-Financial Asset Management Inc.**

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

**AND**

**IN THE MATTER OF  
PRO-FINANCIAL ASSET MANAGEMENT INC.**

**NOTICE OF HEARING**

**TAKE NOTICE THAT** the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127, 127.1 and 144 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Tuesday, March 11, 2014 at 1:00 p.m., or as soon thereafter as the hearing can be held:

**AND TAKE NOTICE THAT** the purpose of the hearing is to: (a) consider whether it is in the public interest for the Commission to vary an Order of the Commission issued on March 3, 2014 and (b) to make such other order as the Commission may consider appropriate.

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

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

**DATED** at Toronto this 7th day of March, 2014.

Josée Turcotte"  
Acting Secretary to the Commission

**1.2.3 Howard Rash – 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  
HOWARD RASH**

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

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), at the offices of the Commission, 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario, commencing on March 28, 2014 at 10:00 a.m.;

**TO CONSIDER** whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(1) and 127(10) of the Act, to order that:

- a. pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Howard Rash (“Rash”) cease permanently or for such period as is specified by the Commission;
- b. pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Rash is prohibited permanently or for such other period as is specified by the Commission;
- c. pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Rash permanently or for such period as is specified by the Commission;
- d. pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, Rash resign all positions that he may hold as an officer or director of any issuer, registrant or investment fund manager;
- e. pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Rash be prohibited permanently or for such other period as is specified by the Commission from becoming or acting as an officer or director of any issuer, registrant or investment fund manager;
- f. pursuant to clause 8.5 of subsection 127(1) of the Act, Rash be prohibited permanently or for such other period as is specified by the Commission from becoming or acting as a registrant, an investment fund manager or a promoter;
- g. pursuant to clause 10 of subsection 127(1) of the Act, Rash disgorge to the Commission any amounts obtained as a result of his non-compliance with Ontario securities law; and
- h. to make such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff of the Commission dated March 7, 2014 and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 7th day of March, 2014.

“Josée Turcotte”  
Acting Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

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

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

**I. OVERVIEW**

1. On August 31, 2012, Howard Rash ("Rash") pleaded guilty in the Ontario Court of Justice to one count of fraud, contrary to sections 122 and 126.1(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), and one count of contravening Ontario securities law by trading in securities at a time when he was prohibited from doing so by order of the Commission, contrary to section 122 of the Act. Rash's guilty plea was accepted by the Court and he was convicted and sentenced to 9 months in prison and probation for 2 years.
2. The offences for which Rash was convicted arose from transactions, business and/or a course of conduct related to securities.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating Rash's convictions, pursuant to paragraph 1 of subsection 127(10) of the Act.
4. The conduct for which Rash was convicted took place between September 2007 and June 2008 (the "Material Time").

**II. THE RESPONDENT**

5. Rash is resident of Ontario.
6. On July 23, 2007, in connection with the *Momentas Corporation et al.* proceeding, the Commission made an order pursuant to subsection 127(1) of the Act that, *inter alia*, Rash permanently cease trading in securities.

**III. THE ONTARIO COURT OF JUSTICE PROCEEDINGS**

**The Statement of Facts for Guilty Plea**

7. As part of Rash's plea, a statement of facts was filed as an exhibit with the Court (the "Statement of Facts").
8. According to the Statement of Facts:
  - a. [the] charges emanate[d] from a course of conduct engaged in by Rash and other persons associated with a company called Global Energy Group, Ltd. ("Global Energy");
  - b. Rash was at all material times a sales representative of Global Energy and was never a directing mind of that company;
  - c. Global Energy operated an unregistered securities sales office, commonly called a boiler room, trading units of a series of limited partnerships called New Gold LLP (the "New Gold Securities") to members of the public;
  - d. From approximately June 1, 2007 to June 25, 2008 [...], primarily using telephone solicitations, Rash and other persons associated with Global Energy (the "Global Energy Agents"), sold at least \$14.75 million (U.S.) worth of New Gold Securities to approximately 200 members of the public (the "New Gold Investors"), the majority of whom lived in western Canada;
  - e. The New Gold Securities purported to constitute ownership interests in Kentucky oil and gas leases;
  - f. Rash was employed at Global Energy from mid-September 2007 to mid-June 2008. During that time, 15 to 20 of the persons whom he approached ended up investing with Global Energy;

- g. The operations of Global Energy in Ontario were supervised and directed by [V.T.] and [C.H.];
- h. Under the direction and supervision of [V.T.] and [C.H.], the Global Energy Agents, including Rash, sold the New Gold Securities to members of the public using deceit, falsehood and other fraudulent means;
- i. Rash clearly deceived investing members of the public in the following ways:
  - i. Rash lied about his true identity by using the alias David Wells;
  - ii. Rash lied about where he was selling securities from, stating that he was in Kentucky when he was in Ontario; and
  - iii. Rash improperly withheld from investors and potential investors that he was prohibited by Order of the Commission from trading in securities which would have prohibited him from selling New Gold Securities;
- j. By engaging in the conduct set out in the previous paragraph, Rash prevented any members of the public from ascertaining his registration status with the Commission and the fact that he was prohibited from selling New Gold Securities to any member of the public from Ontario;
- k. Further, during the course of his solicitations, Rash provided information to members of the public about Global Energy's prior business history, the expertise and qualifications of Global Energy's management, the oil production of the wells purportedly underlying the New Gold Securities and the use of proceeds from the sale of New Gold Securities that was false, untrue and/or misleading;
- l. Rash primarily relied on information about Global Energy and its operations provided by [V.T.], [B.C.] and [C.H.]. While [he] believed the information and made some inquiries, Rash failed to conduct sufficient due diligence to ensure the information being conveyed to investors was correct, in circumstances where he had reason to believe the information was inaccurate;
- m. Further, on at least one occasion, Rash contacted a New Gold Investor, using the alias "Ray Lewis", and under the pretense of being an investment banker from New York City who had purchased several units of the New Gold Securities. In this call, Rash (a.k.a. "Ray Lewis") attempted to convince the investor about the legitimacy of the Global Energy operation to assist another salesman, [E.F.] that was attempting to sell the investor additional New Gold Securities;
- n. Rash received a commission of approximately 9.5 to 19% of his net sales of the New Gold Securities. Some of these commissions were split with [E.F.]. Investors were not informed of this commission structure; and
- o. Rash received approximately \$313,461 in sales commissions from his sales of New Gold Securities to members of the public.

#### **Rash's Sentence**

- 9. A sentencing hearing was subsequently held in connection with Rash's convictions before Justice Gorewich of the Ontario Court of Justice. Justice Gorewich issued oral reasons for sentence on November 7, 2013 and sentenced Rash to a term of imprisonment of 9 months and probation for 2 years.

#### **IV. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

- 10. Pursuant to paragraph 1 of subsection 127(10) of the Act, Rash's convictions for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.
- 11. Staff submit that it is in the public interest to make orders against Rash.
- 12. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

**DATED** at Toronto, this 7th day of March 2014.

### 1.3 News Releases

Most news releases will no longer be printed in the Bulletin as of February 20, 2014. All news releases can be found on the OSC website at [http://www.osc.gov.on.ca/en/NewsEvents\\_notices-newsreleases\\_index.htm](http://www.osc.gov.on.ca/en/NewsEvents_notices-newsreleases_index.htm).

#### 1.3.1 OSC Proceeds with New Initiatives to Strengthen Enforcement

**FOR IMMEDIATE RELEASE**  
**March 11, 2014**

#### **OSC PROCEEDS WITH NEW INITIATIVES TO STRENGTHEN ENFORCEMENT**

**TORONTO** – The Ontario Securities Commission (OSC) announced today that its Staff is proceeding with four enforcement initiatives that were originally proposed in OSC Staff Notice 15-704 *Request for Comments on Proposed Enforcement Initiatives*, published on October 21, 2011:

1. A new program to facilitate the settlement of appropriate enforcement cases in circumstances where the respondent does not make formal admissions respecting its misconduct (sometimes referred to as no-contest settlements);
2. A new program for explicit no-enforcement action agreements;
3. A clarified process for self-reporting under Staff's credit for cooperation program; and
4. Enhanced public disclosure by Staff of credit granted to persons for their cooperation during enforcement investigations.

Information about the new enforcement initiatives, including eligibility criteria, is set out in OSC Staff Notice 15-702 *Revised Credit for Cooperation Program*.

"These new tools will help Staff strengthen the presence and effectiveness of the OSC's enforcement program to protect investors and promote public confidence in the capital markets," said Tom Atkinson, OSC Director of Enforcement. "The four initiatives will potentially allow us to resolve enforcement matters more quickly and issue more protective orders earlier. When heightened accountability from respondents is paramount, we will continue to seek admissions as part of any proposed settlement agreement."

The Commission has indicated to Staff that it is prepared to consider the approval of proposed settlement agreements where a respondent does not make formal admissions respecting its misconduct. Ultimately, any decision to accept or reject a proposed no-contest settlement would be made by a Commission hearing panel considering the particular circumstances. The Commission also supports Staff efforts to enhance the effectiveness of the OSC's enforcement activities by proceeding with the other initiatives related to the OSC's credit for cooperation and no-enforcement action agreements programs.

The new initiatives do not affect any of the Commission *Rules of Procedure*, including those dealing with the consideration and approval of settlement agreements by Commission hearing panels.

The Commission would like to thank the stakeholders who submitted comment letters to the OSC and/or made submissions at the public Commission hearing on the proposed initiatives, convened on June 17, 2013.

Staff is continuing to consider the introduction of a whistleblower program under which monetary incentives would be paid to persons who provide the OSC with actionable information about misconduct in the marketplace.

The OSC is the regulatory body responsible for overseeing Ontario's capital markets. The OSC administers and enforces Ontario's securities and commodity futures laws. Its mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.



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**1.4 Notices from the Office of the Secretary**

**1.4.1 Conrad M. Black et al.**

**FOR IMMEDIATE RELEASE  
March 4, 2014**

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

**AND**

**IN THE MATTER OF  
CONRAD M. BLACK, JOHN A. BOULTBEE  
AND PETER Y. ATKINSON**

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

1. The motion scheduled for March 26 and March 27, 2014 is re-scheduled to April 10 and April 11, 2014, commencing at 10:00 a.m., and written materials will be filed according to the following schedule:
  - a. Black shall serve and file a proposed compendium and additional USB keys by March 14, 2014; and
  - b. Staff shall serve and file any responding materials by March 27, 2014; and
  - c. Black shall serve and file any reply materials by April 4, 2014.
2. A further confidential pre-hearing conference shall take place on March 20, 2014 at 10:00 a.m., or such other date as is agreed by the parties and set by the Office of the Secretary.

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

A copy of the Order dated February 26, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.2 A25 Gold Producers Corp. et al.**

**FOR IMMEDIATE RELEASE  
March 4, 2014**

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

**AND**

**IN THE MATTER OF  
A25 GOLD PRODUCERS CORP., DAVID AMAR,  
JAMES STUART ADAMS and AVI AMAR**

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

- (a) a pre-hearing conference shall take place on April 1, 2014 at 9:00 a.m.; and
- (b) the hearing on the merits in this matter shall commence on October 20, 2014 at 10:00 a.m. and shall continue on October 22, 23, and 24, 2014.

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

A copy of the Order dated February 28, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.3 Heritage Education Funds Inc.**

**FOR IMMEDIATE RELEASE  
March 5, 2014**

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

**AND**

**IN THE MATTER OF  
HERITAGE EDUCATION FUNDS INC.**

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

1. The Temporary Order as amended by Commission orders dated September 6, 2013 and December 12, 2013 is extended to April 28, 2014 or until such further order of the Commission.
2. The hearing is adjourned to April 23, 2014 at 9:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant and to consider vacating the Temporary Order.

A copy of the Order dated March 5, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.4 Northern Securities Inc. et al.**

For investor inquiries:

**FOR IMMEDIATE RELEASE  
March 6, 2014**

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

**AND**

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

**AND**

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

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

1. The parties shall adhere to the Revised Schedule, subject to further order of the Commission;
2. If IIROC files any motion relating to the new evidence proposed by the Applicants such motion shall be heard on May 12, 2014 at 10:00 a.m., or on May 26, 2014 at 2:00 p.m. or on such other date as is agreed by the parties and set by the Office of the Secretary.

A copy of the Order dated March 4, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.5 Knowledge First Financial Inc.**

**FOR IMMEDIATE RELEASE  
March 6, 2014**

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

**AND**

**IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Knowledge First Financial Inc.

The hearing will be held on March 7, 2014 at 11:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated March 6, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 5, 2014 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.6 Pro-Financial Asset Management Inc.**

**FOR IMMEDIATE RELEASE  
March 7, 2014**

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

**AND**

**IN THE MATTER OF  
PRO-FINANCIAL ASSET MANAGEMENT INC.**

**TORONTO** – The Commission issued an Order in the above named matter with certain provisions. The hearing is adjourned to April 7, 2014 at 10:00 a.m. and the Temporary Order is extended to April 10, 2014.

A copy of the Order dated March 4, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.7 Knowledge First Financial Inc.**

**FOR IMMEDIATE RELEASE  
March 7, 2014**

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

**AND**

**IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.**

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

A copy of the Order dated March 7, 2014 and Settlement Agreement dated March 5, 2014 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.8 Global RESP Corporation and Global Growth Assets Inc.**

**FOR IMMEDIATE RELEASE  
March 7, 2014**

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

**AND**

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

**TORONTO** – The Commission issued an Order in the above named matter pursuant to section 127 of the Act which provides that the hearing is adjourned to March 31, 2014 at 10:00 a.m.

A copy of the Order dated March 6, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.9 Issam El-Bouji et al.**

**FOR IMMEDIATE RELEASE  
March 7, 2014**

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

**AND**

**IN THE MATTER OF  
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,  
GLOBAL GROWTH ASSETS INC.,  
GLOBAL EDUCATIONAL TRUST FOUNDATION  
AND MARGARET SINGH**

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

- (1) the hearing dates scheduled for March 31, April 1, 2, 3, 4 and 7, 2014 are vacated and that the hearing in this matter shall commence on April 9, 2014 at 10:00 a.m. and shall continue on April 10, 11, 14, 15, 16, 17, 21, 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.; and
- (2) the parties may request a further pre-hearing conference in this matter, if necessary.

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**1.4.10 Pro-Financial Asset Management Inc.**

**FOR IMMEDIATE RELEASE  
March 7, 2014**

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

**AND**

**IN THE MATTER OF  
PRO-FINANCIAL ASSET MANAGEMENT INC.**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on March 11, 2014 at 1:00 p.m. to consider whether it is in the public interest to vary an Order of the Commission dated March 3, 2014, pursuant to section 144 of the *Securities Act*.

A copy of the Notice of Hearing dated March 7, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.11 David M. O'Brien**

**FOR IMMEDIATE RELEASE  
March 7, 2014**

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

**AND**

**IN THE MATTER OF  
DAVID M. O'BRIEN**

**TORONTO** – The Commission issued an Order in the above named matter which provides that a confidential pre-hearing conference shall take place on May 8, 2014 at 10:00 a.m.

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

A copy of the Order dated March 6, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.12 North American Financial Group Inc. et al.**

**FOR IMMEDIATE RELEASE  
March 10, 2014**

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

**AND**

**IN THE MATTER OF  
NORTH AMERICAN FINANCIAL GROUP INC.,  
NORTH AMERICAN CAPITAL INC.,  
ALEXANDER FLAVIO ARCONTI AND  
LUIGINO ARCONTI**

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

- (a) the hearing to determine sanctions and costs, scheduled for March 24, 2014 at 10:00 a.m., is adjourned and shall be held on March 28, 2014 at 10:00 a.m.;
- (b) Staff shall file and serve any additional evidence and supplementary submissions on sanctions and costs by March 10, 2014;
- (c) the Respondents shall file and serve written submissions on sanctions and costs by March 21, 2014; and
- (d) Staff shall file and serve any reply submissions on sanctions and costs by March 26, 2014.

A copy of the Order dated March 10, 2014 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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**1.4.13 Howard Rash**

**FOR IMMEDIATE RELEASE  
March 10, 2014**

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

**AND**

**IN THE MATTER OF  
HOWARD RASH**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on March 28, 2014 at 10:00 a.m. as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated March 7, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 7, 2014 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 CT Real Estate Investment Trust

##### Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from requirement file a BAR for an acquisition that is not significant to the Filer from a practical, commercial, business, or financial perspective.

##### Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.2, 13.1.

January 10, 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  
CT REAL ESTATE INVESTMENT TRUST  
(THE “FILER” OR THE “REIT”)

##### DECISION

##### Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) for relief from the requirement in Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) to file a business acquisition report (a “**BAR**”) in respect of the Filer’s proposed acquisition (the “**Burlington Property Acquisition**”) of 2070 Appleby Line, Burlington, ON L7L 6M6 (the “**Burlington Property**”) expected to occur on or after December 12, 2013 (the “**Exemption Sought**”).

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

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

The principal regulator has received an application of the Filer for a decision under the Legislation that the application for this decision, all supporting materials, this decision and all communications related thereto be kept confidential pursuant to Section 5.4 of National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*, as amended from time to time (the “**Request for Confidentiality**”), until the date on which the REIT completes the Burlington Property Acquisition.

##### Interpretation

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

##### Representations

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

##### *The REIT*

1. The REIT is an unincorporated closed-end real estate investment trust established under the laws of the Province of Ontario by a declaration of trust and its head office is located in Toronto, Ontario.
2. The REIT is a reporting issuer under the securities legislation of each of the provinces and territories of Canada and is not in default of securities legislation in any jurisdiction.
3. The trust units of the REIT are listed and posted for trading on the Toronto Stock Exchange under the symbol “CRT.UN”.
4. The REIT completed its IPO of trust units (the “**IPO**”) on October 23, 2013 pursuant to a long form prospectus in respect thereof dated October 10, 2013.

5. The net proceeds of the IPO were used by the REIT as partial consideration of its indirect acquisition from Canadian Tire Corporation, Limited and its subsidiaries of a portfolio of 256 commercial properties located in Canada, comprising 255 retail properties and one distribution centre.

*The Burlington Property Acquisition*

6. On or after December 12, 2013, the REIT expects to complete the acquisition of the Burlington Property for aggregate consideration of approximately \$14.4 million.
7. The Burlington Property Acquisition constitutes a "significant acquisition" of the REIT for the purposes of Part 8 of NI 51-102, requiring the REIT to file a BAR within 75 days of the Burlington Property Acquisition pursuant to section 8.2(1) of NI 51-102.

*Significance Test for the BAR*

8. Under Part 8 of NI 51-102, the REIT is required to file a BAR for any completed business acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102.
9. The Burlington Property Acquisition is a significant acquisition under each of the asset test, the investment test and the profit or loss test in section 8.3(2) of NI 51-102.
10. For the purposes of completing its quantitative analysis of the asset test, the investment test and the profit or loss test, the REIT is required to utilize its most recent audited financial statements. Such audited historical financial statements of the REIT were created following the creation of the REIT for purposes of the REIT's IPO prospectus. Accordingly, the applicable audited historical financial statements of the REIT only reflect assets of \$10.00 and unitholders' equity of \$10.00 as a result of the issuance of the initial trust unit of the REIT upon its creation and prior to the completion of the REIT's IPO. As a result, the application of the asset test, the investment test and the profit or loss test each produces an anomalous result for the REIT in comparison to the results of such tests when re-applying them using the financial metrics of the REIT that existed immediately following the closing of the REIT's IPO.
11. When using the financial metrics of the REIT that existed upon the closing of its IPO (as opposed to the above-mentioned pre-IPO audited historical financial statements) to calculate the asset test, investment test and profit or loss test with respect to the Burlington Property Acquisition, the results indicate that the Burlington Property Acquisition will represent only 0.41% of the REIT's con-

solidated assets, 0.41% of the REIT's consolidated investments and 0.34% of the REIT's forecasted net operating income. The application of the asset test, investment test and profit or loss test using the financial metrics of the REIT that existed immediately following the closing of its IPO more accurately reflect the true significance of the Burlington Property Acquisition from a practical, commercial, business and financial perspective.

*De Minimis Acquisition*

11. The REIT does not believe that the Burlington Property Acquisition is significant to it from a practical, commercial, business or financial perspective.
12. The Filer has provided the principal regulator with an additional measure which demonstrates the insignificance of the Burlington Property Acquisition to the Filer. This additional measure reflects that the total gross leasable area of the Burlington Property will represent just 0.34% to the total gross leasable area of the Filer's entire real estate portfolio immediately following the closing of its IPO.

**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.

The further decision of the principal regulator under the Legislation is that the Request for Confidentiality is granted until the date on which the Filer completes the Burlington Property Acquisition.

"Sonny Randhawa"  
Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.2 Dundee Securities Ltd. and Richardson GMP Limited

### Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) and Derivatives Regulation (Québec) – relief from certain filing requirements of NI 33-109 and Derivatives Regulation (Québec) in connection with a bulk transfer of business locations and registered individuals pursuant to an asset purchase in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

### Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System/  
National Instrument 33-109 Registration Information and  
Companion Policy 33-109CP/  
National Policy 11-203 Process for Exemptive Relief  
Applications in Multiple Jurisdictions/  
Derivatives Act (Québec) and Derivatives Regulation  
(Québec).

