

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)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 CSA Staff Notice 45-314 – Consolidated List of Current CSA Exempt Market Initiatives



Canadian Securities
Administrators

Autorités canadiennes
en valeurs mobilières

CSA Staff Notice 45-314 *Consolidated List of Current CSA Exempt Market Initiatives*

March 20, 2014

Introduction

Modernization of the exempt market regulatory regime is a major priority for the Canadian Securities Administrators (CSA). In keeping with this, CSA members are publishing a series of significant initiatives related to prospectus exemptions. This Notice describes all of these initiatives in one place for the benefit of industry and investors.

Although CSA members have substantially harmonized the prospectus exemptions and amendments to prospectus exemptions, market participants will note some differences. Some of these can be explained by differences in local markets and the fact that certain prospectus exemptions are proposed for the first time in some jurisdictions.

List of Initiatives (organized by Exemption and Date Published)

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
Short-Term Debt (s. 2.35 of NI 45-106 ¹)	All	Publication for comment <ul style="list-style-type: none">Proposal to modify the minimum credit rating requirement when an issuer obtains more than one credit rating	January 23
Short-Term Securitized Products (proposed s. 2.35.2 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none">Proposal to introduce a new prospectus exemption for short-term securitized products (ABCP) with additional credit rating, liquidity and disclosure requirements	January 23
Accredited Investor (s. 2.3 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none">Proposal to require persons relying on the prospectus exemption to obtain a signed risk acknowledgement from certain individual accredited investorsProposal regarding additional guidance on steps issuers can take to verify accredited investor status	February 27

¹ National Instrument 45-106 *Prospectus and Registration Exemptions*.

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
	ON	Publication for comment <ul style="list-style-type: none"> Proposal to amend the definition of accredited investor in Ontario to allow fully managed accounts to purchase investment fund securities using the managed account category of the prospectus exemption 	February 27
\$150,000 Minimum Amount Investment (s. 2.10 of NI 45-106)	All	Publication for comment <ul style="list-style-type: none"> Proposal to restrict the prospectus exemption to distributions to non-individual investors 	February 27
Report of Exempt Distribution (Forms 45-106F1 and F6)	All	Publication for comment <ul style="list-style-type: none"> Proposal to gather additional information on the purchaser's category of accredited investor, the issuer's industry and persons being compensated in connection with the exempt distribution 	February 27
Existing Security Holder (Multilateral Notice 45-313 <i>Prospectus Exemption for Distributions to Existing Security Holders</i>)	BC, AB, SK, MB, QC, NB, NS, PE, YK, NT, NU	Adoption by local blanket order or rule of new prospectus exemption <ul style="list-style-type: none"> Issuers listed on certain Canadian stock exchanges may distribute securities to existing security holders in prescribed circumstances 	March 13
Existing Security Holder (proposed s. 2.9 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i>)	ON	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a new prospectus exemption that would allow non-investment fund issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances 	March 20
Offering Memorandum (s. 2.9 of NI 45-106)	AB, SK, QC	Publication for comment <ul style="list-style-type: none"> Proposal to impose new annual caps on the amount that can be raised from an individual, to address marketing materials and to require annual financial statements 	March 20
	ON	Publication for comment <ul style="list-style-type: none"> Proposal to introduce an offering memorandum prospectus exemption similar to the exemption available in certain other CSA jurisdictions (as proposed to be amended) for non-investment fund issuers 	March 20
	NB	Publication for comment <ul style="list-style-type: none"> Proposal to adopt an offering memorandum prospectus exemption on the same terms as in Ontario 	March 20

Prospectus Exemption	Jurisdiction	Summary of Latest Developments	Date (2014)
Family, Friends and Business Associates (s. 2.5 and proposed s. 2.6.1 of NI 45-106)	ON	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a family, friends and business associates prospectus exemption similar to those in other CSA jurisdictions for non-investment fund issuers 	March 20
Crowdfunding (proposed MI 45-108 <i>Crowdfunding</i>)	SK, MB, ON, QC, NB, NS	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a new crowdfunding prospectus exemption for non-investment fund issuers and an associated registration regime for online funding portals 	March 20
Crowdfunding (proposed <i>Start-Up Crowdfunding</i> general and blanket orders)	SK, MB, QC, NB, NS	Publication for comment <ul style="list-style-type: none"> Proposal to introduce new crowdfunding prospectus and registration exemptions for non-reporting issuers similar to Saskatchewan's existing regime² 	March 20
Crowdfunding (BC Notice 2014/03 <i>Start-Up Crowdfunding</i>)	BC	Request for comment <ul style="list-style-type: none"> Request for comment on introducing new crowdfunding prospectus and registration exemptions for non-reporting issuers similar to Saskatchewan's existing regime² 	March 20
Report of Exempt Distribution (proposed Forms 45-106F10 and F11)	AB, SK, ON, NB	Publication for comment <ul style="list-style-type: none"> Proposal to introduce two new reports of exempt distribution, one for investment funds and the other for non-investment fund issuers 	March 20

The text of the new exemptions and proposed amendments is or will be available on websites of CSA jurisdictions, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.nssc.gov.ns.ca
www.fcnb.ca
www.osc.gov.on.ca
www.fcaa.gov.sk.ca
www.msc.gov.mb.ca

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² Based on General Order 45-925 Saskatchewan Equity Crowdfunding Exemption. Saskatchewan is not revoking its Order but is republishing its Order as multilateral relief with Québec, New Brunswick and Nova Scotia.

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APPENDIX A **List of Ontario Initiatives**

The following is a summary of current exempt market initiatives in Ontario.

Prospectus Exemption	Summary of Latest Developments	Date Published (2014)
Short-Term Debt (s. 2.35 of NI 45-106)	Publication for comment <ul style="list-style-type: none"> Proposal to modify the minimum credit rating requirement when an issuer obtains more than one credit rating 	January 23
Short-Term Securitized Products (proposed s. 2.35.2 of NI 45-106)	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a new prospectus exemption for short-term securitized products (ABCP) with additional credit rating, liquidity and disclosure requirements 	January 23
Accredited Investor (s. 2.3 of NI 45-106)	Publication for comment <ul style="list-style-type: none"> Proposal to require persons relying on the prospectus exemption to obtain a signed risk acknowledgement from certain individual accredited investors Proposal regarding additional guidance on steps issuers can take to verify accredited investor status Proposal to amend the definition of accredited investor in Ontario to allow fully managed accounts to purchase investment fund securities using the managed account category of the prospectus exemption 	February 27
\$150,000 Minimum Amount Investment (s. 2.10 of NI 45-106)	Publication for comment <ul style="list-style-type: none"> Proposal to restrict the prospectus exemption to distributions to non-individual investors 	February 27
Report of Exempt Distribution (Forms 45-106F1 and F6)	Publication for comment <ul style="list-style-type: none"> Proposal to gather additional information on the purchaser's category of accredited investor, the issuer's industry and persons being compensated in connection with the exempt distribution 	February 27
Existing Security Holder (proposed s. 2.9 of OSC Rule 45-501 <i>Ontario Prospectus and Registration Exemptions</i>)	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a new prospectus exemption that would allow non-investment fund issuers listed on certain Canadian stock exchanges to distribute securities to existing security holders in prescribed circumstances 	March 20
Offering Memorandum (s. 2.9 of NI 45-106)	Publication for comment <ul style="list-style-type: none"> Proposal to introduce an offering memorandum prospectus exemption similar to the exemption available in certain other CSA jurisdictions (as proposed to be amended) for non-investment fund issuers 	March 20
Family, Friends and Business Associates (s. 2.5 and proposed s. 2.6.1 of NI 45-106)	Publication for comment <ul style="list-style-type: none"> Proposal to introduce a family, friends and business associates prospectus exemption similar to those in other CSA jurisdictions for non-investment fund issuers 	March 20

Prospectus Exemption	Summary of Latest Developments	Date Published (2014)
Crowdfunding (proposed MI 45-108 <i>Crowdfunding</i>)	Publication for comment <ul style="list-style-type: none"> • Proposal to introduce a new crowdfunding prospectus exemption for non-investment fund issuers and an associated registration regime for online funding portals 	March 20
Report of Exempt Distribution (Proposed Forms 45-106F10 and F11)	Publication for comment <ul style="list-style-type: none"> • Proposal to introduce two new reports of exempt distribution, one for investment funds and the other for non-investment fund issuers 	March 20

1.2 Notices of Hearing

1.2.1 Bluestream Capital Corporation et al. – ss. 127, 127.1

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

AND

**IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION, BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP., 1859585 ONTARIO LTD.
(operating as SOVEREIGN INTERNATIONAL INVESTMENTS) and PETER BALAZS**