March 4, 2014

### IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO AND QUÉBEC

AND

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

AND

### IN THE MATTER OF DUNDEE SECURITIES LTD. (DSL) AND RICHARDSON GMP LIMITED (RGMP) (the Filers)

### DECISION

### Background

The principal regulator in Ontario has received an application from the Filers for a decision under the securities legislation of Ontario (the **Legislation**) for relief from the requirements contained in sections 2.2, 2.3, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of the securities registration of certain dealing representatives (the **Representatives**) and their respective locations at RGMP in Montreal, Ottawa, Toronto, Calgary, Vancouver and Victoria to DSL, on or about March 14, 2014 (the **Closing Date**), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

The securities regulatory authority in Québec (the **Derivatives Decision Maker**) has received an application from the Filers for a decision under the derivatives legislation of Québec for relief from section 11.1 of the *Derivatives Regulation* (Québec) pursuant to section 86 of the *Derivatives Act* (Québec) to allow the Bulk Transfer of any Representatives registered under Québec derivatives legislation and their respective locations at RGMP in Montreal, Ottawa, Toronto, Calgary, Vancouver and Victoria to DSL, on the Closing Date, in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Derivatives Exemption Sought**).

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

- (i) the Ontario Securities Commission is the principal regulator for this application;
- (ii) 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 each jurisdiction of Canada outside of Ontario (together with Ontario, the **Jurisdictions**);
- (iii) the decision with respect to the Exemption Sought is the decision of the principal regulator; and
- (iv) the decision with respect to the Derivatives Exemption Sought evidences the decision of the Derivatives Decision Maker.

### Interpretation

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

### Representations

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

### **DSL**

1. DSL is a corporation incorporated under the *Business Corporations Act* (Ontario) and has its head office at 1 Adelaide Street East, Suite 2100, Toronto, Ontario M5C 2V9.
2. DSL is registered as an investment dealer in all of the Jurisdictions and is also registered as a derivatives dealer in Québec.
3. DSL is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and is approved by IIROC to carry out business in the categories of securities, options and managed accounts.

4. DSL is not in default of the securities legislation in any of the Jurisdictions.

#### **RGMP**

5. RGMP is a corporation amalgamated under the *Canada Business Corporations Act*. The head office of RGMP is at 145 King Street West, Suite 500, Toronto, Ontario M5H 1J8.
6. RGMP is registered as an investment dealer in all of the Jurisdictions and is also registered as a derivatives dealer in Québec.
7. RGMP is a member of IIROC and is approved by IIROC to carry out business in the categories of securities, options and managed accounts.
8. RGMP is not in default of the securities legislation in any of the Jurisdictions.

#### **Acquisition**

9. DSL and RGMP have entered into an asset and share purchase agreement dated as of the 13th day of January 2014 whereby RGMP has agreed to transfer the employment and the client accounts of approximately 90 dealing representatives (the **Transferred Employees**) to DSL on the Closing Date. The Transferred Employees were recently transferred to RGMP in connection with its acquisition of Macquarie Private Wealth Inc.
10. In addition, DSL will be acquiring the offices (including the relevant lease of space and certain equipment and furniture located in such space) at which some of the Transferred Employees work in Montreal, Ottawa and Victoria. At the time of the Bulk Transfer, all of the employees working in such acquired offices will be Transferred Employees.
11. Sub-branches will also be established by RGMP in Toronto, Calgary and Vancouver and the Transferred Employees in those locations will be transferred to the sub-branch in that city prior to the Closing Date to facilitate their transfer to DSL as part of the Bulk Transfer.
12. To ensure that the Bulk Transfer occurs seamlessly, DSL and RGMP have agreed, subject to IIROC approval, that the Transferred Employees in RGMP's Calgary and Vancouver offices will be moved to new segregated space in DSL's offices in Calgary and Vancouver prior to the Closing Date. Such segregated space in Calgary and Vancouver will have appropriate RGMP signage, and other than internet connectivity, the Transferred Employees in such locations will not interact with DSL prior to the implementation of the Bulk Transfer.

13. DSL and RGMP have also agreed that DSL will provide internet connectivity to the Transferred Employees in Montreal, Ottawa, Calgary, Vancouver and Victoria prior to the Closing Date to assist in facilitating the Bulk Transfer on the Closing Date. Appropriate confidentiality and non-disclosure agreements will be put in place and the Transferred Employees in such locations will not have any access to DSL's systems, and DSL will not have any access to RGMP's systems, prior to the Closing Date other than the internet connectivity (i.e., the Transferred Employees in such locations will access RGMP's systems remotely from such locations).

14. On, or immediately prior to, the Closing Date, subject to IIROC's approval, which shall be sought by means of a separate application (the **IIROC Approval**), the employment agreements of the Transferred Employees will be assigned to a wholly-owned subsidiary of RGMP without the need for a formal agency agreement between RGMP and the subsidiary. As part of the transaction with RGMP, DSL will acquire all of the issued and outstanding shares of the subsidiary on the Closing Date, which will then be amalgamated with DSL immediately after the closing of the transaction, on or about March 15, 2014.

15. Effective on the Closing Date, all of the registrable activities of the Transferred Employees will be transferred from RGMP to DSL. Subject to obtaining the Exemption Sought, the Derivatives Exemption Sought and the IIROC Approval, no disruption in the services provided by the Transferred Employees to their clients is anticipated as a result of DSL acquiring the employment agreements and client accounts of the Transferred Employees.

16. The senior management and operations of RGMP and DSL will not change as a result of the transfer of the Transferred Employees.

17. Pursuant to section 14.11 of National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations*, a notice has been mailed to the clients of the Transferred Employees advising them of their right to close their account at least 30 days prior to the Closing Date.

18. A press release will be issued immediately after the Closing Date confirming the acquisition of the Transferred Employees by DSL.

#### **Submissions in support of exemptions**

19. Neither the Exemption Sought nor the Derivatives Exemption Sought will have any negative consequences on the ability of DSL or RGMP to comply with any applicable regulatory require-

ments or the ability to satisfy any obligations in respect of the clients of the Transferred Employees.

20. Given the number of Transferred Employees that will be transferred from RGMP to DLS on the Closing Date, it would be unduly time consuming and difficult to transfer each of the Transferring Employees to DSL through the National Registration Database (**NRD**) in accordance with the requirements of NI 33-109 if the Exemption Sought and Derivatives Exemption Sought are not granted.
21. Both Filers are registered in the same categories of registration in the same Jurisdictions, affording the opportunity to seamlessly transfer the Transferred Employees and the affected business locations on the closing of the transaction by way of Bulk Transfer and thereby ensure that there is no interruption in registration.
22. At the time of the Bulk Transfer, all of the Transferred Employees will be the only employees of RGMP at the branch or sub-branch at which they work. Accordingly, the transfer of registrations of the Transferred Employees in those locations to DSL on the Closing Date by means of the Bulk Transfer can be implemented in a relatively simple manner without any significant disruption to the registrable activities of the Transferred Employees, DSL or RGMP, and will be easier to administer than having to transfer the registration of each of the Transferred Employees on an individual basis.
23. Allowing the Bulk Transfer of the Transferred Employees to occur on the closing of the transaction will benefit (and have no detrimental impact on) the clients of the Transferred Employees by facilitating seamless service on the part of the Transferred Employees.
24. The Exemption Sought and Derivatives Exemption Sought comply with the requirements of, and the reasons for, a bulk transfer as set out in Section 4.3 of the Companion Policy to NI 33-109 and Appendix C thereto.
25. It would not be prejudicial to the public interest to grant the Exemption Sought and the Derivatives Exemption Sought.

make acceptable arrangements with CGI Information Systems and Management Consultants Inc. for the payment of the costs associated with the Bulk Transfer, and make such arrangements in advance of the Bulk Transfer.

The decision of the Derivatives Decision Maker under the *Derivatives Act* (Québec) is that the Derivatives Exemption Sought is granted, provided that the Filers make acceptable arrangements with CGI Information Systems and Management Consultants Inc. for the payment of the costs associated with the Bulk Transfer, and make such arrangements in advance of the Bulk Transfer.

“Debra Foubert”  
Director, Compliance and Registrant Regulation  
Ontario Securities Commission

## Decision

Each of the principal regulator and the Derivatives Decision Maker is satisfied that the decision meets the test set out in the Legislation and the *Derivatives Act* (Québec) for the principal regulator and the Derivatives Decision Maker, respectively, to make the decision.

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



### 2.1.3 Greystone Managed Investments Inc.

#### Headnote

NP 11-203 – relief granted from subsection 13.5(2)(b) of NI 31-103 to permit inter-fund trades between pooled funds and segregated accounts – Filer not subject to NI 81-107 therefore cannot engage in inter-fund trading without exemptive relief.

February 26, 2014

#### IN THE MATTER OF THE SECURITIES LEGISLATION OF SASKATCHEWAN AND ONTARIO

AND

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

AND

#### IN THE MATTER OF GREYSTONE MANAGED INVESTMENTS INC. (the Filer)

#### DECISION

#### Background

The securities regulatory authority or regulator in each of Saskatchewan and Ontario (each, a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of those provinces (the **Legislation**) that exempts the Filer from the application of section 13.5(2)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103), in order to allow the Filer to cause:

- (a) the sale by one of the Pooled Funds (as defined below) of securities to one or more of the other Pooled Funds and/or to the Segregated Accounts (as defined below);
- (b) the sale by one of the Segregated Accounts of securities to one or more of the Pooled Funds; and
- (c) the purchase of the securities referred to in paragraphs (a) and (b) by the Pooled Fund(s) and/or the Segregated Account(s), as the case may be, for cash payable to the selling Pooled Fund or Segregated Account;

(each such purchase and sale, an **Inter-Fund Trade**)

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

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

- (a) The Financial and Consumer Affairs Authority of Saskatchewan (**FCAA**) is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in all of the other provinces of Canada (with Saskatchewan, the Jurisdictions); and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

#### Interpretation

Terms defined in National Instrument 14-101 Definitions, MI 11-102 and NI 31-103 have the same meaning if used in this decision, unless otherwise defined.

The following terms used in this decision have the following meaning:

- (a) **NI 81-107** means National Instrument 81-107 *Independent Review Committee for Investment Funds*;
- (b) The **Pooled Funds** means, collectively, the investment funds managed by the Filer and distributed on a prospectus exempt basis to accredited investors or other investors pursuant to applicable prospectus exemptions; and
- (c) The **Segregated Accounts** means, collectively, the segregated accounts managed on a fully discretionary basis by the Filer for a client that is not a responsible person as defined in section 13.5 of NI 31-103, pursuant to discretionary portfolio management agreements executed by the client and the Filer.

#### Representations

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

1. The Filer is a corporation continued under the laws of Canada. Its head office is located in Regina, Saskatchewan.
2. The Filer is registered in each of the Jurisdictions and in Ontario as a portfolio manager and an exempt market dealer. It is also registered as an investment fund manager in Saskatchewan,



- Ontario, Quebec and Newfoundland and Labrador.
  3. The Filer is not a reporting issuer in any province or territory of Canada and is not in default of securities legislation in any such jurisdiction.
  4. The Filer services institutional clients across Canada and, through third-party distribution arrangements, private wealth clients. It is the eighth largest pension-asset manager in Canada and had \$33 billion in assets under management as of December 31, 2013.
  5. The Filer manages twenty-six Pooled Funds, each of which is distributed to investors pursuant to exemptions from the prospectus requirements. The Filer is the investment fund manager and the portfolio manager of the Pooled Funds. None of the Pooled Funds is a reporting issuer.
  6. The Filer manages the assets of institutional clients in Segregated Accounts. These Segregated Accounts are held by clients who do not wish to invest in a Pooled Fund, but rather want the Filer to manage their assets directly on a discretionary basis according to a specified investment strategy.
  7. The investment policy statements for the Pooled Funds set out the ways in which the Pooled Funds are managed by the Filer. Each Pooled Fund requires investors to make a minimum investment of \$5 million (although the Filer may exercise its discretion to accept lower amounts for investment). The Filer had approximately \$14.2 billion in assets under administration in the Pooled Funds (as of December 31, 2013).
  8. The Filer requires an institutional client to have at least \$50 to 100 million in assets under administration by the Filer if the client wishes to set up a Segregated Account with the Filer. The Filer had approximately \$18.8 billion in assets under administration in the Segregated Accounts (as of December 31, 2013).
  9. Prior to the coming into force of section 13.5(2)(b) of NI 31-103, the Filer had a "cross-trading" policy which set out the criteria that the Filer followed whenever it considered it in the best interests of its clients to trade securities between accounts. The Filer ended any cross-trading amongst its Pooled Funds and between a Pooled Fund and its Segregated Accounts when section 13.5 of NI 31-103 came into force.
  10. Subsection 13.5(2) of NI 31-103 prevents Inter-Fund Trades between the Pooled Funds and between the Pooled Funds and the Segregated Accounts and the Filer is unable to rely on the exemption provided for in section 6.1 of NI 81-107
- because the Pooled Funds are not subject to NI 81-107.
11. Since the coming into force of section 13.5 of NI 31-103, the Filer has arranged for securities of a Pooled Fund to be sold into the market through registered dealers from the Pooled Fund whenever such disposition was considered warranted by the Filer. When the Filer considered it appropriate for another Pooled Fund and/or Segregated Account to acquire the securities at the same time as they were being disposed of by the selling Pooled Fund or Segregated Account, the other Pooled Fund and/or the Segregated Accounts would incur brokerage commissions to acquire those securities. The trades for the selling Pooled Fund/Segregated Account and also for the purchasing Pooled Fund and/or the Segregated Account were not designated as "cross-trades".
  12. The Requested Relief will allow the Filer to cause a Pooled Fund to sell securities to another Pooled Fund and/or a Segregated Account(s) or a Segregated Account to sell securities to a Pooled Fund(s) as an Inter-Fund Trade on the conditions noted in this decision document, which will benefit the Pooled Funds and/or the Segregated Accounts in the following ways:
    - (a) The Pooled Funds and/or the Segregated Accounts will incur lower commission payments.
    - (b) The Filer will be able to manage the particular assets being sold more effectively, including by increasing speed of execution of the trades and by reducing the transaction costs of the Pooled Funds and the Segregated Accounts.
  13. Prior to carrying out any Inter-Fund Trades pursuant to the Requested Relief, the Filer will establish an independent review committee (**IRC**) for the Pooled Funds, with at least three members who will be independent of the Filer and its affiliates, with the assessment of independence being conducted as required for IRCs of investment funds that are subject to NI 81-107. The IRC established by the Filer for the Pooled Funds will have as part of its mandate, approving and, if approved, the on-going monitoring, of Inter-Fund Trading conducted by the Filer pursuant to this decision. The Filer will not conduct any Inter-Fund Trading that has not been approved by the IRC, which may provide standing instructions to the Filer to carry out Inter-Fund Trading in compliance with its written policies and procedures.
  14. Inter-Fund Trades pursuant to the Requested Relief will be carried out in accordance with the Filer's written policies and procedures, which will

be consistent with applicable securities legislation and this decision and will require the following:

- (a) Prior approval by the IRC of the Pooled Funds in respect of an Inter-Fund Trade. The IRC will consider the Inter-Fund Trade and will not approve it unless it has determined, after reasonable inquiry, the matters set out in section 5.2(2) of NI 81-107. The IRC and the Filer will comply with section 5.4 of NI 81-107 if the IRC provides such approval by way of standing instructions.
- (b) Inter-Fund Trades will only occur when the Filer considers that this activity is in the best interests of the selling Pooled Fund/Segregated Account and the purchasing Pooled Fund and/or Segregated Account.
- (c) Any proposed Inter-Fund Trade will be reviewed by a person of authority in the Filer's compliance department to determine that the transaction represents the business judgment of the Filer, uninfluenced by considerations other than the best interests of each of the Pooled Funds/Segregated Accounts and their respective investors.
- (d) In respect of each Inter-Fund Trade, the securities to be delivered will meet the investment criteria of the purchasing Pooled Fund and/or the Segregated Account and therefore will be consistent with the investment objectives of the applicable Pooled Fund/Segregated Account.
- (e) For the purpose of the Inter-Fund Trade, the securities being transferred will be valued at their "current market price" as such term is defined in section 6.1 of NI 81-107, with the exception that the Filer may use the last sale price for securities that are exchange-traded.
- (f) The Filer will keep written records of all Inter-Fund Trades conducted in each of its financial years, including records of each purchase and sale of securities and the names of the Pooled Funds and/or Segregated Accounts selling and purchasing the securities, as well as the terms thereof, in accordance with the form, accessibility and retention of records requirements as prescribed by section 11.6 of NI 31-103 and as contemplated in section 6.1(2)(g) of NI 81-107.

- (g) If a particular security is suitable for more than one Pooled Fund and/or one or more of the Segregated Accounts, then the Inter-Fund Trade will be conducted for all the applicable Pooled Funds/Segregated Accounts and each will acquire a proportionate share of the securities being transferred from the selling Pooled Fund/Segregated Account.
- (h) Any Inter-Fund Trade of securities that are listed on a stock exchange will be done in accordance with the "market integrity requirements" as such term is defined in section 6.1 of NI 81-107.
- (i) The Filer will not receive any compensation in respect of any Inter-Fund Trade and, in respect of any delivery of securities pursuant to an Inter-Fund Trade, the only charges that can be charged to an applicable Pooled Fund and/or Segregated Account will be the charges of a dealer contacted pursuant to the market integrity requirements noted above, and/or any charges levied by the applicable custodians.
- (j) Any Inter-Fund Trades conducted for a Segregated Account pursuant to the Requested Relief will be done only if the Filer has obtained the authorization of the Segregated Account for Inter-Fund Trading.
- (k) The Filer's compliance department will monitor Inter-Fund Trading to ensure compliance with its policies and this decision.

### Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted subject to the following conditions:

- (a) The Inter-Fund Trade is consistent with the investment objective of the Pooled Funds or the Segregated Accounts, as applicable;
- (b) The Filer, as manager of the Pooled Funds or the Segregated Accounts, refers the Inter-Fund Trade to the IRC in the manner contemplated by section 5.1 of NI 81-107 and the Filer, as manager of the Pooled Funds or the Segregated Accounts, and the IRC comply with

section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

- (c) The IRC approves the Inter-Fund Trade in accordance with the terms of subsection 5.2(2) of NI 81-107;
- (d) If the transaction is with a Segregated Account, the investment management agreement or other documentation in respect of the Segregated Account contains or will contain the authorization of the client to engage in Inter-Fund Trades and such authorization has not been revoked; and
- (e) The Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, except that for purposes of paragraph (e) of subsection 6.1(2) in respect of exchange-traded securities, the Inter-Fund Trade is executed at the last sale price.

“Dean Murrison”  
Director, Securities Division  
Financial and Consumer Affairs  
Authority of Saskatchewan

## 2.1.4 MaRS VX

### Headnote

Application by not-for-profit entity (the Filer) to vary representations in previous decision to facilitate use of the passport system described in Multilateral Instrument 11-102 Passport System (MI 11-102) in Quebec – Filer operates online portal bringing together accredited investors and issuers that aim to solve social or environmental challenges – Filer registered as restricted dealer in Ontario – previous decision granted Filer relief from certain know-your-client (KYC) and suitability requirements contained in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) subject to certain conditions – Filer recently obtained registration as a restricted dealer in Quebec and wishes to rely on the decision and the passport system in Quebec – application for fee relief in connection with making variation application – relief granted – Filer may, at a later date, seek to extend portal to include issuers and investors in other Canadian jurisdictions, subject to obtaining registrations and necessary consents in these jurisdictions.

### Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System (MI 11-102).

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, sections 13.2(2)(c), 13.3 and Part 15.

Ontario Securities Commission Rule 13-502 Fees.

March 6, 2014

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

AND

IN THE MATTER OF  
MARS VX  
(the Filer)

DECISION

### Background

The Filer has made an application (the **Application**) to the Director (the **Director**) in the Jurisdiction for a decision, pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), to vary the previous decision of the Director made under section 15.1 of NI 31-103 entitled *Re MaRS VX* dated June 17, 2013 (the **Previous Decision**) in accordance with the Requested Amendment Relief (as described below).

### Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* or the Previous Decision have the same meaning in this decision unless they are otherwise defined in this decision (the **Decision**).

### Representations

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

1. The Filer is a not-for-profit entity and is a wholly owned subsidiary of MaRS Discovery District (**MaRS**).
2. MaRS is a registered charity and a not-for-profit entity without share capital created by letters patent under the Canada Corporations Act having its head office located in Toronto, Ontario that carries on its operations without pecuniary gain.
3. The Filer's current objective is to facilitate impact investing by bringing together via an online platform (the **Platform**) accredited investors (as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**) in Ontario and potentially in other jurisdictions and issuers that are social impact issuers and/or environmental impact issuers in Ontario and potentially other jurisdictions in Canada aiming to solve social or environmental challenges in these jurisdictions.

4. The Filer is registered as a restricted dealer in Ontario pursuant to section 25(1) of the *Securities Act* (Ontario) and NI 31-103.
5. On June 17, 2013, the Filer was granted certain relief from certain requirements under NI 31-103 that would otherwise be applicable to the Filer in connection with the operation of the Platform, subject to terms and conditions, all as described in the Previous Decision.
6. On February 10, 2014, the Filer was granted registration as a restricted dealer in the Province of Quebec.
7. The Filer now wishes to amend the Previous Decision in order to be able to rely on the passport system described in Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) in the Province of Quebec.
8. Specifically, the Filer has requested that paragraphs 5, 6 and 7 of the Previous Decision be deleted and replaced by the following new paragraphs (the **Requested Amendment Relief**):
  5. The Filer's objective is to facilitate impact investing by bringing together via an online platform (the "**Platform**") accredited investors (as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**") in Ontario, Quebec and potentially in other jurisdictions and issuers that are social impact issuers and/or environmental impact issuers in Ontario, Quebec and potentially other jurisdictions in Canada aiming to solve social or environmental challenges in these jurisdictions.