**NOTICE OF HEARING
(Subsections 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., c. S.5, as amended (the “Act”), at the offices of the Commission located at 20 Queen Street West, 17th Floor, commencing on April 2, 2014, at 10:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether, in the Commission’s opinion, it is in the public interest for the Commission to make the following orders against Bluestream Capital Corporation, (“Bluestream Capital”), Bluestream International Investments Inc. (“Bluestream International”), Krown Consulting Corp. (“Krown”), 1859585 Ontario Ltd. (operating as Sovereign International Investments) (“Sovereign”) (collectively, the “Corporate Respondents”) and Peter Balazs (“Balazs”) (together with the Corporate Respondents, the “Respondents”):

- (a) that trading in any securities or derivatives by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (b) that trading in any securities of the Corporate Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the Act;
- (c) that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127.1 of the Act;
- (d) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
- (e) that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- (f) that Balazs resign one or more positions that he holds as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act;
- (g) that Balazs be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act;
- (h) that Balazs be prohibited from becoming or acting as a registrant, as an investment fund manager, or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- (i) that each Respondent pay an administrative penalty of not more than \$1 million for each failure by the respective Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- (j) that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by the respective Respondent with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- (k) that the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- (l) such other order as the Commission considers appropriate in the public interest.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission, dated March 11, 2014, and such further 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 stated above, 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 12th 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 BLUESTREAM CAPITAL CORPORATION, BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP., 1859585 ONTARIO LTD. (operating as SOVEREIGN INTERNATIONAL INVESTMENTS)
and PETER BALAZS**

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. This proceeding involves the fraudulent activities of and unregistered trading and an illegal distribution by Bluestream Capital Corporation ("Bluestream Capital"), Bluestream International Investments Inc. ("Bluestream International"), Krown Consulting Corp. ("Krown Consulting"), 1859585 Ontario Ltd. (operating as Sovereign International Investments) ("Sovereign"), under the branding of Bluestream Private Client Services, (collectively, the "Bluestream Companies") and Peter Balazs ("Balazs") (collectively, the "Respondents") in relation to the sale of securities to approximately 63 Ontario investors, from whom the Respondents raised approximately CAD\$2,620,815 and USD\$907,097.

2. Between August 2008 and May 2012 (the "Material Time"), the Respondents solicited Ontario residents to enter into investment contracts offered by the Bluestream Companies and Balazs. Further, the Respondents engaged in fraudulent conduct by making misleading or untrue statements to investors regarding the use of investor funds, using investor funds for personal expenditures, and using investor funds to pay returns and redemptions to other investors.

II. THE RESPONDENTS

3. Bluestream Capital was incorporated in Ontario on November 29, 2002. Bluestream Capital has never been a reporting issuer in Ontario and has never been registered with the Ontario Securities Commission (the "Commission") in any capacity. Bluestream Capital has never filed a prospectus or preliminary prospectus with the Commission.

4. Bluestream International was incorporated in Ontario on November 17, 2008. Bluestream Capital has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Bluestream International has never filed a prospectus or preliminary prospectus with the Commission.

5. Krown Consulting was incorporated in Ontario on March 4, 2010. Krown Consulting has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Krown Consulting has never filed a prospectus or preliminary prospectus with the Commission.

6. Sovereign was incorporated in Ontario on September 29, 2011. Sovereign has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Sovereign has never filed a prospectus or preliminary prospectus with the Commission.

7. Balazs is a resident of Nobleton, Ontario. He is a director or officer of all of the Bluestream Companies. Further, he was the directing mind of all of the Bluestream Companies during the Material Time. He has never been registered with the Commission in any capacity.

III. BACKGROUND

A. Trading in Securities and Illegal Distribution

8. During the Material Time, Balazs held himself out as a successful foreign currency trader. He solicited investments from Ontario residents, purportedly to engage in foreign currency trading (also known as forex trading) using investor funds. Investors entered into either verbal or written agreements with Balazs or one of the Bluestream Companies with respect to these investments.

9. The investment offered by Balazs and the Bluestream Companies was an "investment contract" and therefore a "security" as defined in subsection 1(1) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Investment Contracts").

10. Although the Investment Contracts often took the form of promissory notes and loan agreements, Balazs represented to investors that he would use the investor funds to engage in foreign currency trading and that investors would receive a fixed return based on the profits he generated through foreign currency trading. Based on his purported previous trading performance in the foreign currency market, Balazs offered investors a fixed annual percentage that varied based on the amount invested and the duration of the investment. The annual guaranteed returns offered ranged between 10 and 35 percent.