The term "impact issuer" means a small or medium-sized venture with less than \$25 million in revenues at the time of initial access to the Private Portal, a prioritized mission, earned revenues and proven impact, including for-profit corporations, non-profit corporations, for-profit cooperatives and non-profit cooperatives. It also means a venture capital fund, private equity fund, or similar type of fund that is not an investment fund as defined in the Act or in National Instrument 81-106 *Investment Fund Continuous Disclosure*, with a prioritized mission, and proven impact or that has retained a manager with proven impact.

The term "social impact issuer" means an issuer that focuses on creating opportunities and/or breaking the cycle of poverty in subsectors including, but not limited to, affordable housing, employment services, food security, education, First Nations and new Canadians.

The term "environmental impact issuer" means an issuer that focuses on building environmental sustainability in subsectors including, but not limited to, renewable energy, sustainable agriculture, consumer products, water and transportation.
  6. The Filer will allow only social impact issuers and/or environmental impact issuers in Ontario, Quebec, and other jurisdictions in Canada, with the prior written consent of the other jurisdictions (as described below), to use the Private Portal.
  7. The Filer may, at a later date, propose to allow accredited investors resident in other Canadian jurisdictions to use the Private Portal to make investments in social impact issuers and environmental impact issuers in Ontario, Quebec, and other jurisdictions in Canada. Prior to allowing accredited investors in another Canadian jurisdiction to use the Private Portal, the Filer will apply for and obtain registration as a restricted dealer in that jurisdiction or make such other arrangements as are acceptable to the regulator or securities regulatory authority in that jurisdiction. The Filer undertakes not to rely on section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") to passport this Decision into another Canadian jurisdiction without the prior written consent of the regulator or securities regulatory authority in that jurisdiction.
9. Upon the granting of the Requested Amendment Relief, the Filer intends to file a notice pursuant to section 4.7(1) of MI 11-102 to passport the Previous Decision, as amended, into Quebec.
10. The Filer has further made an application to the Director in the Jurisdiction for a decision, pursuant to section 6.1 of Ontario Securities Commission Rule 13-502 *Fees* (the **Fees Rule**), that the Filer be exempt from the requirement to pay an activity fee for making the Application (the **Requested Fee Relief**).

11. This decision is based on the same representations made by the Filer in the Previous Decision and which remain true and complete.

**Decision**

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

It is the decision of the Director that the Requested Amendment Relief and the Requested Fee Relief is granted.

"Debra Foubert"  
Director, Compliance & Registrant Regulation  
Ontario Securities Commission

## 2.1.5 PMI Gold Corporation

### Headnote

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

### Ontario Statutes

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

March 7, 2014

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK,  
NOVA SCOTIA, PRINCE EDWARD ISLAND, AND NEWFOUNDLAND AND LABRADOR  
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF  
PMI GOLD CORPORATION  
(THE FILER)

DECISION

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer under the securities legislation of the Jurisdictions (the **Legislation**) for an order that the Filer has ceased to be a reporting issuer in the Jurisdictions (the **Requested Relief**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of the other Decision Maker.

### Interpretation

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

### Representations

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

1. The Filer was incorporated on March 31, 1978, under the previous *Company Act* (British Columbia) and currently exists under and is governed by the *Business Corporations Act* (British Columbia) and is a reporting issuer in the provinces of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador. Prior to the Arrangement (as defined below), the Filer's head office was located at 408 - 837 West Hastings Street, Vancouver, BC V6C 3N6.
2. Effective February 6, 2014, Asanko Gold Inc. (**Asanko**), a company incorporated under the laws of British Columbia, acquired all of the issued and outstanding common shares in the capital of the Filer (the **PMI Shares**) by way of a statutory plan of arrangement under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the **Arrangement**).



3. As a result of the Arrangement, the Filer is now a wholly owned subsidiary of Asanko and the Filer's share capital consists entirely of common shares, which are solely held by Asanko. Besides the common shares, the Filer has no other outstanding securities, including debt securities.
4. The British Columbia Securities Commission granted the Filer non-reporting status in British Columbia effective February 21, 2014 pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.
5. The outstanding securities of the Filer, 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.
6. Following completion of the Arrangement, the PMI Shares were delisted from the Toronto Stock Exchange and the Australian Securities Exchange on February 10, 2014, as such no securities of the Filer including any 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.
7. The Filer has no intention to seek public financing by way of an offering of securities.
8. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions.
9. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than an obligation (arising after the Arrangement) to file on or before February 14, 2014 its interim financial statements and its management discussion and analysis in respect of such statements for the six months ended December 31, 2013, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**).
10. The Filer was not eligible to use the simplified procedure under CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer* as it is in default for failure to file the Filings.
11. The Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the granting of the Requested Relief.
12. The Filer is not a reporting issuer or the equivalent in any jurisdiction in Canada, other than the Jurisdictions.

### Decision

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

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

Dated this 7th day of March, 2014.

"Anne Marie Ryan"  
Commissioner  
Ontario Securities Commission

"Deborah Leckman"  
Commissioner  
Ontario Securities Commission



2.2 Orders

2.2.1 Conrad M. Black et al.

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

AND

IN THE MATTER OF  
CONRAD M. BLACK, JOHN A. BOULTBEE AND PETER Y. ATKINSON

ORDER

**WHEREAS** on March 18, 2005 the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing (the "**Notice of Hearing**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") in relation to a Statement of Allegations (the "**Original Proceeding**") filed by Staff of the Commission ("**Staff**") with respect to Hollinger Inc., Conrad M. Black ("**Black**"), F. David Radler ("**Radler**"), John A. Boulton ("**Boulton**") and Peter Y. Atkinson ("**Atkinson**") (collectively, the "**Original Respondents**");

**AND WHEREAS** the Commission held a contested hearing on October 11 and November 16, 2005, to determine the appropriate date for a hearing on the merits of the Original Proceeding;

**AND WHEREAS** on January 24, 2006, the Commission issued its Reasons and Order setting down the matter for a hearing on the merits commencing June 2007, subject to each of the individual Original Respondents agreeing to execute an undertaking to the Commission to abide by interim terms of a protective nature within 30 days of that decision;

**AND WHEREAS** following the Reasons and Order dated January 24, 2006, each of the individual Original Respondents provided an undertaking in a form satisfactory to the Commission;

**AND WHEREAS** on March 30, 2006, the Commission issued an Order with attached undertakings provided by the individual Original Respondents and ordered, among other things, that the hearing on the merits commence on Friday, June 1, 2007, or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties;

**AND WHEREAS** the individual Original Respondents further provided to the Commission amended undertakings, in a form satisfactory to the Commission, stating that each of the Original Respondents agreed to abide by interim terms of a protective nature (the "**Amended Undertakings**"), pending the Commission's final decision regarding liability and sanctions in the proceeding commenced by the Notice of Hearing;

**AND WHEREAS** on April 4, 2007, the Commission issued an Order which attached the Amended Undertakings, and ordered that the hearing on the merits be scheduled to commence on November 12 through to December 14, 2007, and January 7 to February 15, 2008 or such other dates as may be fixed by the Secretary to the Commission and agreed to by the parties;

**AND WHEREAS** Black and Boulton brought motions and requests to adjourn the Original Proceeding pending the outcome of a criminal proceeding in the United States and Staff consented to the adjournment requests;

**AND WHEREAS** on September 11, 2007, the Commission issued an Order which adjourned the hearing on the merits of this matter and scheduled a hearing on December 11, 2007 for the purpose of addressing the scheduling of the Original Proceeding;

**AND WHEREAS** Black and Boulton brought a series of additional motions and requests to adjourn the Original Proceeding, pending the outcome of criminal proceedings in the United States, and Staff consented to the adjournment requests;

**AND WHEREAS** the Commission issued orders on December 10, 2007, January 7, March 27, and September 25, 2008, February 12, May 20 and July 9, 2009, which granted Black and Boulton's motions and adjourned the hearing of the matter;

**AND WHEREAS** by Order dated October 7, 2009, the Commission adjourned the hearing *sine die*, pending the release of a decision of the United States Supreme Court, in relation to an appeal brought by Boulton, or until such further order as may be made by the Commission;

**AND WHEREAS** on November 12, 2012, Staff filed a new Statement of Allegations against Radler alone;

**AND WHEREAS** on November 13, 2012, Radler provided a new undertaking to the Commission;

**AND WHEREAS** on November 14, 2012, the Commission approved a settlement agreement reached between Staff and Radler and approved an Order resolving the new proceeding against Radler and releasing Radler from the Amended Undertakings;

**AND WHEREAS** on November 15, 2013, Staff withdrew its allegations in the Original Proceeding with respect to Radler;

**AND WHEREAS** on July 12, 2013, Staff withdrew its allegations in the Original Proceeding with respect to Hollinger;

**AND WHEREAS** on July 12, 2013, the Commission issued a new Notice of Hearing pursuant to sections 127 and 127.1 of the Act in relation to an Amended Statement of Allegations filed by Staff with respect to Black, Boulton and Atkinson (together, the “**Respondents**”);

**AND WHEREAS** the new Notice of Hearing stated that a hearing before the Commission would be held on August 16, 2013;

**AND WHEREAS** on August 16, 2013, the Commission heard submissions from counsel for Staff, counsel for Black, and from Atkinson and Boulton on their own behalf;

**AND WHEREAS** on August 16, 2013, Staff requested that the matter be adjourned to a pre-hearing conference and the Respondents consented to this request;

**AND WHEREAS** on August 16, 2013, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on Monday, October 21, 2013;

**AND WHEREAS** on September 23, 2013, the Commission approved a settlement agreement reached between Staff and Atkinson and approved an Order releasing Atkinson from the Amended Undertakings and requiring Atkinson to comply with a new undertaking;

**AND WHEREAS** counsel for Black filed a signed consent of all parties to reschedule the confidential pre-hearing conference of October 21, 2013 to Wednesday, October 23, 2013;

**AND WHEREAS** a confidential pre-hearing conference was held on October 23, 2013 and the Commission heard submissions from counsel for Staff, counsel for Black, and from Boulton on his own behalf;

**AND WHEREAS** all parties agreed to adjourn the matter to a further confidential pre-hearing conference to be held on December 2, 2013;

**AND WHEREAS** a confidential pre-hearing conference was held on December 2, 2013 and the Commission heard submissions from counsel for Staff, counsel for Black, and from Boulton on his own behalf;

**AND WHEREAS** all parties agreed to adjourn the matter to a further confidential pre-hearing conference to be held on January 9, 2014;

**AND WHEREAS** a confidential pre-hearing conference was held on January 9, 2014 and the Commission heard submissions from counsel for Staff, counsel for Black, and from Boulton on his own behalf;

**AND WHEREAS** on January 9, 2014, the Commission ordered that Black’s motion to stay proceedings or alternatively, for directions regarding the scope of issues to be determined at the hearing would be heard on March 26 and March 27, 2014, and that a further confidential pre-hearing would be held on February 26, 2014;

**AND WHEREAS** a confidential pre-hearing conference was held on February 26, 2014 and the Commission heard submissions from counsel for Staff and counsel for Black;

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

**IT IS HEREBY ORDERED THAT** that:

1. The motion scheduled for March 26 and March 27, 2014 is re-scheduled to April 10 and April 11, 2014, commencing at 10:00 a.m., and written materials will be filed according to the following schedule:
  - a. Black shall serve and file a proposed compendium and additional USB keys by March 14, 2014; and
  - b. Staff shall serve and file any responding materials by March 27, 2014; and
  - c. Black shall serve and file any reply materials by April 4, 2014.
2. A further confidential pre-hearing conference shall take place on March 20, 2014 at 10:00 a.m., or such other date as is agreed by the parties and set by the Office of the Secretary.

**DATED** at Toronto this 26th day of February, 2014.

"Mary G. Condon"

**2.2.2 A25 Gold Producers Corp. et al.**

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

**AND**

**IN THE MATTER OF  
A25 GOLD PRODUCERS CORP., DAVID AMAR,  
JAMES STUART ADAMS and AVI AMAR**

**ORDER**

**WHEREAS** on December 19, 2013, the Ontario Securities Commission ("the Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c.S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on December 18, 2013 with respect to A25 Gold Producers Corp., David Amar, James Stuart Adams, and Avi Amar (collectively, the "Respondents");

**AND WHEREAS** the Notice of Hearing set a hearing in this matter for January 16, 2014;

**AND WHEREAS** on January 16, 2014, Staff and counsel for the Respondents appeared before the Commission;

**AND WHEREAS** on January 16, 2014, the Commission ordered that a pre-hearing conference take place on February 28, 2014 at 9:00 a.m.;

**AND WHEREAS** on February 28, 2014, Staff and counsel to the Respondents appeared and made submissions before the Commission;

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

**IT IS HEREBY ORDERED that:**

- (a) a pre-hearing conference shall take place on April 1, 2014 at 9:00 a.m.; and
- (b) the hearing on the merits in this matter shall commence on October 20, 2014 at 10:00 a.m. and shall continue on October 22, 23, and 24, 2014.

**DATED** at Toronto this 28th day of February, 2014.

"James E. A. Turner"

**2.2.3 Heritage Education Funds Inc.**

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

**AND**

**IN THE MATTER OF  
HERITAGE EDUCATION FUNDS INC.**

**ORDER**

**WHEREAS** on August 13, 2012, the Ontario Securities Commission (the "Commission") ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"), with the consent of Heritage Education Funds Inc. ("HEFI"), that the terms and conditions set out in Schedule "A" to the Commission order (the "Terms and Conditions") be imposed on HEFI (the "Temporary Order");

**AND WHEREAS** on August 21, 2012, the Commission extended the Temporary Order until November 23, 2012;

**AND WHEREAS** the Terms and Conditions required HEFI to retain a consultant (the "Consultant") to prepare and assist HEFI in implementing plans to strengthen their compliance systems, and to retain a monitor (the "Monitor") to review applications of New Clients and contact New Clients as defined and set out in the Terms and Conditions;

**AND WHEREAS** HEFI retained Deloitte & Touche LLP ("Deloitte") as its Monitor and its Consultant;

**AND WHEREAS** by Order dated October 10, 2012, the Commission clarified certain matters with respect to the Temporary Order;

**AND WHEREAS** by Order dated November 22, 2012, the Commission ordered that the Temporary Order be extended to December 21, 2012 and that the hearing be adjourned to December 20, 2012;

**AND WHEREAS** by Order dated December 20, 2012, the Commission amended certain of the Terms and Conditions and extended the Temporary Order to March 22, 2013;

**AND WHEREAS** by Order dated January 28, 2013, the Manager of the Compliance and Registrant Regulation Branch (the "OSC Manager") approved the compliance plan dated January 14, 2013 (the "Plan") submitted by the Consultant;

**AND WHEREAS** on March 21, 2013, the Commission ordered that the Temporary Order be extended to April 19, 2013;

**AND WHEREAS** on April 8, 2013, HEFI filed a motion with the Commission to vary the terms of the

Temporary Order by, among other matters, suspending the on-going monitoring by the Monitor of HEFI's compliance with the Terms and Conditions (the "Motion");

**AND WHEREAS** on April 18, 2013, the Commission heard oral submissions from the parties and issued an Order which: (i) dismissed the Motion; (ii) extended the Temporary Order to May 31, 2013, or until such further order of the Commission; (iii) adjourned the hearing to May 27, 2013 at 11:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Monitor and the Consultant; and (iv) provided that the Monitor, Staff and HEFI may seek further direction from the Commission, if necessary or desirable;

**AND WHEREAS** on May 23, 2013, the Commission issued an order on consent of the parties that: (i) the Temporary Order is extended to June 17, 2013; or until such further order of the Commission; (ii) the hearing is adjourned to June 14, 2013 at 10:00 a.m.; and (iii) the hearing date of May 27, 2013 be vacated;

**AND WHEREAS** by letter dated June 12, 2013 the Manager approved Compliance Support Services to replace Deloitte as Consultant subject to three conditions;

**AND WHEREAS** on June 14, 2013, the Commission ordered that: (i) the Temporary Order is extended to July 22, 2013; and (ii) the hearing be adjourned to July 18, 2013 at 10:00 a.m.;

**AND WHEREAS** on July 17, 2013, the Commission ordered that: (i) the Temporary Order be extended to September 9, 2013; (ii) the hearing be adjourned to September 6, 2013 at 10:00 a.m.; and (iii) the hearing date of July 18, 2013 at 10:00 a.m. be vacated;

**AND WHEREAS** on September 6, 2013, the Commission ordered that: (i) the role and activities of the Monitor and HEFI set out in paragraphs 5, 6, 7 and 8 of the Terms and Conditions, as amended by Commission order dated December 20, 2012, be suspended as of the start of business on September 16, 2013; (ii) the resumption of any future monitoring shall take place on the recommendation of the Consultant with the agreement of the OSC Manager and the parties may seek the direction from the Commission; (iii) the Temporary Order be extended to October 22, 2013; and (iv) the hearing be adjourned to October 18, 2013 at 10:00 a.m.;

**AND WHEREAS** on October 15, 2013, the Commission ordered that: (i) the hearing date of October 18, 2013 at 10:00 a.m. be vacated; (ii) the Temporary Order be extended to December 19, 2013 or until such further order of the Commission; and (iii) the hearing is adjourned to December 16, 2013 at 10:00 a.m.;

**AND WHEREAS** on December 12, 2013, the Commission ordered that: (i) the hearing date of December 16, 2013 be vacated; (ii) paragraphs 11 and 12 of the Terms and Conditions be deleted and replaced with new paragraphs 11.1 and 12.1; (iii) the Temporary Order be extended to March 7, 2014; and (iii) the hearing be

adjourned to March 5, 2014 at 10:00 a.m. for the purpose of providing the Commission with an update on the work completed by Compliance Support Services;

**AND WHEREAS** on March 5, 2014, Staff filed an affidavit of Lina Creta sworn March 4, 2014 setting out the work completed by Compliance Support Services and the outstanding work needed to be completed prior to Staff recommending the removal of the Terms and Conditions to the OSC Manager;

**AND WHEREAS** the parties consent to the terms of this Order;

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

**IT IS HEREBY ORDERED** pursuant to section 127 of the Act that:

1. The Temporary Order as amended by Commission orders dated September 6, 2013 and December 12, 2013 is extended to April 28, 2014 or until such further order of the Commission.
2. The hearing is adjourned to April 23, 2014 at 9:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant and to consider vacating the Temporary Order.

**DATED** at Toronto this 5th day of March, 2014.

"James E. A. Turner"

## 2.2.4 Granite Real Estate Inc.

### Headnote

OSC Rule 13-502 Fees – subsidiary entity applied for relief from requirement to pay participation fees because subsidiary entity could not avail itself of statutory exemptions in section 2.6 of OSC Rule 13-502 Fees due to timing difference between subsidiary entity's reference fiscal year and parent's reference fiscal year – relief granted subject to conditions

### Applicable Legislative Provisions

OSC Rule 13-502 Fees, ss. 2.2, 2.6, 6.1.

### IN THE MATTER OF ONTARIO SECURITIES COMMISSION RULE 13-502 FEES

### AND

### IN THE MATTER OF GRANITE REAL ESTATE INC.

### ORDER

**WHEREAS** the Ontario Securities Commission (the **Commission**) has received an application from Granite Real Estate Inc. (**Granite Co.** or the **Filer**), for an order by the Commission, under section 6.1 of Ontario Securities Commission Rule 13-502 *Fees* (**OSC Rule 13-502**) that the requirement under section 2.2 of OSC Rule 13-502 to pay an annual participation fee for each of its fiscal years shall not apply to the Filer;

**AND WHEREAS** terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined; provided that the terms “parent” and “subsidiary entity” have the same meaning as defined in OSC Rule 13-502;

**AND WHEREAS** the Filer has represented to the Commission that:

1. Granite Co. is a corporation incorporated under the *Business Corporations Act* (Quebec). Granite Co. is a reporting issuer under the laws of Ontario and the other provinces of Canada.
2. Prior to January 4, 2013, Granite Co.'s common shares were listed and posted for trading on the Toronto Stock Exchange (the **TSX**) and the New York Stock Exchange (the **NYSE**), and Granite Co. was a “Class 1 reporting issuer” under OSC Rule 13-502.
3. On January 3, 2013, Granite Co. completed a transaction, by way of a plan of arrangement, to convert from a corporate structure to a stapled unit real estate investment trust structure (the **Conversion Transaction**). Under the plan of arrangement, through a series of steps, each

holder of common shares of Granite Co. exchanged such common shares for “stapled units” (**Stapled Units**), each Stapled Unit consisting of one trust unit of Granite Real Estate Investment Trust (**Granite REIT**), a trust formed under Ontario law, and one common share of Granite REIT Inc. (**Granite GP**), a corporation formed under the *Business Corporations Act* (British Columbia). The components of the Stapled Units are “stapled” and trade together as Stapled Units on the TSX and the NYSE, and the Granite Co. common shares were de-listed and no longer trade on any exchange or public market.

4. Granite REIT is a Canadian-based real estate investment trust engaged, directly and through its subsidiaries, primarily in the acquisition, development, construction, leasing, management and ownership of a predominantly industrial rental portfolio of properties in North America and Europe.
5. Granite GP acts as the general partner of Granite REIT Holdings Limited Partnership (**Granite LP**), a limited partnership formed under the laws of Quebec. Granite REIT is the sole limited partner of Granite LP.
6. Granite LP owns all of the outstanding common shares of Granite Co. and has done so since January 3, 2013.
7. Granite Co. is the co-debtor under \$265 million of 6.05% Senior Unsecured Debentures Series 1 due December 22, 2016 (the **Debentures**). The Debentures were issued under a trust indenture dated December 22, 2004 between Granite Co. and BNY Trust Company of Canada, and were distributed in Canada under a base shelf prospectus dated March 19, 2004 and a prospectus supplement dated December 16, 2004. As part of the Conversion Transaction, two of Granite Co.'s affiliates (the **Other Co-debtors**) became co-debtors under the Debentures and the Debentures were guaranteed by each of Granite REIT and Granite GP.
8. Each of Granite REIT and Granite GP is a reporting issuer in Ontario and has been a reporting issuer since January 3, 2013.
9. After completion of the Conversion Transaction, Granite Co. remained a reporting issuer in Ontario and the other provinces of Canada due to the outstanding Debentures. However, Granite Co. obtained exemptive relief from, among other things, the continuous disclosure requirements under National Instrument 51-102 – *Continuous Disclosure Obligations* under a Decision dated December 21, 2012 entitled *In the Matter of Granite Real Estate Inc. (the Filer) on its own behalf and on behalf of Granite REIT Holdings Limited Partnership and Granite Europe Limited*



*Partnership formed or to be formed as part of a conversion of the Filer to a Real Estate Investment Trust Structure.*

10. Granite REIT prepares and files combined financial statements (**Combined Financial Statements**) that combine its consolidated results with those of Granite GP, under International Financial Reporting Standards (**IFRS**). IFRS requires the consolidation of Granite REIT and Granite Co. in the Combined Financial Statements and, as such, the capitalization of Granite Co. will be included in the Combined Financial Statements for the year ended December 31, 2013 that are prepared and filed by Granite REIT.
11. Granite Co. is currently a "Class 2 reporting issuer" under OSC Rule 13-502.
12. At the time of filing Combined Financial Statements for the year ended December 31, 2013, Granite REIT and Granite GP will pay participation fees under OSC Rule 13-502, as "Class 1 reporting issuers" based on the calculated capitalization of the Stapled Units pursuant to section 2.7 of OSC Rule 13-502.
13. Granite Co. was a reporting issuer on December 31, 2011. Under the current version of OSC Rule 13-502, which came into force on April 1, 2013, Granite Co. will have a "reference fiscal year" of its last fiscal year ended before May 1, 2012, which is the year ended December 31, 2011. Therefore, under the current version of OSC Rule 13-502, Granite Co. would be required to calculate and pay a participation fee as a "Class 2 reporting issuer", pursuant to section 2.8 of OSC Rule 13-502, based on the applicable balance sheet items as at December 31, 2011, unless an exemption is available.
14. Neither Granite REIT nor Granite GP was a reporting issuer on December 31, 2011 (the last completed fiscal year of Granite Co. ended before May 1, 2012). Under the current version of OSC Rule 13-502, Granite REIT and Granite GP will have a "reference fiscal year" of the year ended December 31, 2013 (the previous fiscal year), since they did not become reporting issuers until January 3, 2013. Accordingly, Granite Co. has a different "reference fiscal year" than Granite REIT and Granite GP.
15. Granite Co. does not meet the requirements for exemption under section 2.6(1)(a), (d) or (e) of OSC Rule 13-502. Granite Co. does not meet the requirements for exemption under section 2.6(2)(a), (d) or (e) of OSC Rule 13-502, since, at the end of its "reference fiscal year", it did not have a parent that was a reporting issuer; its capitalization for its reference fiscal year was not included in the capitalization of the parent for the parent's reference fiscal year; and it did not rely

on a continuous disclosure exemption for its reference fiscal year.

16. However, Granite Co., as a subsidiary entity of Granite REIT, would satisfy the requirements of section 2.6(2) with respect to its most recently completed fiscal year (which is its parent's reference fiscal year), since (a) at the end of its most recently completed fiscal year, Granite Co. had a parent that was a reporting issuer, (b) applicable accounting standards require the consolidation of the parent and Granite Co., (c) Granite Co.'s parent will pay a participation fee under section 2.2 of OSC Rule 13-502 determined with reference to the parent's capitalization for the parent's reference fiscal year, (d) the capitalization of Granite Co. for its most recently completed fiscal year was included in the capitalization of its parent for the parent's reference fiscal year, and (e) Granite Co. relied on an exemption from continuous disclosure for its most recently completed fiscal year. The Other Co-debtors will qualify for the exemption under section 2.6(2), since they have the same reference fiscal year as the parent Granite REIT.
17. Under the previous version of OSC Rule 13-502, in force prior to April 1, 2013, the exemption under section 2.6 of OSC Rule 13-502 was based on the previous fiscal year for both the parent and the subsidiary entity reporting issuer, and Granite Co. would have qualified for exemption from annual participation fees.
18. For the year ended December 31, 2012 and prior years, an annual participation fee was paid to the Commission with reference to Granite Co.'s capitalization in accordance with the previous version of OSC Rule 13-502.

**THE ORDER** of the Commission is that the requirement under section 2.2 of OSC Rule 13-502 to pay an annual participation fee for each of its fiscal years shall not apply to the Filer, provided that:

- (a) the Filer is a subsidiary entity in respect of a participation fee determined with reference to the Filer's capitalization for the reference fiscal year of a parent of the Filer,
- (b) at the end of the Filer's most recently completed fiscal year, a parent of the Filer was a reporting issuer,
- (c) the accounting standards pursuant to which the parent's financial statements are prepared under Ontario securities law require the consolidation of the parent and the Filer,
- (d) the parent has paid a participation fee applicable to the parent under section 2.2

- of OSC Rule 13-502 determined with reference to the parent's capitalization for the parent's reference fiscal year,
- (e) the capitalization of the Filer for its most recently completed fiscal year was included in the capitalization of the parent for the parent's reference fiscal year,
  - (f) throughout the reference fiscal year of the parent, the Filer was entitled to rely on an exemption, waiver or approval from the requirements in subsections 4.1(1), 4.3(1) and 5.1(1) and sections 5.2 and 6.1 of National Instrument 51-102 *Continuous Disclosure Obligations*,
  - (g) the Filer files a notice titled "Subsidiary Entity Exemption Notice" at the time it would be required to pay a participation fee under section 2.3 of OSC Rule 13-502 identifying the Filer, the parent, the parent's reference fiscal year and stating that the Filer meets each of conditions (a) through (f) of this Order, and
  - (h) this Order shall immediately expire upon the earlier of:
    - (i) three years from the date of this Order; and
    - (ii) the effective date of any amendments to OSC Rule 13-502, other than any amendments that have already been adopted prior to the date of this Order.

**DATED** this 4th day of March, 2014

"Huston Loke"  
Director, Corporate Finance



**2.2.5 Bell Aliant Regional Communications, Limited Partnership and Bell Aliant Preferred Equity Inc.**

**Headnote**

OSC Rule 13-502 Fees – subsidiary entity applied for relief from requirement to pay participation fees because subsidiary entities could not avail themselves of statutory exemptions in section 2.6 of OSC Rule 13-502 Fees due to timing difference between subsidiary entities' reference fiscal year and parent's reference fiscal year – relief granted subject to conditions

**Applicable Legislative Provisions**

OSC Rule 13-502 Fees, ss. 2.2, 2.6, 6.1.

**IN THE MATTER OF  
ONTARIO SECURITIES COMMISSION RULE 13-502 FEES**

**AND**

**IN THE MATTER OF  
BELL ALIANT REGIONAL COMMUNICATIONS, LIMITED PARTNERSHIP AND  
BELL ALIANT PREFERRED EQUITY INC.**

**ORDER**

**WHEREAS** the Ontario Securities Commission (the **Commission**) has received an application from Bell Aliant Regional Communications, Limited Partnership (**Bell Aliant LP**) and Bell Aliant Preferred Equity Inc. (**Prefco** and, together with Bell Aliant LP, the **Filers**), for an order by the Commission, under section 6.1 of Ontario Securities Commission Rule 13-502 - **Fees (OSC Rule 13-502)** that the requirement under section 2.2 of OSC Rule 13-502 to pay an annual participation fee for each of its fiscal years shall not apply to the Filers;

**AND WHEREAS** terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this Order, unless otherwise defined; provided that the terms “parent” and “subsidiary entity” have the same meaning as defined in OSC Rule 13-502;

**AND WHEREAS** the Filers have represented to the Commission that:

***Bell Aliant Regional Communications Income Fund and the Conversion Transaction***

1. In July 2006, Bell Aliant Regional Communications Income Fund (the **Fund**) was formed under a plan of arrangement involving the former Aliant Inc., its shareholders and Bell Canada. The principal operating entity of the Fund was Bell Aliant LP.
2. On October 31, 2006, the Minister of Finance (Canada) announced proposals to change the Canadian federal income tax rules governing “specified investment flow-through” entities, including income trusts such as the Fund, which changes became effective beginning in 2011.
3. As a result, the Fund and certain of its subsidiaries implemented a transaction to convert the Fund’s income trust structure into a corporation, Bell Aliant Inc. (the **Conversion Transaction**), by way of a court-approved plan of arrangement pursuant to Section 192 of the *Canada Business Corporations Act* (the **CBCA**). The Conversion Transaction was completed on January 1, 2011.
4. As part of the Conversion Transaction, certain of the Fund’s direct and indirect subsidiaries were wound up to simplify the corporate structure. Bell Aliant Regional Communications Holdings, Limited Partnership, a holding entity in the Fund structure which had been a reporting issuer until this time, transferred its assets to a subsidiary which amalgamated with Bell Aliant Regional Communications Holdings Inc. and the “pre-Conversion Transaction” Bell Aliant Regional Communications Inc. to form the corporation now known as Bell Aliant Regional Communications Inc. (**Bell Aliant GP**).

***Bell Aliant Regional Communications, Limited Partnership***

5. Bell Aliant LP is a limited partnership established under the laws of the Province of Manitoba. The general partner of Bell Aliant LP is Bell Aliant GP, and its limited partners are Bell Aliant GP and 6583458 Canada Inc. (a wholly-owned subsidiary of Bell Aliant GP).

6. Bell Aliant LP is the principal operating entity through which Bell Aliant Inc. provides a wide range of voice and data communications services as well as technology services and value-added business solutions to customers across Atlantic Canada, Ontario and Québec, and is the issuer of medium term notes to the public under shelf prospectuses filed in all of the provinces of Canada. Bell Aliant GP guarantees Bell Aliant LP's obligations under the medium term notes.
7. Bell Aliant LP is a reporting issuer in Ontario and each of the other provinces of Canada. Bell Aliant LP currently is a "Class 2 reporting issuer" under OSC Rule 13-502.

***Bell Aliant Preferred Equity Inc.***

8. Prefco is a wholly-owned subsidiary of Bell Aliant GP and was incorporated under the CBCA on January 31, 2011 for the sole purpose of being the issuer of preferred shares (**Prefco Preferred Shares**) to the public.
9. Bell Aliant GP guarantees Prefco's obligations arising under the Prefco Preferred Shares. The proceeds from issuing Prefco Preferred Shares are loaned to Bell Aliant GP and Prefco earns interest on these loans. Other than the loans, Prefco has no significant assets and does not have any ongoing business operations of its own.
10. Prefco is a reporting issuer in Ontario and each of the other provinces and territories of Canada. Prefco currently is a "Class 1 reporting issuer" under OSC Rule 13-502.

***Bell Aliant GP***

11. Bell Aliant GP is a corporation amalgamated pursuant to the CBCA on January 1, 2011.
12. Bell Aliant GP is the parent of the Filers and the financial results of the Filers are consolidated into the financial statements of Bell Aliant GP (the **Bell Aliant Financial Statements**). Bell Aliant LP and Prefco obtained exemptive relief from, among other things, the continuous disclosure requirements under National Instrument 51-102 – *Continuous Disclosure Obligations* under decisions dated December 24, 2010 and February 18, 2011 entitled *In the Matter of Bell Aliant Regional Communications, Limited Partnership* and *In the Matter of Bell Aliant Inc. and Bell Aliant Regional Communications Inc.*, respectively.
13. Upon completion of the Conversion Transaction, Bell Aliant GP became a reporting issuer in each of the provinces of Canada other than Ontario (collectively, the **Other Jurisdictions**). Bell Aliant GP did not become a reporting issuer in Ontario upon completion of the Conversion Transaction, although it was a successor to a reporting issuer, as it did not meet the definition of a reporting issuer under the securities legislation of Ontario, since none of the predecessor reporting issuers was a "company".
14. Pursuant to an order under clause 1(11)(b) of the *Securities Act* (Ontario) dated January 24, 2012 entitled *In the Matter of Bell Aliant Regional Communications Inc.*, Bell Aliant GP became a reporting issuer in Ontario.

***OSC Rule 13-502***

15. At the time of filing Bell Aliant Financial Statements for the year ended December 31, 2013, Bell Aliant GP will be required to pay a participation fee under OSC Rule 13-502 as a "Class 2 reporting issuer" calculated pursuant to section 2.8 of OSC Rule 13-502, based on applicable balance sheet items as at December 31, 2013.
16. The Filers were reporting issuers on December 31, 2011. As such, under the current version of OSC Rule 13-502, which came into force on April 1, 2013, the Filers will have a "reference fiscal year" that is their last fiscal year ended before May 1, 2012, which is the year ended December 31, 2011. Therefore, under the current version of OSC Rule 13-502, Bell Aliant LP would be required to calculate and pay a participation fee as a "Class 2 reporting issuer", pursuant to section 2.8 of OSC Rule 13-502, based on the applicable balance sheet items as at December 31, 2011, and Prefco would be required to calculate and pay a participation fee as a "Class 1 reporting issuer" pursuant to section 2.7 of OSC Rule 13-502, in each case unless an exemption is available.
17. Under the current version of OSC Rule 13-502, Bell Aliant GP will have a "reference fiscal year" of the year ended December 31, 2013, since it did not become a reporting issuer until January 24, 2012. Accordingly, the Filers have a different "reference fiscal year" than their parent Bell Aliant GP.
18. The Filers do not meet the requirements for exemption under section 2.6(1)(a), (d) or (e) of OSC Rule 13-502. The Filers do not meet the requirements for exemption under section 2.6(2)(a) or (d) of OSC Rule 13-502 since, at the end of their "reference fiscal year," they did not have a parent that was a reporting issuer; and their capitalization for their reference fiscal year was not included in the capitalization of the parent for the parent's reference fiscal year.

19. However, the Filers, as subsidiary entities of Bell Aliant GP, would satisfy the requirements of section 2.6(2) of OSC Rule 13-502 with respect to their most recently completed fiscal year (which is their parent's reference fiscal year), since (a) at the end of their most recently completed fiscal year, the Filers had a parent that was a reporting issuer, (b) applicable accounting standards require the consolidation of the parent and the Filers, (c) the Filers' parent will pay a participation fee under section 2.2 of OSC Rule 13-502 determined with reference to the parent's capitalization for the parent's reference fiscal year, (d) the capitalization of the Filers for their most recently completed fiscal year was included in the capitalization of their parent for the parent's reference fiscal year, and (e) the Filers relied on an exemption from continuous disclosure for each of their reference fiscal year and their most recently completed fiscal year.
20. Under the previous version of OSC Rule 13-502, in force prior to April 1, 2013, the exemption under section 2.6 of OSC Rule 13-502 was based on the previous fiscal year for both the parent and the subsidiary entity reporting issuer, and the Filers would have qualified for exemption from annual participation fees.
21. For the year ended December 31, 2012 and prior years, annual participation fees were paid to the Commission by Bell Aliant GP and/or the Filers, as applicable, with reference to their respective capitalizations, in accordance with the previous version of OSC Rule 13-502.

**THE ORDER** of the Commission is that the requirement under section 2.2 of OSC Rule 13-502 to pay an annual participation fee for each of its fiscal years shall not apply to the Filers, provided that:

- (a) the Filers are subsidiary entities in respect of a participation fee determined with reference to the Filers' capitalization for the reference fiscal year of a parent of the Filers,
- (b) at the end of the Filers' most recently completed fiscal year, a parent of the Filers was a reporting issuer,
- (c) the accounting standards pursuant to which the parent's financial statements are prepared under Ontario securities law require the consolidation of the parent and the Filers,
- (d) the parent has paid a participation fee applicable to the parent under section 2.2 of OSC Rule 13-502 determined with reference to the parent's capitalization for the parent's reference fiscal year,
- (e) the capitalization of the Filers for their most recently completed fiscal year was included in the capitalization of the parent for the parent's reference fiscal year,
- (f) throughout the reference fiscal year of the parent, the Filers were entitled to rely on an exemption, waiver or approval from the requirements in subsections 4.1(1), 4.3(1) and 5.1(1) and sections 5.2 and 6.1 of National Instrument 51-102 Continuous Disclosure Obligations,
- (g) each of the Filers files a notice titled "Subsidiary Entity Exemption Notice" at the time it would be required to pay a participation fee under section 2.3 of OSC Rule 13-502 identifying the Filer, the parent, the parent's reference fiscal year and stating that the Filer meets each of conditions (a) through (f) of this Order, and
- (h) this Order shall immediately expire upon the earlier of:
  - (i) three years from the date of this Order; and
  - (ii) the effective date of any amendments to OSC Rule 13-502, other than any amendments that have already been adopted prior to the date of this Order.

**DATED** this 4th day of March, 2014.

"Huston Loke"  
Director, Corporate Finance

**2.2.6 Northern Securities Inc. et al. – ss. 8(3), 21.7**

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

**AND**

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

**AND**

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

**ORDER  
(Section 21.7 and Subsection 8(3) of the Securities Act)**

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

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

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

**AND WHEREAS** on November 19, 2012 the Commission held a hearing to consider the Stay Motion and upon considering the submissions of the Applicants, IIROC Staff and Commission Staff, the Commission ordered an interim stay, pursuant to section 21.7 and subsection 8(4) of the Act, of the sanctions and penalties imposed by the Decision, to continue until December 18, 2012 (the “Interim Stay”);

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

**AND WHEREAS** on December 7, 2012, the Applicants filed with the Commission an Amended Application for Hearing and Review pursuant to section 21.7 of the Act for hearing and review of the Decision (the “Hearing and Review”);

**AND WHEREAS** upon considering the submissions of the Applicants, IIROC Staff and Commission Staff, the Commission was of the opinion that it was in the public interest to continue the Interim Stay;

**AND WHEREAS** the Applicants, IIROC Staff and Commission Staff agreed that the Hearing and Review would be heard on February 14, 15 and 20, 2013 and the Interim Stay should be continued until the conclusion of the Hearing and Review;

**AND WHEREAS** on December 17, 2012 the Commission ordered that the Hearing and Review be scheduled for February 14, 15 and 20, 2013 and, pursuant to section 21.7 and subsection 8(4) of the Act, that the sanctions and penalties imposed by the IIROC Hearing Panel be stayed until February 22, 2013, or further order of the Commission;

**AND WHEREAS** on February 20, 2013, the Commission ordered on consent of the parties that pursuant to section 21.7 and subsection 8(4) of the Act, the sanctions and penalties imposed by the IIROC Hearing Panel be stayed until 30 days after the issuance of the decision and reasons for the Hearing and Review or until further order of the Commission;

**AND WHEREAS** the Hearing and Review was heard over three days on February 14, 15, and 20, 2013, and the Commission released its decision and reasons on December 19, 2013, in which *inter alia*, it set aside the sanctions and costs imposed on the Applicants by the IIROC Hearing Panel and ordered that the Commission would hold a hearing de novo solely on the question of the appropriate sanctions and costs to be imposed on the Applicants based on the findings of the IIROC Hearing Panel other than its finding with respect to Count 3;

**AND WHEREAS** on January 27, 2014, upon considering the submissions of the Applicants, IIROC Staff and Commission Staff, the Commission ordered that the hearing regarding sanctions and costs be heard on June 9, 10 and 11, 2014 commencing at 10:00 a.m. each day, and that the parties adhere to the schedule to which they had agreed as set out in the January 27, 2014 order (the "Schedule");

**AND WHEREAS** on February 19, 2014, Alboini, on behalf of himself and NSI, filed a Notice of Intention to Act in Person in this proceeding;

**AND WHEREAS** Alboini and NSI sought an amendment to the Schedule whereby the date in clause 1 thereof would be extended to March 17, 2014;

**AND WHEREAS** a confidential pre-hearing conference was held on March 4, 2014 and all the parties attended but for Vance;

**AND WHEREAS** on March 4, 2014, the parties (but for Vance) agreed to the following revised schedule (the "Revised Schedule"):

1. By March 17, 2014, the Applicants will serve and file affidavits, documentary evidence and/or witness statements containing the substance of the anticipated evidence and containing reference to the relevant documents from the record of proceeding and any proposed new evidence.
2. By April 4, 2014, IIROC Staff will serve and file any motion relating to the new evidence proposed by the Applicants.
3. If IIROC Staff does not request a motion, it will serve and file affidavits, documentary evidence and/or witness statements containing the substance of the anticipated evidence and containing reference to the relevant documents from the record of proceeding and any proposed new evidence by April 11, 2014.

**AND WHEREAS** upon considering the submissions of the Applicants (but for Vance), IIROC Staff and Commission Staff, the Commission is of the opinion that it is in the public interest to make this order;

**IT IS HEREBY ORDERED THAT:**

1. The parties shall adhere to the Revised Schedule, subject to further order of the Commission;
2. If IIROC files any motion relating to the new evidence proposed by the Applicants such motion shall be heard on May 12, 2014 at 10:00 a.m., or on May 26, 2014 at 2:00 p.m. or on such other date as is agreed by the parties and set by the Office of the Secretary.

**DATED** at Toronto this 4th day of March, 2014.

"James E. A. Turner"

**2.2.7 Pro-Financial Asset Management Inc. – ss. 127(1), (2) and (8)**

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

**AND**

**IN THE MATTER OF  
PRO-FINANCIAL ASSET MANAGEMENT INC.**

**ORDER  
(Subsections 127(1), (2) and (8))**

**WHEREAS** on May 17, 2013, the Commission issued a temporary order (the “Temporary Order”) with respect to PFAM pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering that:

- (i) pursuant to paragraph 1 of subsection 127(1) of the Act, the registration of PFAM as a dealer in the category of exempt market dealer is suspended and the following terms and conditions apply to the registration of PFAM as an adviser in the category of portfolio manager (“PM”) and to its operation as an investment fund manager (“IFM”):
  - a. PFAM’s activities as a PM and IFM shall be applied exclusively to the Managed Accounts and to the Pro-Hedge Funds and Pro-Index Funds; and
  - b. PFAM shall not accept any new clients or open any new client accounts of any kind in respect of the Managed Accounts;
- (ii) pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on May 28, 2013, the Commission ordered: (i) the Temporary Order be extended to June 27, 2013; (ii) the hearing to consider whether to further extend the terms of the Temporary Order and/or to make any further order as to PFAM’s registration proceed on June 26, 2013 at 10:00 a.m.;

**AND WHEREAS** on June 26, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 15, 2013; and (ii) the affidavit of Michael Denyszyn sworn May 24, 2013 not be marked as an exhibit until the next appearance in the absence of a Commission order to the contrary; and the hearing to consider this matter proceed on July 12, 2012;

**AND WHEREAS** on July 11, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 22, 2013; (ii) the hearing be adjourned to July 18, 2013 at 11:00 a.m.; and (iii) the hearing date of July 12, 2013 at 10:00 a.m. be vacated;

**AND WHEREAS** on July 18, 2013, PFAM brought a motion (the “First PFAM Motion”) that the hearing be held *in camera* and that the affidavits of Michael Denyszyn sworn May 24 and June 24, 2013 and the affidavit of Michael Ho sworn July 17, 2013 (collectively the “Staff Affidavits”) either not be admitted as evidence or else be treated as confidential documents and the parties agreed that the motion should be heard *in camera*;

**AND WHEREAS** on July 18, 2013, PFAM’s counsel filed supporting documents (the “PFAM Materials”) in support of the First PFAM Motion and counsel for PFAM and Staff made oral submissions and filed written submissions;

**AND WHEREAS** on July 22, 2013, the Commission ordered:

- (i) the Temporary Order be extended to August 26, 2013;
- (ii) leave be granted to the parties to file written submissions in respect of the First PFAM Motion;
- (iii) the Staff Affidavits, the transcript of the PFAM motion, the PFAM Materials, written submissions filed by Staff and PFAM and other documents presented during the course of the First PFAM Motion shall be treated as confidential documents until further direction or order of the Commission; and
- (iv) the hearing be adjourned to August 23, 2013 at 10:00 a.m.;



**AND WHEREAS** on August 23, 2013, Staff filed with the Commission the affidavit of Michael Ho sworn August 22, 2013 and PFAM's counsel filed the affidavit of Stuart McKinnon dated August 23, 2013 but the parties did not seek to mark these affidavits as exhibits;

**AND WHEREAS** on August 23, 2013, Staff and counsel for PFAM advised the Commission that the parties had agreed on the terms of a draft order;

**AND WHEREAS** on August 23, 2013, PFAM requested that the hearing be held *in camera* so PFAM's submissions on certain confidentiality issues could be heard and Staff did not oppose PFAM's request;

**AND WHEREAS** on August 27, 2013, the Commission ordered:

- (i) the Temporary Order be extended to October 11, 2013;
- (ii) the affidavit of Michael Ho sworn August 22, 2013 and the affidavit of Stuart McKinnon sworn August 23, 2013 be treated as confidential documents until further order of the Commission;
- (iii) PFAM will deliver to Staff the final PPN reconciliation report by 4:30 p.m. on September 30, 2013; and
- (iv) the hearing to consider whether to: (i) make any further order as to PFAM's registration as an adviser in the category of PM or in respect of its operation as an IFM, as a result of PFAM's ongoing capital deficiency; and/or (ii) otherwise vary or extend the terms of the Temporary Order, proceed on October 9, 2013 at 11:00 a.m.;

**AND WHEREAS** on October 9, 2013, PFAM brought a second motion (the "Second PFAM Motion") for an order that the hearing be held *in camera* and for a confidentiality order treating as confidential documents: (i) the Staff and PFAM affidavits; (ii) all facts and correspondence exchanged by Staff and PFAM; and (iii) any transcript of this and prior *in camera* proceedings;

**AND WHEREAS** on October 9, 2013, PFAM's counsel filed written submissions dated October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013 and the affidavit of Kenneth White sworn October 7, 2013 in support of the Second PFAM Motion and Staff filed written submissions dated October 9, 2013 and the affidavit of Michael Ho sworn October 8, 2013 and opposed the request for an *in camera* hearing and for the confidentiality order;

**AND WHEREAS** on October 9, 2013, the Commission heard submissions from counsel on the Second PFAM Motion *in camera* and the Commission requested the parties to prepare a draft order that, among other matters, addressed the confidentiality of documents filed with the Commission and permitted BNP Paribas Canada and Société Générale Canada (the "Banks") to review certain documents attached to Staff affidavits dealing substantively with the PPN reconciliation process, provided the Banks treated such documents as confidential;

**AND WHEREAS** on October 11, 2013, the Commission ordered that:

- (i) the Temporary Order be extended to December 15, 2013;
- (ii) the affidavit of Michael Ho sworn October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the written submissions of the parties dated October 8 and 9, 2013 shall be treated as confidential documents until further order of the Commission; and
- (iii) the hearing to consider whether to: (i) make any further order as to PFAM's registration as an adviser in the category of PM or in respect of its operation as an IFM, as a result of PFAM's ongoing capital deficiency; and/or (ii) otherwise vary or extend the terms of the Temporary Order, shall proceed on December 12, 2013 at 10:00 a.m.;

**AND WHEREAS** on October 17, 2013, the Commission ordered (the "October 17, 2013 Order") that:

- (i) the affidavit of Michael Ho sworn October 8, 2013, the affidavit of Stuart McKinnon sworn October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the written submissions of the parties dated October 8 and 9, 2013 shall be treated as confidential documents until further order of the Commission;
- (ii) the previous orders as to confidentiality made by the Commission on July 22, 2013 and August 27, 2013 shall remain in force until further order or direction of the Commission; and

- (iii) documents related to the PPN reconciliation process listed on Schedule "A" to the October 17, 2013 Order be provided to counsel for the Banks on condition that the Banks treat those documents as confidential documents and not provide copies to any third party without further direction or order of the Commission;

**AND WHEREAS** on September 30, 2013, PFAM agreed to sell to another portfolio manager (the "Purchaser") PFAM's interest in all of the investment management contracts for the Pro-Index funds and the Managed Accounts (the "First Transaction"). In a second transaction, an investor has agreed to purchase through a corporation (the "Investor") all of the shares of the Purchaser (the "Second Transaction");

**AND WHEREAS** on October 22, 2013, the Purchaser and PFAM filed a notification letter providing Compliance and Registrant Regulation Branch ("CRR Branch") Staff with notice ("Notice") of the application filed under section 11.9 and 11.10 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") relating to the First Transaction and the Second Transaction (collectively, the "Transactions");

**AND WHEREAS** on November 5, 2013, the staff member of the CRR Branch conducting the review of the Notice requested copies of the affidavits of Michael Denyszyn sworn May 24 and June 24, 2013, the affidavits of Michael Ho sworn July 17, August 22 and October 8, 2013, the affidavits of Stuart McKinnon sworn July 17, August 23 and October 7, 2013, the affidavit of Kenneth White sworn October 7, 2013 and the submissions of Staff and Pro-Financial Asset Management Inc. ("PFAM") (collectively, the "Confidential Documents");

**AND WHEREAS** on November 12, 2013, PFAM filed an application with the Investment Funds Branch ("IF Branch") of the Commission for an order under section 5.5 of National Instrument 81-102 – *Mutual Funds* ("NI 81-102") for approval of the Purchaser as investment fund manager of the Pro-Index Funds and the Purchaser applied on October 24, 2013 for registration in the investment fund manager category for this purpose;

**AND WHEREAS** on November 13, 2013, Staff filed a Notice of Motion returnable on a date to be determined by the Secretary's office seeking an Order that Staff of the Enforcement Branch be permitted to provide some or all of the Confidential Documents to certain staff members of the CRR Branch and the IF Branch;

**AND WHEREAS** on November 25, 2013, the Commission ordered that:

- (i) Staff of the Enforcement Branch be permitted to provide the Confidential Documents to the following persons:
  - a. the staff members of the CRR Branch assigned to review the Notice;
  - b. the staff member who has been designated to act in the capacity of the Director on behalf of the CRR Branch for the purposes of deciding whether to object to the Notice;
  - c. the staff members of the IF Branch who have been assigned to review the application made by PFAM or the Purchaser under section 5.5 of NI 81-102; and
  - d. the staff member who has been designated to act in the capacity of the "Director" for the purposes of deciding whether to approve the application under section 5.5 of NI 81-102;
- (ii) The CRR staff members assigned to review the Notice be permitted to provide relevant information derived from the Confidential Documents ("Relevant Information") to PFAM, the Purchaser and their counsel involved in the Notice as part of the CRR staff members' review and analysis of the Notice on condition that the recipients of such information treat it as confidential and not provide it to any third party without further direction or order of the Commission;
- (iii) The IF staff members assigned to review the application for change of fund manager be permitted to provide Relevant Information to PFAM, the Purchaser and their counsel involved in the application filed under NI 81-102 as part of the Investment Funds staff members' review and analysis of the application on condition that the recipients of such information treat it as confidential and not provide it to any third party without further direction or order of the Commission;
- (iv) The CRR staff members assigned to review the Notice be permitted to provide Relevant Information to the Investor or its counsel with the consent of PFAM; and
- (v) The parties may seek direction from the Commission in the event that the CRR staff members and PFAM cannot agree on whether Relevant Information should be provided to the Investor or its counsel;



**AND WHEREAS** Staff has filed an affidavit of Michael Ho sworn December 10, 2013 attaching a letter from counsel to Investment Administration Solution Inc. ("IAS"), PFAM's recordkeeper for the PPNs, requesting a copy of the PPN reconciliation report submitted by PFAM to Staff;

**AND WHEREAS** PFAM's counsel provided to Staff and to the Commission and made submissions based on an affidavit of Stuart McKinnon sworn December 11, 2013 which was not marked as an exhibit on December 12, 2013 at the Commission hearing held that day;

**AND WHEREAS** on December 12, 2013, Staff and counsel for PFAM appeared before the Commission and made submissions on: (i) the appropriate form of order to govern the provision of the Confidential Documents to other members of Staff of the Commission; and (ii) whether IAS should receive copies of the PPN reconciliation reports submitted by PFAM to Staff;

**AND WHEREAS** by Commission Order dated December 13, 2013, the Commission ordered that:

- (i) the Confidential Documents may be provided to any member of Staff of the Commission, as necessary in the course of their duties;
- (ii) the Temporary Order is extended to January 24, 2014;
- (iii) the hearing is adjourned to January 21, 2014 at 11:00 a.m.; and
- (iv) Staff shall be entitled to provide a copy of each document relating to the PPN reconciliation process listed on Schedule "A" of the October 13, 2013 order to counsel for IAS on the conditions that: (a) IAS treat those documents as confidential and does not provide them to any third party without further direction or order of the Commission; and (b) IAS may use the documents for the purpose of assisting Staff in resolving the PPN discrepancy, and for no other purpose;

**AND WHEREAS** on January 15, 2014, PFAM's counsel advised Staff that PFAM's Pro- Index Funds ("Pro-Index Funds") passed their lapse date on January 14, 2013 and PFAM's counsel requested a lapse date extension of 40 days from Staff;

**AND WHEREAS** on January 17, 2014, PFAM's counsel filed a pre-hearing conference memorandum ("PFAM's Pre-Hearing Memorandum") with the Secretary's office to discuss various issues and seek an Order granting an extension to the lapse date for the Pro-Index Funds under subsection 62(5) of the Act (the "Lapse Date Relief");

**AND WHEREAS** PFAM filed the affidavit of Stuart McKinnon sworn January 19, 2014 with the Secretary's office and Staff filed the affidavit of Susan Thomas sworn January 20, 2014 with the Secretary's office but neither party marked either affidavit as an exhibit at the appearance on January 21, 2014;

**AND WHEREAS** on January 21, 2014, Staff and PFAM's counsel appeared before the Commission and Staff advised the Commission that: (i) Staff's review of the Notice was expected to take another three to four weeks; (ii) the parties agreed that the prior confidentiality orders should be revised to permit Staff to provide the Confidential Documents or excerpts therefrom to the Purchaser, the Investor and their counsel as Staff determines necessary in the course of their duties and on the condition that the recipients treat such documents as confidential and not disclose them to any third party without further direction or order of the Commission; and (iii) the parties agreed that the Temporary Order should be extended;

**AND WHEREAS** on January 21, 2014, PFAM's counsel requested that submissions relating to the issues raised in PFAM's Pre-Hearing Memorandum be made *in camera* pursuant to Rule 6 of the Commission's *Rules of Procedure*, Staff opposed PFAM's request, and the Commission directed and the parties made submissions *in camera* on the Lapse Date Relief;

**AND WHEREAS** on January 21, 2014, the Commission ordered that: (i) the Temporary Order be extended to February 24, 2014; (ii) the hearing be adjourned to February 21, 2014 at 2:00 p.m.; (iii) Staff who have received the Confidential Documents may provide the Confidential Documents or an excerpt of the Confidential Documents to the Purchaser, the Investor and their counsel as set out in the Order; and (iv) PFAM be granted the Lapse Date Relief under subsection 62(5) of the Act to extend the lapse date for the Pro-Index Funds to February 24, 2014 on the conditions set out in the Order;

**AND WHEREAS** on February 14, 2014, PFAM's counsel served on Staff and filed a pre-hearing conference memorandum with the Secretary's office and requested a confidential pre-hearing conference during the week of February 24, 2014;

**AND WHEREAS** on February 21, 2014, PFAM's counsel was unavailable to attend before the Commission so the Commission ordered: (i) the Temporary Order be extended to March 6, 2014; (ii) the hearing be adjourned to March 3, 2014 at 11:00 a.m.; and (iii) a confidential pre-hearing conference proceed on February 25, 2014 at 3:30 p.m.;

**AND WHEREAS** PFAM's counsel requested in his prehearing conference memorandum an extension to the lapse date of PFAM's fund prospectus which was previously extended to February 24, 2014 by Commission order dated January 21, 2014 (the "Further Lapse Date Relief");

**AND WHEREAS** Staff filed the affidavit of Michael Ho sworn February 24, 2014 and written submissions dated February 28, 2014 to oppose the request for the Further Lapse Date Relief and PFAM's counsel filed the affidavits of Stuart McKinnon sworn February 21, 2014 and March 3, 2014 and a factum dated March 3, 2014 in support of the Further Lapse Date Relief;

**AND WHEREAS** on March 3, 2014, counsel for PFAM requested that submissions relating to the Further Lapse Date Relief be heard *in camera* and the Commission agreed to this request and the parties made oral submissions *in camera* on the issue of whether the Commission should grant the Further Lapse Date Relief;

**AND WHEREAS** on March 3, 2014, the Commission ordered that the Further Lapse Date Relief would be granted until April 7, 2014 subject to: (i) PFAM issuing a news release, in a form satisfactory to Staff, to ensure that investors receive full disclosure of the matters identified by Staff as set out below; and (ii) PFAM only being permitted to distribute securities of the Pro-Index Funds to existing security holders of the Pro-Index Funds and not to any new security holders of the Pro-Index Funds;

**AND WHEREAS** on March 3, 2014, the Commission advised, in the public portion of the hearing, that there have been two Director decisions recently made affecting PFAM (the "Director Decisions") and PFAM's counsel advised that the affected parties will seek a hearing and review under subsection 8(2) of the Act of both of these Director Decisions on an expedited basis;

**AND WHEREAS** on March 3, 2014, Staff requested that Applications for Hearing and Review be filed with the Secretary's office and the parties agreed to defer discussion before the Commission of the hearings and reviews of the Director Decisions;

**AND WHEREAS** the parties have agreed to extend the Temporary Order to April 10, 2014 and to adjourn the hearing to April 7, 2014 at 10:00 a.m.;

**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 terms and conditions imposed on PFAM's registration in the Temporary Order are deleted;
2. The following terms and conditions apply to the registration of PFAM as an adviser in the category of portfolio manager and to its operation as an investment fund manager:
  - (a) PFAM's activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Pro-Hedge Funds and Pro-Index Funds;
  - (b) PFAM shall not accept any new clients or open any new client accounts of any kind in respect of the Managed Accounts; and
  - (c) PFAM may only distribute securities of the Pro-Index Funds to existing security holders of the Pro-Index Funds.
3. PFAM is granted the Further Lapse Date Relief under subsection 62(5) of the Act to extend the lapse date for the Pro-Index Funds to April 7, 2014, subject to the conditions that:
  - (a) PFAM issue a news release by March 6, 2014, in a form satisfactory to Staff, providing disclosure about the following items:
    - (i) PFAM's ongoing capital deficiency;
    - (ii) the lapse date extensions granted by the Commission on January 21 and March 3, 2014;

- (iii) the Director Decisions and the affected parties' intention to seek an expedited hearing and review of the Director Decisions under subsection 8(2) of the Act;
  - (iv) the errors in PFAM's previously reported management expense ratios for the Pro-Index Funds;
  - (v) the late filings of PFAM's 2014 audited financial statements;
  - (vi) PFAM's ongoing litigation with Investment Administrative Solutions Inc.; and
  - (b) PFAM complies with the terms of this Order.
4. The hearing is adjourned to April 7, 2014 at 10:00 a.m.
5. The Temporary Order is extended to April 10, 2014.

**DATED** at Toronto this 4th day of March, 2014.

"James E. A. Turner"

2.2.8 Knowledge First Financial Inc.

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

AND

IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.

ORDER

**WHEREAS** on March 6, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to the Statement of Allegations filed by Staff of the Commission ("Staff") on March 5, 2014 with respect to Knowledge First Financial Inc. ("KFFI");

**AND WHEREAS** KFFI entered into a Settlement Agreement dated March 5, 2014 (the "Settlement Agreement") in relation to certain of the matters set out in the Statement of Allegations;

**AND WHEREAS** the Settlement Agreement acknowledges KFFI's co-operation with Staff and sets out the costs incurred by KFFI in retaining an independent consultant (the "Consultant") to prepare and assist KFFI in implementing a plan to strengthen KFFI's "compliance system" within the meaning of section 11.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

**AND WHEREAS** the Settlement Agreement sets out that a manager in the Compliance and Registrant Regulation Branch of the Commission (the "OSC Manager") approved the amended Consultant's plan dated November 16, 2012 and that the OSC Manager reviewed the progress reports detailing KFFI's progress with respect to the implementation of the amended Consultant's plan as revised by various progress reports (the "Amended Consultant's Plan");

**AND WHEREAS** the Settlement Agreement set out that the Consultant confirmed by letter dated October 17, 2013 that the Amended Consultant's Plan had been fully implemented;

**AND WHEREAS** the Commission issued a Notice of Hearing dated March 6, 2014, with respect to a hearing to consider the approval of the Settlement Agreement between Staff and KFFI;

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

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

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than May 7, 2015, KFFI will provide the OSC Manager as defined in the Terms and Conditions with a report, based on a work plan to be agreed upon jointly by KFFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Amended Consultant's Plan as well as any subsequent revisions thereto are: (i) being followed by KFFI; (ii) working appropriately and (iii) being adequately administered and enforced by KFFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending March 7, 2015; and
- (c) pursuant to clause 6 of subsection 127(1) of the Act, KFFI is reprimanded.

**DATED** at Toronto, Ontario this 7th day of March, 2014.

"James E. A. Turner"

**2.2.9 Global RESP Corporation and Global Growth Assets Inc. – s. 127(1)**

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

**AND**

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

**ORDER  
(Subsection 127(1))**

**WHEREAS** on July 26, 2012, the Ontario Securities Commission (“the “Commission”) ordered pursuant to subsections 127(1) and (5) that the terms and conditions (“Terms and Conditions”) set out in schedules “A” and “B” of the Commission order be imposed on Global RESP Corporation (“Global RESP”) and Global Growth Assets Inc. (“GGAI”) (the “Temporary Order”);

**AND WHEREAS** on August 10, 2012, the Commission extended the Temporary Order against Global RESP and GGAI until such further Order of the Commission and adjourned the hearing until November 8, 2012;

**AND WHEREAS** the Terms and Conditions required Global RESP and GGAI to retain a consultant (the “Consultant”) to prepare and assist them in implementing plans to strengthen their compliance systems and require Global RESP to retain a monitor (the “Monitor”) to contact all new clients as defined and set out in the Terms and Conditions (“New Clients”);

**AND WHEREAS** Global RESP retained Sutton Boyce Gilkes Regulatory Consulting Group Inc. as its Consultant and Monitor;

**AND WHEREAS** on November 2, 2013, the Commission heard Global RESP’s motion to vary the Terms and Conditions imposed on Global RESP on July 26, 2012;

**AND WHEREAS** on November 7, 2012, the Commission ordered: (i) paragraphs 5, 6 and 7 of the Terms and Conditions deleted and replaced with new terms; (ii) the hearing be adjourned to December 13, 2012 at 10:00 a.m.; and (iii) the appearance date on November 8, 2012 be vacated;

**AND WHEREAS** on December 13, 2012, Staff filed the affidavit of Lina Creta sworn December 13, 2012 and counsel for the Respondents filed the Affidavit of Clarke Tedesco sworn December 12, 2012 and the Commission adjourned the hearing to January 14, 2013 at 9:00 a.m.;

**AND WHEREAS** on January 14, 2013, Staff filed the affidavit of Lina Creta sworn January 11, 2013 and counsel for the Respondents filed the affidavits of Clarke Tedesco sworn January 11 and 14, 2013;

**AND WHEREAS** on January 22, 2013, the Commission ordered that the hearing be adjourned to February 6, 2013;

**AND WHEREAS** on February 6, 2013, Staff filed the affidavit of Lina Creta sworn February 6, 2013 and counsel for the Respondents filed the affidavits of Clarke Tedesco sworn February 4 and 6, 2013;

**AND WHEREAS** on February 13, 2013, the Commission ordered that the hearing be adjourned to February 25, 2013 for the purpose of allowing the parties to make submissions on: (i) whether it is appropriate for the Commission to approve the plan submitted by the Consultant; and (ii) if it is appropriate, for the Commission to approve any terms of the plan not agreed to by Staff and the Commission ordered that the hearing on February 25, 2013 only proceed if the plan to be submitted by the Consultant had not been approved by Staff;

**AND WHEREAS** on February 22, 2013, Staff of the Commission approved the plans submitted by the Consultant for Global RESP and GGAI subject to an amendment being made to the Global RESP plan, which amendment was subsequently made on February 22, 2013;

**AND WHEREAS** on October 22, 2013, the Respondents brought a motion seeking to remove the Terms and Conditions and filed the affidavits of Natalia Vandervoort sworn October 22, 2013 and November 8, 2013 and Staff filed the affidavit of Lina Creta sworn November 19, 2013 updating the Commission on Staff’s dealings with the Monitor and the Consultant;

**AND WHEREAS** the Consultant provided a letter to Staff stating that the Consultant saw no reason for continuing the role of the Monitor;

**AND WHEREAS** on November 20, 2013, the Commission ordered that:

1. For all New Clients who invested on or before November 20, 2013, paragraphs 4, 5.1, 5.2, 5.3, 6.1, 6.2, 7 and 8 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012 continue to apply;
2. For all New Clients who invest after November 20, 2013, the role and activities of the Monitor as set out in paragraphs 4, 5.2, 5.3, 6.2 and 8 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012, and the activity of Global RESP as set out in paragraph 7 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012 are suspended;
3. Further to paragraph 9 of the Terms and Conditions, the resumption of any future monitoring or any subsequent changes to that monitoring in furtherance of the implementation of the Global RESP Plan, if any, shall take place on the recommendation of the Consultant and with the agreement of the OSC Manager and the parties may seek the direction from the Commission in the event that the parties are unable to agree on any future possible monitoring; and
4. The hearing be adjourned to December 13, 2013 at 2:00 p.m.;

**AND WHEREAS** on December 13, 2013, counsel for the Respondents and Staff updated the Commission on the status of Staff's dealings with the Consultant and the Commission ordered the hearing adjourned to January 9, 2014 at 10:30 a.m.;

**AND WHEREAS** on January 9, 2014, counsel for the Respondents and Staff updated the Commission on the status of Staff's dealings with the Consultant in relation to the ongoing implementation of the Plan and the Commission ordered the hearing adjourned to January 29, 2014 at 2:00 p.m.;

**AND WHEREAS** Staff filed the affidavit of Lina Creta sworn January 27, 2014 updating the Commission on Staff's dealings with the Monitor and the Consultant;

**AND WHEREAS** on January 29, 2014, counsel for the Respondents and Staff updated the Commission on the status of the Plan and advised that there are three remaining steps that need to be completed for the Plan to be fully implemented:

1. The following programs which have been completed by the Consultant still need to be rolled out:
  - a. Global RESP's new risk assessment system (i.e. the new audit process) for both branches and Dealing Representatives;
  - b. Global RESP's new suitability policies and procedures, including the use of a new affordability worksheet;
2. The Consultant needs to provide a letter to Staff that attests that:
  - a. Global RESP and GGAI have implemented the procedures and controls recommended by the Consultant that address each of the deficiencies identified in Compliance Report and that strengthen the compliance system, including that each of Global RESP and GGAI have implemented an adequate compliance and supervisory structure tailored to their business;
  - b. Global RESP and GGAI are complying with the new procedures and controls;
  - c. in his capacity as Consultant, the Consultant has tested the procedures and they are working effectively and are being enforced; and
3. The Consultant needs to provide a final summary report to Staff that provides an overview for each action step listed in the amended compliance plans dated January 28, 2013 and January 30, 2013 submitted on behalf of Global RESP and GGAI of the key controls, policies and procedures in place for the implemented actions that support the conclusions drawn in the above-referenced letter;

**AND WHEREAS** on January 29, 2014, the Commission ordered that the hearing be adjourned to March 6, 2014 at 11:00 a.m.;

**AND WHEREAS** on March 6, 2014, Staff and counsel for the Respondents updated the Commission on the status of the three remaining steps and requested that the matter be adjourned to March 31, 2014 to allow additional time for the Consultant to complete the remaining steps;

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

**IT IS HEREBY ORDERED** pursuant to section 127 of the Act that the hearing is adjourned to March 31, 2014 at 10:00 a.m.

**DATED** at Toronto this 6th day of March, 2014.

“James E. A. Turner”



**2.2.10 Issam El-Bouji et al.– Rule 6.7 of the OSC Rules of Procedure**

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

**AND**

**IN THE MATTER OF  
ISSAM EL-BOUJI, GLOBAL RESP CORPORATION,  
GLOBAL GROWTH ASSETS INC.,  
GLOBAL EDUCATIONAL TRUST FOUNDATION  
AND MARGARET SINGH**

**ORDER**

**(Pre-hearing Conference – Rule 6.7 of the  
Ontario Securities Commission Rules of Procedure)**

**WHEREAS** on January 10, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c S.5, as amended (the “Act”), accompanied by a Statement of Allegations dated January 10, 2013 (the “Statement of Allegations”) filed by Staff of the Commission (“Staff”) against Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh (collectively, the “Respondents”);

**AND WHEREAS** on January 28, 2013, the Commission ordered that the hearing be adjourned to February 27, 2013 at 11:00 a.m.;

**AND WHEREAS** on February 27, 2013, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on June 19, 2013 at 10:00 a.m. and that June 5, 2013 at 10:00 a.m. be reserved for a potential disclosure motion to be brought by the Respondents;

**AND WHEREAS** on May 22, 2013, the Commission ordered that the matter be adjourned to a confidential pre-hearing conference to be held on July 5, 2013 and that June 19, 2013 be reserved for a potential disclosure motion to be brought by the Respondents;

**AND WHEREAS** the Respondents withdrew their disclosure motion and on June 6, 2013, the Commission ordered that the date for the potential disclosure motion to be brought by the Respondents be vacated;

**AND WHEREAS** on July 5, 2013, the parties attended a confidential pre-hearing conference in this matter;

**AND WHEREAS** on July 5, 2013, the Commission adjourned the matter to a further confidential pre-hearing conference to be held on March 3, 2014 and ordered that the hearing on the merits in this matter take place on March 31, 2014 at 10:00 a.m. and continue on April 1, 2, 3, 4, 7, 9, 10, 11, 14, 15, 16, 17, 21, 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.;

**AND WHEREAS** on March 3, 2014, the parties attended a confidential pre-hearing conference in this matter and requested that the hearing dates of March 31, April 1, 2, 3, 4 and 7, 2014 be vacated to allow the parties additional time to discuss settlement of certain of the allegations contained in the Statement of Allegations;

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

**IT IS HEREBY ORDERED** that the hearing dates scheduled for March 31, April 1, 2, 3, 4 and 7, 2014 are vacated and that the hearing in this matter shall commence on April 9, 2014 at 10:00 a.m. and shall continue on April 10, 11, 14, 15, 16, 17, 21, 23, 24, 25, 28, 29 and 30, 2014 each day commencing at 10:00 a.m.

**IT IS FURTHER ORDERED** that the parties may request a further pre-hearing conference in this matter, if necessary.

**DATED** at Toronto this 3rd day of March, 2014.

“James E. A. Turner”



**2.2.11 David M. O'Brien – s. 9(1) of the SPPA and Rules 5.2(1), 8.1 of the OSC Rules of Procedure**

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

**AND**

**IN THE MATTER OF  
DAVID M. O'BRIEN**

**ORDER  
(Subsection 9(1) of the  
Statutory Powers Procedure Act, R.S.O. 1990, c. S.22,  
as amended and Rule 8.1 and subrule 5.2(1) of the  
Commission's Rules of Procedure  
(2012), 35 O.S.C.B. 10071)**

**WHEREAS** on December 8, 2010, the Secretary of the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission on December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing could be held;

**AND WHEREAS** the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to section 127 of the Act, to issue temporary orders against O'Brien, as follows:

- (a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;
- (b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and
- (c) Any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

**AND WHEREAS** on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

**AND WHEREAS** on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Lori Toledano, a member of Staff of the Commission ("Staff"), the cross-examination of Toledano and the submissions made by Staff and O'Brien;

**AND WHEREAS** on December 23, 2010, the Commission issued a temporary cease trade order pursuant to section 127 of the Act ordering that:

- (a) O'Brien shall cease trading in securities;
- (b) O'Brien is prohibited from acquiring securities; and
- (c) Any exemptions contained in Ontario securities law do not apply to O'Brien (the "Temporary Cease Trade Order");

**AND WHEREAS** on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

**AND WHEREAS** a confidential pre-hearing conference was scheduled for February 24, 2011;

**AND WHEREAS** at the confidential pre-hearing conference on February 24, 2011, Staff and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

**AND WHEREAS** on February 24, 2011, the Commission ordered that:

- a) a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;
- b) a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with rule 3.2 of the Commission *Rules of Procedure* (2010), 33 OSCB 8017 (the "*Rules of Procedure*"), O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and
- c) a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m.;

**AND WHEREAS** on March 30, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien, and the Commission ordered that:

- a) the Temporary Cease Trade Order shall be extended to April 26, 2011; and
- b) a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

**AND WHEREAS** on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission

considered the evidence filed and the submissions made by Staff and O'Brien;

**AND WHEREAS** on April 21, 2011, the Commission ordered that:

- a) the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and
- b) O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to section 144 of the Act;

**AND WHEREAS** also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

**AND WHEREAS** on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further ordered that:

- 1) all disclosure materials provided to O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;
- 2) O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);
- 3) the Previous Undertaking signed by O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to O'Brien, including all disclosure materials provided by Staff to O'Brien in the future; if O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so; and
- 4) if O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under

section 17 of the Act for an order of the Commission consenting to that use;

**AND WHEREAS** at the confidential pre-hearing conference on May 30, 2011, Staff and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien advised the Commission that he was opposed to Staff's request. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

**AND WHEREAS** at the confidential pre-hearing conference on June 20, 2011, Staff and O'Brien appeared and scheduling of the hearing on the merits was discussed and the Commission ordered that:

1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and
2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m.;

**AND WHEREAS** at the confidential pre-hearing conference on January 11, 2012, Staff appeared and Counsel on behalf of O'Brien appeared, who advised the Commission that he had just been appointed to represent O'Brien in this matter and he requested that the pre-hearing conference be continued in a few weeks time to permit him to address certain matters that had just been brought to his attention. The Commission ordered that a further confidential pre-hearing conference take place on January 31, 2012 at 3:30 p.m.;

**AND WHEREAS** at the confidential pre-hearing conference on January 31, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested an adjournment of the hearing on the merits to permit interim issues to be raised before the Commission. Counsel for O'Brien also requested that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential. The Commission ordered that the hearing dates of March 12, 14, 15, 16, 19, 20, 21, 22, 23, 26 and 28, 2012 be vacated, a further confidential pre-hearing conference take place on March 12, 2012 at 10:00 a.m., and that the records from both the January 11 and 31, 2012 confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "SPPA") and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

**AND WHEREAS** at the confidential pre-hearing conference on March 12, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien requested a confidential motion be scheduled to seek an adjournment of the hearing dates. The Commission ordered that a

confidential motion take place on April 18, 2012 at 10:00 a.m., for which O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 5, 2012 at 4:30 p.m., Staff shall serve and file any responding materials by April 12, 2012, O'Brien shall serve and file a factum by April 13, 2012, and Staff shall file its factum by April 16, 2012, and that the records from the March 12, 2012 confidential pre-hearing conference and from the April 18, 2012 confidential motion shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

**AND WHEREAS** at the confidential motion on April 18, 2012, Staff and Counsel for O'Brien appeared and Counsel for O'Brien presented evidence and requested an adjournment of any hearing dates and that a further confidential pre-hearing conference be scheduled. Staff did not oppose the adjournment request and agreed to the scheduling of a further pre-hearing conference. The Commission ordered that a confidential pre-hearing conference shall take place on July 19, 2012 at 10:00 a.m., for which O'Brien shall deliver any materials relevant to the pre-hearing conference by July 9, 2012, and that the records from the July 19, 2012 confidential pre-hearing conference shall be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

**AND WHEREAS** confidential pre-hearing conferences took place on July 19, 2012, September 28, 2012, October 25, 2012, March 11, 2013, July 18, 2013, September 30, 2013 and December 11, 2013, at which Staff and Counsel for O'Brien appeared, and the Commission ordered that the records from those confidential pre-hearing conferences be sealed and treated as confidential pursuant to subsection 9(1) of the SPPA and rule 8.1 and subrule 5.2(1) of the *Rules of Procedure*;

**AND WHEREAS** on December 11, 2013, the Commission ordered that a confidential pre-hearing conference take place on March 6, 2014 at 10:00 a.m.;

**AND WHEREAS** at the confidential pre-hearing conference on March 6, 2014, Staff appeared, and no one appeared for O'Brien. Staff made submissions and requested that a further confidential pre-hearing conference be scheduled;

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

**IT IS HEREBY ORDERED THAT** a confidential pre-hearing conference shall take place on May 8, 2014 at 10:00 a.m.

**DATED** at Toronto this 6th March, 2014.

"Mary G. Condon"

**2.2.12 North American Financial Group Inc. et al. – Rule 9 of the OSC Rules of Procedure**

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

**AND**

**IN THE MATTER OF  
NORTH AMERICAN FINANCIAL GROUP INC.,  
NORTH AMERICAN CAPITAL INC.,  
ALEXANDER FLAVIO ARCONTI  
AND LUIGINO ARCONTI**

**ORDER  
(Rule 9 of the Commission's Rules of Procedure  
(2012), 35 O.S.C.B. 10071)**

**WHEREAS** on December 28, 2011, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing (the "**Notice of Hearing**"), pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), accompanied by a Statement of Allegations dated December 28, 2011 filed by Staff of the Commission ("**Staff**") with respect to North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti and Luigino Arconti (collectively, the "**Respondents**");

**AND WHEREAS** a hearing on the merits in this matter was held before the Commission on April 29 and 30, May 1-3, 6, 8-10, 22 and 23 and September 11, 2013;

**AND WHEREAS** following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on December 11, 2013;

**AND WHEREAS** on December 11, 2013, the Commission ordered that:

- (a) Staff shall file and serve written submissions on sanctions and costs by February 14, 2014;
- (b) the Respondents shall file and serve written submissions on sanctions and costs by March 7, 2014;
- (c) Staff shall file and serve written reply submissions on sanctions and costs by March 14, 2014; and
- (d) the hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, Toronto, commencing on March 24, 2014 at 10:00 a.m.;

**AND WHEREAS** on January 22, 2014, counsel for the Respondents, Ian R. Smith ("**Smith**"), brought a motion for leave to withdraw as representative for the Respondents, pursuant to Rule 1.7.4 of the Commission's

*Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the “**Motion**”), which Motion was unopposed by Staff;

**AND WHEREAS** on January 31, 2014, the Commission granted leave to Smith to withdraw as counsel of record for the Respondents;

**AND WHEREAS** on February 14, 2014, Staff filed and served its written submissions on sanctions and costs;

**AND WHEREAS** on March 6, 2014, Alexander Gillespie notified the Commission that he had been retained to act for the Respondents, that the Respondents requested an adjournment of the hearing to determine sanctions and costs to March 28, 2014, that the Respondents requested modifications to the timetable for the delivery of submissions as set out in the Order of the Commission dated December 11, 2013 and that Staff did not oppose the Respondents’ requests;

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

**IT IS HEREBY ORDERED** that:

- (a) the hearing to determine sanctions and costs, scheduled for March 24, 2014 at 10:00 a.m., is adjourned and shall be held on March 28, 2014 at 10:00 a.m.;
- (b) Staff shall file and serve any additional evidence and supplementary submissions on sanctions and costs by March 10, 2014;
- (c) the Respondents shall file and serve written submissions on sanctions and costs by March 21, 2014; and
- (d) Staff shall file and serve any reply submissions on sanctions and costs by March 26, 2014.

**DATED** at Toronto this 10th day of March, 2014.

“James D. Carnwath”

## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Knowledge First Financial Inc.

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

**AND**

**IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Knowledge First Financial Inc. (“KFFI”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

2. Staff of the Commission (“Staff”) agrees to recommend settlement of the proceeding commenced by Notice of Hearing dated March 5, 2014 (the “Proceeding”) against KFFI according to the terms and conditions set out below in this agreement (this “Settlement Agreement”). KFFI agrees to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

**PART III – AGREED FACTS**

3. For this Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, KFFI agrees with the facts as set out in Part III of this Settlement Agreement.

#### **Overview**

4. KFFI has been the subject of four compliance field review reports since 2003 by Staff of the Compliance and Registrant Regulation Branch (“CRR Staff”). KFFI also had previous terms and conditions imposed on its registration by CRR Staff from July 9, 2004 to June 1, 2005 and from June 1, 2005 to February 21, 2006. The last compliance field review report dated June 14, 2012 (the “2012 Compliance Report”) identified numerous compliance deficiencies. In some cases, CRR Staff found KFFI to be deficient in similar areas to those previously identified as containing deficiencies.
5. On August 10, 2012, the Commission issued a temporary section 127 order (the “Temporary Order”) with KFFI’s consent which imposed terms and conditions (“Terms and Conditions”) on KFFI’s registration. The Terms and Conditions required KFFI to retain an independent consultant (the “Consultant”) to: (a) prepare and assist KFFI to implement a plan to strengthen its compliance system and (b) retain an independent monitor (the “Monitor”) to use best efforts to contact all new clients pending implementation of the Consultant’s plan to, among other things, confirm the accuracy of the client’s KYC information, that the investment is suitable for the client and that the client understands the fee structure of the investment.
6. On November 16, 2012, the Consultant delivered an amended Consultant’s plan (the “Consultant’s Plan”) which set out a plan to revise KFFI’s compliance policies and procedures including amending KFFI’s application form and KYC processes and to require additional organizational and policy improvements as summarized in paragraphs 25 and 26.
7. The Consultant has confirmed in its attestation letter dated October 17, 2013 that the Consultant’s plan as revised by various progress reports delivered by the Consultant has been fully implemented.



8. KFFI has agreed to adhere to the revised internal controls, supervision and policies and procedures developed during the implementation of the Consultant's Plan.
9. Given KFFI's implementation of the Consultant's Plan, KFFI's co-operation to date, KFFI's agreement to adhere to the revised internal controls, supervision and policies and procedures set out in the Consultant's Plan, the parties agree to settle this proceeding on the basis that: (a) no later than May 7, 2015, KFFI will provide the OSC Manager as defined in the Terms and Conditions with a report, based on a work plan to be agreed upon jointly by KFFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Amended Consultant's Plan as well as any subsequent revisions thereto are: (i) being followed by KFFI; (ii) working appropriately and (iii) being adequately administered and enforced by KFFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending March 7, 2015; and (b) KFFI will receive a reprimand.

#### **The Respondent**

10. KFFI distributes three distinct savings plans (the "Plans"), which are Registered Education Savings Plans ("RESPs") under the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended.
11. KFFI was incorporated federally on December 18, 1996. KFFI was formerly known as USC Education Savings Plans Inc. and before that known as Scholarship Consultants of North America Ltd. KFFI is a wholly owned subsidiary of the Knowledge First Foundation (the "Foundation"), a not-for-profit Canadian corporation. The Foundation sponsors and promotes the Plans. The Foundation had approximately \$3.36 billion in assets under administration as at April 30, 2013.
12. KFFI is registered with the Commission as both an investment fund manager and as a dealer in the category of scholarship plan dealer.

#### **Previous Compliance Reviews and Previous Terms and Conditions**

13. KFFI has been the subject of three previous compliance reviews conducted by CRR Staff. Terms and conditions were previously imposed on its registration as a result of those reviews.
14. A compliance field review report by CRR Staff dated August 27, 2003 identified a number of compliance deficiencies including: (i) failing to collect essential Know Your Client ("KYC") information; (ii) inadequate supervision of dealing representatives ("DRs"); (iii) misleading information in marketing materials; (iv) lack of processes to monitor when DRs or branch managers ("BMs") should transmit enrolment applications to head office; (v) inadequacies in compliance structure resulting in a number of instances where KFFI's compliance officer did not ensure that KFFI had discharged its obligations under Ontario securities law; (vi) ineffective complaint handling procedures; and (vii) enrolment representative agreements which set up DRs as independent contractors without reference to KFFI's supervisory obligation.
15. A compliance field review report dated June 23, 2004 by CRR Staff identified some of the same deficiencies identified in the compliance field review report dated August 27, 2003 and that a number of the initiatives proposed to rectify the deficiencies were incomplete.
16. On July 9, 2004, terms and conditions were imposed on KFFI's registration which included filing progress reports with the Manager, Compliance to address the identified deficiencies.
17. A third compliance field review report by CRR Staff dated June 17, 2005 identified further compliance deficiencies.
18. On June 1, 2005, terms and conditions were imposed on KFFI's registration which included a term requiring KFFI to file progress reports with the Manager, Compliance to address all identified deficiencies for the period of August 26, 2003 up to August 31, 2004.

#### **2012 Compliance Report**

19. From October 2011 to January 2012, CRR Staff conducted a compliance review at KFFI's head office in Mississauga, Ontario and at various branch locations in the Greater Toronto Area. On June 14, 2012, CRR Staff issued the 2012 Compliance Report which identified the following deficiencies: (i) KFFI lacked an adequate system of compliance controls and supervision; (ii) KFFI failed to meet its suitability and KYC obligations; (iii) some KFFI DRs did not have a sufficient understanding of the structure and key features, including risks of the Plans; (iv) some KFFI DRs did not disclose the nature and the extent of their potential material conflicts of interest; (v) inadequate written referral

agreements and inadequate disclosure of written referral agreements; and (vii) written policies and procedures manual which inadequately addressed suitability, marketing and account activity.

**Temporary Order dated August 10, 2012**

20. On August 10, 2012, the Commission issued the Temporary Order with KFFI's consent which imposed Terms and Conditions on KFFI's registration. The Terms and Conditions required KFFI to retain an independent consultant (the "Consultant") to: (a) prepare and assist KFFI to implement a plan to strengthen its compliance system within the meaning of section 11.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"); (b) make recommendations to rectify all identified compliance deficiencies raised in the 2012 Compliance Report; and (c) retain an independent monitor (the "Monitor") to use best efforts to contact all new clients for the purpose of confirming: (i) the accuracy of the clients' KYC information; (ii) the investment is suitable for the client and (iii) that the clients understand the fee structure of the investment.
21. The OSC Manager, as referred to in the Terms and Conditions, approved Deloitte & Touche LLP as the Monitor and approved Sanford Eprile & Company as the Consultant.

**Amended Consultant's Plan dated November 16, 2012**

22. On October 10, 2012, the Consultant provided Staff with its initial Consultant's plan to strengthen KFFI's compliance systems. After Staff's request for further details on the specific actions that KFFI would engage in to strengthen its compliance system and rectify the deficiencies identified in the 2012 Compliance Report, KFFI delivered the Consultant's Plan on November 16, 2012.
23. The Consultant's Plan was a 33 page document which listed specific action steps to address the deficiencies set out in the 2012 Compliance Report. The Consultant's Plan set out action steps, the responsible person and due dates for each of the following areas of KFFI's compliance system:
  - (a) overall compliance systems;
  - (b) KYC and suitability information;
  - (c) sales practices and marketing;
  - (d) financial condition and custody;
  - (e) conflicts of interest;
  - (f) referral arrangements; and
  - (g) books and records.

**Implementation of the Amended Consultant's Plan**

24. The Terms and Conditions required the Consultant to provide monthly (bi-monthly as of June 21, 2013) progress reports detailing KFFI's progress with respect to the implementation of the Consultant's Plan for each recommendation. The Consultant delivered progress reports to Staff on December 10, 2012 and January 9, February 8, March 11, April 10, May 10, June 10, August 10 and October 4, 2013 which reported on the implementation of the Consultant's Plan.
25. The Consultant's Plan together with the subsequent progress reports noted in paragraph 24 required the following action steps to improve the collection of KYC and suitability information:
  - (a) amending KYC application form to include items such as client's risk tolerance, investment time horizon, occupation and disposable income, etc., for all new subscribers;
  - (b) implementing a KYC update process to upgrade the increased KYC information when subscribers contact KFFI to make changes to contribution levels or make any other changes such as a switch in plans;
  - (c) adding a message to the annual subscriber's account statements which advises subscribers to contact KFFI with updated KYC information when a material change in their circumstances has occurred;
  - (d) establishing a tracking mechanism to ensure the completeness of any update process;

- (e) revising KFFI's internal affordability guidelines so as to reflect "disposable income" as well as comparisons to authoritative guidance (e.g. Statistic Canada's Annual Analytical Reports on Economic Well-Being of Canadians") relating to affordability;
  - (f) enhancing compliance training materials to help ensure consistency of information on the enrolment application form and to ensure that factors relevant to determining product suitability are documented in the notes section to KFFI's KYC forms;
  - (g) developing formal procedures for trade review and for the monitoring of suitability of client trades;
  - (h) analysing cancellation rates over multiple time horizons to highlight high risk branches and DRs for further internal compliance review; and
  - (i) establishing parameters for unsuitable investments, including imposing restrictions on:
    - selling to subscribers whose sole source of income is temporary or fluctuating government benefits;
    - selling to subscribers with annual income of less than \$25,000;
    - selling to subscribers with seasonal or variable income that cannot be expected to support a plan's committed contribution; and
    - selling to subscribers beyond a certain age threshold.
26. The Consultant's Plan required the following additional organizational and policy improvements to ensure an improved compliance system for KFFI:
- (a) developing a separate compliance training program for DRs and relevant employees;
  - (b) establishing a compliance committee of senior management including KFFI's ultimate designated person ("UDP"), CCO, Vice President Compliance Operations, National Director of Compliance and business unit heads;
  - (c) ensuring that job descriptions are updated to reflect detailed accountabilities for executing daily, weekly, monthly and periodic compliance activities and timely reporting of results and tracking of actions to be taken;
  - (d) establishing a senior management committee including compliance representatives to review and approve new products; and
  - (e) reviewing and enhancing the reporting of compliance issues to the Governance Committee of the Board.
27. By progress report dated October 4, 2013, the Consultant confirmed that the above changes and the other improvements in the Consultant's Plan had been fully implemented.

#### **Role of Monitor**

28. From August 21, 2012 to April 6, 2013, the Monitor reviewed 9,479 New Client applications, called 3,500 New Clients and KFFI unwound 88 new client applications based on the KYC information being gathered under KFFI's former KYC process. In these 88 cases, the Monitor determined based on the new client's KYC Information and KFFI suitability policies, that the investment was not suitable.
29. On March 21, 2013, KFFI advised the Commission that KFFI intended to roll out its new KYC and suitability policies on April 5, 2013 and the Commission ordered the Monitor requirement suspended from the Terms and Conditions effective April 5, 2013.

#### **KFFI'S POSITION**

30. KFFI acknowledges that changes were required to strengthen its compliance system so as to better serve the public interest.
31. With the introduction of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and its principles based approach to compliance, KFFI engaged a third party audit firm to assess its sales supervision framework. The auditor firm's work was completed in two phases. KFFI advises that Phase



I declared the design effectiveness to be satisfactory and Phase II identified deficiencies that were promptly addressed by KFFI.

32. In addition, KFFI invested considerable time, resources and dollars and worked closely with the OSC staff in the Investment Funds Branch prior to the 2012 Compliance Report, in the development of a new type of scholarship plan. The Flex First Plan was designed to address many suitability concerns raised in the 2012 Compliance Report. The new product was launched in November 2012.
33. Upon receipt of the 2012 Compliance Report, KFFI immediately set out to address the compliance deficiencies highlighted in the report, particularly the KYC and Suitability deficiencies. Initial changes were implemented prior to the Consultants being retained or their plan being reviewed or approved by Staff.
34. KFFI has worked with the Consultant and the Monitor to ensure that the Terms and Conditions imposed by the Commission on August 10, 2012 were fully implemented.
35. As at November 30th, 2013, KFFI had incurred \$4,291,325 in Consultant, Monitor and other consultant costs as a result of the implementation of the Terms and Conditions.
36. KFFI has co-operated with Staff and consented to the Temporary Order which imposed the Terms and Conditions and consented to other Commission orders which extended the Temporary Order and varied the Terms and Conditions.
37. KFFI has agreed to adhere to the revised internal controls, supervision and policies and procedures in all provincial and territorial jurisdictions in Canada in which KFFI is registered and as referenced in the Consultant's Plan and the progress reports.

#### **PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST**

38. By engaging in the conduct described above, KFFI admits and acknowledges that its compliance system did not meet reasonable compliance practices and that changes were required to strengthen its compliance system so as to better serve the public interest.

#### **PART V – TERMS OF SETTLEMENT**

39. KFFI agrees to the terms of settlement listed below.
40. The Commission will make an order pursuant to subsection 127(1) of the Act that:
  - (a) this Settlement Agreement is approved;
  - (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than May 7, 2015, KFFI will provide the OSC Manager as defined in the Terms and Conditions with a report, based on a work plan to be agreed upon jointly by KFFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Amended Consultant's Plan as well as any subsequent revisions thereto are: (i) being followed by KFFI; (ii) working appropriately and (iii) being adequately administered and enforced by KFFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending March 7, 2015; and
  - (c) pursuant to clause 6 of subsection 127(1) of the Act, KFFI is reprimanded.

#### **PART VI – STAFF COMMITMENT**

41. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law against KFFI in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 42 below.
42. If the Commission approves this Settlement Agreement and, at any subsequent time, KFFI fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against KFFI. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

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

43. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for March 7, 2014, or on another date agreed to by Staff and KFFI, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure.
44. Staff and KFFI agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on KFFI's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
45. If the Commission approves this Settlement Agreement, KFFI agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
46. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
47. Whether or not the Commission approves this Settlement Agreement, KFFI will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

#### **PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

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

#### **PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

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

Dated this 5th day of March, 2014.

Knowledge First Financial Inc.

Per: "R. George Hopkinson"

Per: "Paul Renaud"

"Tom Atkinson"

Tom Atkinson  
Director, Enforcement Branch

**Schedule "A"**

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

**AND**

**IN THE MATTER OF  
KNOWLEDGE FIRST FINANCIAL INC.**

**ORDER**

**WHEREAS** on February , 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to the Statement of Allegations filed by Staff of the Commission ("Staff") on March 5, 2014 with respect to Knowledge First Financial Inc. ("KFFI");

**AND WHEREAS** KFFI entered into a Settlement Agreement dated February , 2014, (the "Settlement Agreement") in relation to certain of the matters set out in the Statement of Allegations;

**AND WHEREAS** the Settlement Agreement acknowledges KFFI's co-operation with Staff and set out the costs incurred by KFFI in retaining an independent consultant (the "Consultant") to prepare and assist KFFI in implementing a plan to strengthen KFFI's "compliance system" within the meaning of section 11.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

**AND WHEREAS** the Settlement Agreement sets out that a manager in the Compliance and Registrant Regulation Branch of the Commission (the "OSC Manager") approved the amended Consultant's plan dated November 16, 2012 and that the OSC Manager reviewed the progress reports detailing KFFI's progress with respect to the implementation of the amended Consultant's plan as revised by various progress reports (the "Amended Consultant's Plan");

**AND WHEREAS** the Settlement Agreement set out that the Consultant confirmed by letter dated October 17, 2013 that the Amended Consultant's Plan had been fully implemented;

**AND WHEREAS** the Commission issued a Notice of Hearing dated March 5, 2014, with respect to a hearing to consider the approval of the Settlement Agreement between Staff and KFFI;

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

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

**IT IS HEREBY ORDERED THAT:**

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than May 7, 2015, KFFI will provide the OSC Manager as defined in the Terms and Conditions with a report, based on a work plan to be agreed upon jointly by KFFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Amended Consultant's Plan as well as any subsequent revisions thereto are: (i) being followed by KFFI; (ii) working appropriately and (iii) being adequately administered and enforced by KFFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending March 7, 2015; and
- (c) pursuant to clause 6 of subsection 127(1) of the Act, KFFI is reprimanded.

**DATED** at Toronto, Ontario this \_\_\_\_\_ day of March , 2014.

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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
Railtown Capital Corp.	14 Feb 14	26 Feb 14	28 Feb 14	07 Mar 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
Stans Energy Corp.	09 Dec 13	20 Dec 13	20 Dec 13	07 Mar 14	
Stans Energy Corp. <sup>1</sup>	30 Jan 14	11 Feb 14	11 Feb 14	07 Mar 14	

Note:

<sup>1</sup> New respondent was added to the MCTO against Stans Energy Corp.

### 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
NTG Clarity Networks Inc.	14 Feb 14	26 Feb 14	26 Feb 14		
Penfold Capital Acquisition IV Corporation	05 Feb 14	18 Feb 14	18 Feb 14		

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## **Chapter 7**

# **Insider Reporting**

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

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

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





## Chapter 8

# Notice of Exempt Financings

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### REPORT OF TRADES ON FORM 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/30/2014	2	AMEX Exploration Inc. - Units	540,000.00	600.00
01/31/2014	1	Amorfix Life Sciences Ltd. - Units	280,000.00	1,000,000.00
02/13/2014	1	Arcelia Gold Corp. - Common Shares	30,000.00	200,000.00
02/19/2014	1	B Communications Ltd. - Notes	5,522,500.00	5,000.00
01/27/2014	1	Bank of Montreal - Note	2,000,000.00	1.00
01/31/2014	5	BlueLine Rental Finance Corporation - Notes	4,492,076.00	4,040.00
02/14/2014	2	BNY TRUST COMPANY OF CANADA - Notes	17,822,107.40	0.00
12/30/2013	2	Bowmore Exploration Ltd. - Units	268,905.00	2,068,500.00
02/13/2014	1	Brookdale Realty Corporation - Bonds	100,000.00	100.00
01/01/2013 to 12/31/2013	11	Caisses Communes Actions Canadiennes - Units	13,044,156.49	1,075,664.03
01/01/2013 to 12/31/2013	11	Caisses Communes Actions Etrangeres - Units	7,422,585.48	582,860.71
01/01/2013 to 12/31/2013	11	Caisses Communes Obligations Canadiennes - Units	32,332,522.11	3,083,090.18
02/07/2014	1	CANADIAN IMPERIAL BANK OF COMMERCE - Notes	2,000,000.00	20,000.00
02/19/2014	1	CANADIAN SILVER HUNTER INC. - Common Shares	2,000.00	40,000.00
01/13/2014	8	CANNAMED PHARMA INC. - Units	1,075,000.00	1,075,000.00
02/14/2014	3	Capital One Bank (USA), National Association - Notes	22,287,666.82	20,300.00
01/30/2014	3	CARDIOCOMM SOLUTIONS, INC. - Units	178,740.00	2,648,000.00
02/12/2014	2	Caribou King Resources Ltd. - Units	75,000.00	1,500,000.00
02/11/2014	1	CELLAEGIS DEVICES INC. - Debenture	750,000.00	1.00
01/31/2014	147	CENTURION APARTMENT REAL ESTATE INVESTMENT TRUST - Units	6,854,738.66	587,884,927.00
02/07/2014	15	Chrysler Group LLC and CG Co-Issuer Inc. - Notes	88,236,733.91	80,084.00
01/27/2014	14	CHS/Community Health Systems, Inc. - Notes	24,837,324.00	8,000.00
01/07/2013 to 12/31/2013	8	Comgest Growth Plc - Units	235,543,437.22	N/A
02/10/2014	3	Continental Building Products, Inc. - Common Shares	1,694,000.00	110,000.00
02/05/2014	23	Coronet Metals Inc. - Units	747,383.00	14,947,660.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
02/14/2014	10	El Tigre Silver Corp. - Units	1,500,000.00	6,000,000.00
02/13/2014	1	Enthrive Inc. - Common Shares	100,000.00	3,333,333.00
02/10/2014	2	ESIGHT CORPORATION - Warrants	550,999.92	3,241,176.00
02/04/2014	1	European Investment Bank - Bonds	9,989,600.00	N/A
07/17/2013	1	Fortress Gotham 2011 Limited - Loan	50,000.00	1.00
07/24/2013	2	Fortress Gotham 2011 Limited - Loans	110,000.00	2.00
07/03/2013	2	Fortress Gotham 2011 Limited - Loans	100,000.00	2.00
08/13/2013	4	Fortress Gotham 2011 Limited - Loans	220,000.00	4.00
07/24/2013	1	Fortress Gotham 2011 Limited - Loan	50,000.00	1.00
04/02/2012 to 04/09/2012	2	Fortress King Charlotte 2010 Limited - Loans	75,000.00	2.00
10/31/2011	1	Fortress King Charlotte 2010 Limited - Loan	120,000.00	1.00
10/19/2012	1	Fortress King Charlotte 2010 Limited - Loan	25,000.00	1.00
11/23/2012	1	Fortress King Charlotte 2010 Limited - Loan	200,000.00	1.00
12/23/2013	1	Glen Eagle Resources Inc. (Amended) - Flow-Through Shares	400,000.00	2,000,000.00
12/23/2013	1	Glen Eagle Resources Inc. (Amended) - Common Shares	199,999.98	1,111,111.00
02/06/2014 to 02/13/2014	2	GoldON Resources Ltd. - Notes	135,000.00	2,700,000.00
02/14/2014		GOURMET OCEAN PRODUCTS INC. - Warrants		1,125,000.00
02/06/2014	4	GreenStar Agricultural Corporation - Units	48,249.65	56,764.00
01/07/2014 to 01/17/2014	10	Japan Solar Pool I LP - Limited Partnership Units	3,800,000.00	3,800.00
01/31/2014 to 02/05/2014	59	JET GOLD CORP. - Units	563,000.00	11,260,000.00
02/04/2014	4	KLONDEX MINES LTD - Notes	25,000,000.00	25,000.00
02/14/2014	3	KWG Resources Inc. - Units	70,000.00	1,400,000.00
12/30/2013	3	Iamelee iron ores ltd. - Flow-Through Shares	620,019.93	N/A
04/01/2013 to 10/01/2013	1	LMAP Delta Limited - Special Shares	191,253,750.00	N/A
10/23/2013	1	LMAP Mu Limited - Special Shares	12,981,250.00	N/A
06/30/2013 to 11/01/2013	1	LMAP Theta Limited - Special Shares	90,503,025.00	N/A
01/01/2013 to 12/31/2013	210	Louisbourg Canadian Bond Fund - Units	50,856,096.00	4,933,365.43
01/01/2013 to 12/31/2013	199	Louisbourg Canadian Equity Fund - Units	12,934,500.00	1,303,554.19

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2013 to 12/31/2013	189	Louisbourg Canadian Small Cap Fund - Units	2,804,526.00	274,884.38
01/01/2013 to 12/31/2013	157	Louisbourg Corporate Bond Fund - Units	20,549,136.00	2,051,174.97
01/01/2013 to 12/31/2013	235	Louisbourg Dividend Fund - Units	9,909,221.00	878,933.05
01/01/2013 to 12/31/2013	177	Louisbourg EAFE Fund - Units	3,101,323.00	275,360.83
01/01/2013 to 12/31/2013	198	Louisbourg Money Market Fund - Units	31,821,189.00	3,182,118.88
01/01/2013 to 12/31/2013	189	Louisbourg Quantitative Equity Fund - Units	1,891,202.00	168,515.00
01/01/2013 to 12/31/2013	221	Louisbourg US Equity Fund - Units	8,302,325.00	668,424.28
01/01/2013 to 12/31/2013	5	Manulife Asset Management Canadian Core Fixed Income Pooled Fund - Units	47,733,673.27	4,412,339.77
01/01/2013 to 12/31/2013	1	Manulife Asset Management Canadian Equity Index Pooled Fund - Units	55,515,822.93	3,684,775.70
03/11/2013	1	Manulife Asset Management Canadian Short Duration Fixed Income Pooled Fund - Units	16,602,759.79	1,660,275.98
05/28/2013	1	Manulife Asset Management Global Diversified Pension Pooled Fund (Non-Taxable) - Units	59,148.10	5,856.42
03/07/2013 to 03/14/2013	2	Manulife Asset Management Global Equity Index Pooled Fund - Units	83,758,949.52	8,373,760.39
03/07/2013 to 11/15/2013	2	Manulife Asset Management Global Focus Pooled Fund - Units	61,203,989.38	6,140,510.45
03/07/2013 to 03/14/2013	1	Manulife Asset Management US Equity Index Pooled Fund (Non-Taxable) - Units	39,025,100.00	2,906,959.09
10/01/2013	1	Manulife Management Canadian Large Cap Growth Pooled Fund - Units	742,400.00	84,091.30
01/30/2014	42	Metgas Industries Ltd. - Common Shares	834,475.00	4,896,500.00
02/18/2014	1	MIST Opportunities Inc. - Common Shares	50,000.00	10.00
02/13/2014 to 02/20/2014	26	NEUTRISCI INTERNATIONAL INC. - Receipts	1,168,200.00	1,557,600.00
02/07/2014	1	Obsidian Strategics Inc. - Debentures	200,000.00	1.00
01/31/2013 to 05/31/2013	12	Owners RRSP Fund - Units	1,310,018.73	11,809.46
01/23/2014	1	PANCONTINENTAL URANIUM CORPORATION - Units	20,020.00	286,000.00
01/28/2014	2	Pershimco Resources Inc. - Common Shares	11,198,692.35	23,827,005.00
02/12/2014	30	poet technologies inc. - Units	4,999,999.55	7,692,307.00
09/24/2013	22	Prospero Silver Corp. - Common Shares	250,000.00	5,000,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
02/06/2014	2	Radiant Technologies Inc. - Notes	275,000.00	2.00
02/10/2014	1	Radio One, Inc. - Notes	3,300,000.00	3,300.00
02/05/2014	6	Redstar Gold Corp. - Common Shares	918,888.10	11,486,102.00
01/21/2014	12	ROCKSPRING CAPITAL TEXAS REAL ESTATE TRUST - Trust Units	245,748.00	245,748.00
01/30/2014	2	ROI Capital - Limited Partnership Units	24,307.40	24,307.40
02/01/2014	1	Root Capital, Incorporated - Loan Agreement	220,000.00	1.00
02/12/2014	2	Roundy's, Inc. - Common Shares	3,850,000.00	500,000.00
01/28/2014	5	Santander Consumer USA Holdings Inc. - Common Shares	50,166,000.00	1,875,000.00
02/14/2014	5	SEARCH MINERALS INC. - Common Shares	121,250.00	1,732,412.00
01/01/2013 to 12/31/2013	8	Seven Seas Capital Appreciation Fund - Trust Units	1,004,316.00	7,932.00
01/30/2014	2	Simba Energy Inc. - Common Shares	70,874.55	1,181,243.00
02/15/2014	130	Skyline Apartment Real Estate Investment Trust - Units	15,772,190.50	1,190,354.00
02/15/2014	33	Skyline Retail Real Estate Investment Trust - Units	3,210,500.00	321,050.00
02/18/2014	11	Slyce Inc. - Units	2,274,500.00	4,549,000.00
02/12/2014	21	SMART EMPLOYEE BENEFITS INC. - Notes	2,000,000.00	0.00
01/28/2014	5	SPLUNK INC. - Common Shares	9,752,270.40	108,000.00
01/01/2013 to 12/31/2013	5	Stone GaleForce Dividend Growth Pool - Units	986,918.53	N/A
02/14/2014	9	STORM RESOURCES LTD. - Common Shares	5,125,000.00	1,250,000.00
02/11/2014	39	TASMAN METALS LTD. - Units	4,263,449.30	3,875,863.00
01/31/2014	4	The Solidity Group Mortgage Investment Corporation - Units	310,954.00	N/A
02/13/2014	1	TimePlan Inc. - Units	140,000.00	3,571.00
02/14/2014	1	U308 CORP. - Units	396,000.00	3,600,000.00
02/03/2014 to 02/07/2014	24	UBS AG, JERSEY BRANCH - Certificates	11,301,716.87	0.00
02/10/2014 to 02/14/2014	25	UBS AG, Jersey Branch - Certificates	12,850,637.76	25.00
02/04/2014	21	UBS AG, London Branch - Notes	2,225,000.00	N/A
02/03/2014 to 02/05/2014	14	UBS (CANADA)HIGH YIELD DEBT FUND - Units	475,063.99	41,467.48
02/22/2012 to 02/28/2012	49	VALDOR TECHNOLOGY INTERNATIONAL INC. - Units	1,383,600.00	13,836,000.00
06/10/2013	62	Valdor Technology International Inc. - Units	2,017,500.00	20,175,000.00
02/04/2014	51	VersaPay Corporation - Units	5,000,400.00	4,167,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/24/2014	2	VTR Finance B.V. - Notes	6,637,200.00	6,000.00
02/01/2013 to 12/02/2013	26	Waratah Income Trust - Units	4,592,846.20	45,928.00
02/01/2013 to 12/02/2013	22	Waratah Income Trust - Units	2,358,849.20	23,588.49
02/01/2013 to 12/02/2013	3	Waratah Income Trust - Units	495,000.00	4,950.00
01/02/2013 to 12/02/2013	125	Waratah One Trust - Units	19,666,616.70	N/A
01/02/2013 to 12/02/2013	86	Waratah One Trust - Units	8,957,364.90	N/A
01/02/2013 to 12/02/2013	7	Waratah Performance Limited Partnership - Units	25,946,285.50	259,462.86
01/02/2013 to 12/02/2013	2	Waratah Performance Limited Partnership - Units	3,181,494.54	18,156.92
01/02/2013 to 12/02/2013	1	Waratah Performance Limited Partnership - Units	6,895,725.60	68,957.26
01/02/2013 to 12/02/2013	1	Waratah Performance Limited Partnership - Units	500,000.00	5,000.00
02/14/2014	66	Wen Lian Aquaculture Co. Ltd. - Common Shares	5,000,000.00	20,400,000.00
01/02/2013	1	YTM Capital Credit Fund - Units	200,000.00	20,000.00
03/01/2013 to 12/02/2013	151	YTM Capital Mortgage Fund - Units	27,817,100.00	2,781,710.00
01/02/2013 to 12/02/2013	106	YTM Capital Mortgage Income Fund - Units	40,155,600.00	2,781,710.00

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Bank of Montreal  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 6, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

\$8,000,000,000.00  
Debt Securities (subordinated indebtedness)  
Common Shares  
Class A Preferred Shares  
Class B Preferred Shares

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

-

**Promoter(s):**

-

**Project #2172982**

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**Issuer Name:**

Canadian Imperial Bank of Commerce  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 5, 2014  
NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

\$8,000,000,000.00:  
Debt Securities (unsubordinated indebtedness)  
Debt Securities (subordinated indebtedness)  
Common Shares  
Class A Preferred Shares

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

-

**Promoter(s):**

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**Project #2172159**

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**Issuer Name:**

Enterprise Group, Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 10, 2014  
NP 11-202 Receipt dated March 10, 2014

**Offering Price and Description:**

\$24,000,000.00 - 24,000,000 Common Shares  
Price: \$1.00 per Common Share

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

CANACCORD GENUITY CORP.  
GMP SECURITIES L.P.  
JENNINGS CAPITAL INC.  
PI FINANCIAL CORP.  
SALMAN PARTNERS INC.

**Promoter(s):**

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**Project #2174017**

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**Issuer Name:**

First National Financial Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 7, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

Cdn\$49,800,000.00 - 2,000,000 Common Shares  
Price: \$24.90 per Offered Share

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

RBC Dominion Securities Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
National Bank Financial Inc.

**Promoter(s):**

-

**Project #2171463**

**Issuer Name:**

Guardian Short Duration Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated March 3, 2014  
NP 11-202 Receipt dated March 4, 2014

**Offering Price and Description:**

Series W and Series I units

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

Worldsource Financial Management Inc.  
Worldsource Securities Inc.  
Guardian Capital LP

**Promoter(s):**

Guardian Capital LP

**Project #2171289**

**Issuer Name:**

International Commercial Television Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Long Form Non-Offering Prospectus dated March 4, 2014  
NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

-

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

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**Promoter(s):**

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**Project #2121827**

**Issuer Name:**

iShares MSCI Europe IMI Index ETF  
iShares MSCI Europe IMI Index ETF (CAD-Hedged)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 7, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

Units

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

BlackRock Asset Management Canada Limited

**Promoter(s):**

-

**Project #2173519**

**Issuer Name:**

Lumenpulse Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Long Form Prospectus dated March 5, 2014  
NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

\$ \* - \* Common Shares

Price: \$ \* per Common Share

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

CANACCORD GENUITY CORP.  
NATIONAL BANK FINANCIAL INC.  
BMO NESBITT BURNS INC.

SCOTIA CAPITAL INC.

RAYMOND JAMES LTD.

**Promoter(s):**

-

**Project #2172138**

**Issuer Name:**

Mackenzie Global Tactical Bond Fund  
Mackenzie Investment Grade Floating Rate Fund  
Mackenzie US Dividend Fund  
Mackenzie US Dividend Registered Fund  
Mackenzie US Low Volatility Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 5, 2014  
NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

Series A, D, F, F6, O, PW, PWF, PWF8, PWT8, PWX, PWX8, SC, S6 and T6 Securities

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

-

**Promoter(s):**

Mackenzie Financial Corporation

**Project #2172232**

**Issuer Name:**

NexGen Energy Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 10, 2014  
NP 11-202 Receipt dated March 10, 2014

**Offering Price and Description:**

\$10,035,000.00 - 22,300,000 Units

Price: \$0.45 per Unit

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

DUNDEE SECURITIES LTD.  
RAYMOND JAMES LTD.  
CANTOR FITZGERALD  
CANADA CORPORATION  
MACQUARIE CAPITAL MARKETS CANADA LTD.

**Promoter(s):**

-

**Project #2173990**

**Issuer Name:**

Purpose Diversified Real Asset Fund  
Purpose Enhanced U.S. Equity Fund  
Purpose Multi-Strategy Market Neutral Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 5, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

ETF Shares, ETF Non-Currency Hedged Shares, Series A, Series D, Series F, Series I, Series XA, Series XF Shares, ETF Units, Class A, Class D, Class F, Class I, Class XA, Class XF Units

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

-

**Promoter(s):**

PURPOSE INVESTMENTS INC.

Project #2173192

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**Issuer Name:**

Regal Lifestyle Communities Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 4, 2014  
NP 11-202 Receipt dated March 4, 2014

**Offering Price and Description:**

\$20,002,750.00 - 2,581,000 Common Shares

Price: \$7.75 per Common Share

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

CIBC WORLD MARKETS INC.  
TD SECURITIES INC.  
BMO NESBITT BURNS INC.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
NATIONAL BANK FINANCIAL INC.  
DUNDEE SECURITIES LTD.  
RAYMOND JAMES LTD.

**Promoter(s):**

Simon Nyilassy

Moray Tawse

Project #2168102

**Issuer Name:**

Roxgold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 7, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

\$25,056,000.00 - 43,200,000 Common Shares

\$0.58 per Common Share

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

BMO NESBITT BURNS INC.  
CORMARK SECURITIES INC.  
RAYMOND JAMES LTD.  
RBC DOMINION SECURITIES INC.  
TOLL CROSS SECURITIES INC.  
GMP SECURITIES L.P.  
HAYWOOD SECURITIES INC.  
MACQUARIE CAPITAL MARKETS CANADA LTD.

**Promoter(s):**

-

Project #2173357

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**Issuer Name:**

Spectra7 Microsystems Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 4, 2014  
NP 11-202 Receipt dated March 4, 2014

**Offering Price and Description:**

\$ \* - \* Units

Price: \$□ per Unit

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

CANACCORD GENUITY CORP.  
GLOBAL MAXFIN CAPITAL INC.  
MACKIE RESEARCH CAPITAL CORPORATION  
PI FINANCIAL CORP.

**Promoter(s):**

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Project #2171789

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**Issuer Name:**

Thomson Reuters Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 7, 2014  
NP 11-202 Receipt dated March 10, 2014

**Offering Price and Description:**

US\$3,000,000,000.00 - Debt Securities (Unsecured)

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

-

**Promoter(s):**

-

Project #2173527

**Issuer Name:**

TitanStar Properties Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus dated March 4, 2014

NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

Minimum \$20,000,000.00 - \* Subscription Receipts

Maximum \$45,000,000.00 - \* Subscription Receipts

Price: \$ \* per Subscription Receipt

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

Mackie Research Capital Corporation

National Bank Financial Inc.

Desjardins Securities Inc.

GMP Securities L.P.

Burgeonvest Bick Securities Ltd.

Haywood Securities Inc.

All Group Financial Services Inc.

MGI Securities Inc.

**Promoter(s):**

-

**Project #2166739**

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**Issuer Name:**

Catamaran Corporation  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Base Shelf Prospectus dated March 6, 2014 to Base Shelf Prospectus dated May 6, 2013

NP 11-202 Receipt dated March 6, 2014

**Offering Price and Description:**

U.S.\$1,000,000,000.00:

Debt Securities

Common Shares

Warrants

Convertible Securities

Share Purchase Contracts

Share Purchase Units

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

-

**Promoter(s):**

-

**Project #2022904**

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**Issuer Name:**

Chrysalis Capital IX Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final CPC Prospectus dated March 5, 2014

NP 11-202 Receipt dated March 6, 2014

**Offering Price and Description:**

MINIMUM OFFERING: \$200,000 or 2,000,000 Common Shares

MAXIMUM OFFERING: \$1,000,000 or 10,000,000 Common Shares

PRICE: \$0.10 per Common Share

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

PI Financial Corp.

**Promoter(s):**

Robert Munro

**Project #2146356**

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**Issuer Name:**

Concordia Healthcare Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 5, 2014

NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

\$58,750,000.00

5,000,000 Common Shares

Price: \$11.75 per Share

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

GMP SECURITIES L.P.

CANACCORD GENUITY CORP.

BARCLAYS CAPITAL CANADA INC.

BEACON SECURITIES LIMITED

CORMARK SECURITIES INC.

**Promoter(s):**

Mark Thompson

**Project #2166548**

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**Issuer Name:**

Horizons Gold Yield ETF  
Horizons Natural Gas Yield ETF  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated February 27, 2014

NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

Class E units and Advisor Class units

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

-

**Promoter(s):**

-

**Project #2156204**

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**Issuer Name:**

Lomiko Metals Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated March 6, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

Total Minimum Offering: \$750,000.00  
Total Maximum Offering: \$4,000,000.00  
Up to 27,272,727 Units  
\$0.11 per Unit; and  
Up to 7,692,308 Flow-Through Units  
\$0.13 per Flow-Through Unit

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

Secutor Capital Management Corporation

**Promoter(s):**

-

**Project #2157691**

**Issuer Name:**

Redknee Solutions Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 7, 2014  
NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

\$75,000,042.00  
12,820,520 Common Shares  
Price: \$5.85 per Common Share

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

GMP SECURITIES L.P.  
CANACCORD GENUITY CORP.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
TD SECURITIES INC.  
CANTOR FITZGERALD CANADA CORPORATION  
CLARUS SECURITIES INC.  
PARADIGM CAPITAL INC.

**Promoter(s):**

-

**Project #2169592**

**Issuer Name:**

Rockefeller Hughes Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated March 7, 2014  
NP 11-202 Receipt dated March 10, 2014

**Offering Price and Description:**

Minimum Offering of \$1,500,000.00 (8,333,333 Units)  
Maximum Offering of \$2,500,000.00 (13,888,888 Units)  
at \$0.18 per Unit

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

Clarus Securities Inc.  
PI Financial Corp.

**Promoter(s):**

Zoran Arandjelovic

**Project #2126408**

**Issuer Name:**

Russell Focused Canadian Equity Pool  
Russell Focused US Equity Pool  
(Series A, Series B, Series E, Series F and Series O)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #4 dated February 28, 2014 to the Simplified Prospectuses and Annual Information Form dated July 8, 2013

NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

Series A, Series B, Series E, Series F and Series O

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

Russell Investments Canada Limited

**Promoter(s):**

Russell Investments Canada Limited

**Project #2067785**

**Issuer Name:**

Russell Focused Global Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated February 28, 2014 to the Simplified Prospectus and Annual Information dated November 25, 2013

NP 11-202 Receipt dated March 5, 2014

**Offering Price and Description:**

Series A, Series B, Series E, Series F and Series O

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

Russell Investments Canada Limited

**Promoter(s):**

Russell Investments Canada Limited

**Project #2123623**

**Issuer Name:**

SilverCrest Mines Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated March 6, 2014  
NP 11-202 Receipt dated March 6, 2014

**Offering Price and Description:**

\$20,020,000.00  
7,700,000 Common Shares  
Price: \$2.60 per Offered Share  
**Underwriter(s) or Distributor(s):**  
DUNDEE SECURITIES LTD.  
NATIONAL BANK FINANCIAL INC.  
RAYMOND JAMES LTD.  
PI FINANCIAL CORP.

**Promoter(s):**

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**Project #2167213**

**Issuer Name:**

TD U.S. Low Volatility Fund (Investor Series and Premium Series)  
TD North American Dividend Fund (Investor Series, Institutional Series and Premium Series)  
TD Global Low Volatility Fund (Investor Series, O-Series and Premium Series)  
TD Emerging Markets Low Volatility Fund (Investor Series)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated February 27, 2014 to the Simplified Prospectuses and Annual Information Form dated July 25, 2013

NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

Investor Series, Institutional Series, O-Series and Premium Series @ Net Asset Value

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

TD Investments Services Inc.  
TD Investment Services Inc. (for Investor Series units)  
TD Investment Services Inc. (for Investor Series and e-Series units)  
TD Investment Services Inc.(for Investor Series units)  
TD Investment Services Inc. (for Investor Series and e-Series Units)  
TD Investment Services Inc. (for Investor Series)  
TD Waterhouse Canada Inc. (W-Series and WT-Series only)  
TD Asset Management Inc. (for Investor Series units)  
TD Investment Services Inc. (for Investor Series and Premium Series units)

**Promoter(s):**

TD Asset Management Inc.

**Project #2074949**

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**Issuer Name:**

TD U.S. Low Volatility Fund (Advisor Series, F-Series and Premium F-Series)  
TD North American Dividend Fund (Advisor Series, F-Series and Premium F-Series)  
TD Global Low Volatility Fund (Advisor Series, F-Series and Premium F-Series)  
TD Emerging Markets Low Volatility Fund (Advisor and F-Series)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated February 27, 2014 to the Simplified Prospectuses and Annual Information Form dated July 25, 2013

NP 11-202 Receipt dated March 7, 2014

**Offering Price and Description:**

Advisor Series, F-Series and Premium F-Series @ Net Asset Value

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

TD Waterhouse Canada Inc.  
TD Investment Services Inc. (for Investor Series units)  
TD Investment Services Inc.(for Investor Series units)  
TD Investment Services Inc. (for Investor Series and e-Series Units)  
TD Waterhouse Canada Inc. (W-Series and WT-Series only)  
TD Investment Services Inc. (for Investor Series and e-Series units)  
TD Asset Management Inc. (for Investor Series units)

**Promoter(s):**

TD Asset Management Inc.

**Project #2075064**

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## Chapter 12

# Registrations

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### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	GCIC Ltd.	Portfolio Manager	February 26, 2014



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## Chapter 13

# SROs, Marketplaces and Clearing Agencies

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### 13.1 SROs

#### 13.1.1 IIROC – OSC Staff Notice of Request for Comment – Margin requirements for certain cash and security borrowing and lending arrangements – Amendments to Schedules 1, 7 and 7A of Dealer Member Form 1

##### OSC STAFF NOTICE OF REQUEST FOR COMMENT

##### THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

##### MARGIN REQUIREMENTS FOR CERTAIN CASH AND SECURITY BORROWING AND LENDING ARRANGEMENTS – AMENDMENTS TO SCHEDULES 1, 7 AND 7A OF DEALER MEMBER FORM 1

IIROC is publishing for public comment proposed amendments to Schedules 1, 7 and 7A of Dealer Member Form 1. The proposed amendments would reduce margin requirements for certain cash and security borrowing and lending arrangements. A copy of the IIROC Notice including the amended documents was also published on our website at <http://www.osc.gov.on.ca>. The comment period ends on June 11, 2014.

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## Chapter 25

# Other Information

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### 25.1 Approvals

#### 25.1.1 Forge First Asset Management Inc. – s. 213(3)(b) of the LTCA

##### Headnote

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

##### Statutes Cited

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

March 4, 2014

Borden Ladner Gervais LLP  
Scotia Plaza  
40 King Street West  
Toronto, Ontario  
M5H 3Y4

Attention: Matthew P. Williams

Dear Sirs/Mesdames:

**Re: Forge First Asset Management Inc. (the “Applicant”)**

**Application under Paragraph 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee**

**Application #2014/0044**

Further to your application dated January 20, 2014 (the “**Application**”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of each of Forge First Long Short Trust and Forge First Multi Strategy Trust, and any other future mutual fund trusts that the Applicant may manage from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the “**Commission**”) makes the following order:

Pursuant to the authority conferred on the Commission in paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of each of Forge First Long

Short Trust and Forge First Multi Strategy Trust and any other future mutual fund trusts which may be managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

“Edward P. Kerwin”

“Deborah Leckman”

**25.1.2 AIP Asset Management Inc. – s. 213(3)(b) of the LTCA**

**Headnote**

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

**Statutes Cited**

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

March 7, 2014

MSU Securities Law  
Suite 1504 – 55 Bremner Blvd.  
Toronto, Ontario M5J 0A6

Attention: Mason Shan

Dear Sirs/Mesdames:

**Re: AIP Asset Management Inc. (the “Applicant”)**

**Application pursuant to clause 213(3)(b) of the  
Loan and Trust Corporations Act (Ontario) for  
approval to act as trustee**

**Application No. 2013/0789**

Further to your application dated November 22, 2013 (the “Application”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of AIP Global Macro Trust Fund (the “Fund”) and any other future mutual fund trusts that the Applicant may establish and manage from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the “Commission”) makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Fund and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

“Edward P. Kerwin”  
Commissioner  
Ontario Securities Commission

“Anne Marie Ryan”  
Commissioner  
Ontario Securities Commission

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