11. Balazs solicited Ontario residents to enter into the Investment Contracts by meeting with potential investors, discussing the nature of the investment, and showing investors statements demonstrating the purported profits he was making from trading foreign currencies. Balazs prepared and signed the Investment Contracts and deposited investor funds into several bank accounts in the names of the Bluestream Companies.

12. As a result of this activity, Balazs and the Bluestream Companies raised at least CAD\$2,620,815 and USD\$907,097 from 63 Ontario investors during the Material Time.

13. By engaging in the conduct described above, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities and participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to sections 25 and 53 of the Act.

B. Fraudulent Conduct

14. Contrary to the representations made by Balazs to investor, most of the investor funds were not used for foreign currency trading. Rather, a substantial portion of investor funds deposited into the bank accounts of the Bluestream Companies were used by Balazs for personal expenditures and to make return and redemption payments to other investors.

15. During the Material Time, CAD\$2,620,815 and USD\$907,097 of investor funds deposited into the Bluestream bank accounts were dispersed as follows:

- (a) Only approximately CAD\$196,700 and USD\$243,800 was transferred from the Bluestream Companies' bank accounts into foreign currency trading accounts;
- (b) Approximately CAD\$1,044,900 and USD\$515,450 was paid to investors to satisfy return and redemption payments;
- (c) Approximately CAD\$277,500 and USD\$101,100 was paid out of the Bluestream Companies' bank accounts for personal expenditures, including automobile financing, insurance, fuel and retail purchases;
- (d) Approximately CAD\$139,500 and USD\$69,500 was withdrawn from the Bluestream Companies' bank accounts in cash;
- (e) Approximately CAD\$36,500 and USD\$117,100 was transferred to Balazs' father-in-law;
- (f) Approximately CAD\$188,600 and USD\$59,400 was transferred to Balazs's mother, who used those funds to make mortgage payments on the property on which Balazs resides.

16. Neither Balazs nor the Bluestream Companies had any significant source of income other than funds generated through sales of securities to investors during the Material Time.

17. During the Material Time, by making misleading or untrue statements to investors regarding the use of investor funds, using investor funds for personal expenditures, and using investor funds to pay returns and redemptions to other investors, the Respondents engaged in fraudulent conduct contrary to subsection 126.1(b) of the Act.

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

18. The specific allegations advanced by Staff are:

- (a) During the Material Time, the Respondents traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so and without an available exemption from the registration requirements, contrary to subsection 25(1)(a) of the Act for the period before September 28, 2009 and contrary to subsection 25(a) of the Act for the period on and after September 28, 2009;

- (b) During the Material Time, the Respondents traded in securities when a preliminary prospectus and prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act;
- (c) During the Material Time, the Respondents engaged or participated in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to subsection 126.1(b) of the Act;
- (d) During the Material Time, Balazs, being an officer or director of the Bluestream Companies, authorized, permitted or acquiesced in the Bluestream Companies' non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and
- (e) The Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

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

DATED at Toronto, March 11, 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.

1.4 Notices from the Office of the Secretary

1.4.1 Bradon Technologies Ltd. et al.

**FOR IMMEDIATE RELEASE
March 14, 2014**

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

AND

**IN THE MATTER OF
BRADON TECHNOLOGIES LTD., JOSEPH COMPTA,
ENSIGN CORPORATE COMMUNICATIONS INC.
and TIMOTHY GERMAN**

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

1. the hearing on the merits shall commence on December 1, 2014 at 10:00 a.m. and shall continue on December 3, 4, 5, 8, 9, 10, 11, 12, and 15, 2014, or on 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 October 27, 2014 at 11:00 a.m.

A copy of the Order dated March 12, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.2 Bluestream Capital Corporation et al.

**FOR IMMEDIATE RELEASE
March 14, 2014**

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

AND

**IN THE MATTER OF
BLUESTREAM CAPITAL CORPORATION,
BLUESTREAM INTERNATIONAL INVESTMENTS INC.,
KROWN CONSULTING CORP., 1859585 ONTARIO LTD.
(operating as SOVEREIGN INTERNATIONAL
INVESTMENTS) and PETER BALAZS**

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 2, 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 12, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 11, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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media_inquiries@osc.gov.on.ca

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1-877-785-1555 (Toll Free)

1.4.3 Pro-Financial Asset Management Inc.

**FOR IMMEDIATE RELEASE
March 18, 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 which provides that:

1. The Variation Motion is dismissed.
2. Notwithstanding that the lapse date for the Pro-Index Funds was previously extended to March 11, 2014, the distribution of securities of the Pro-Index Funds to new investors shall cease as of the end of the day on March 11, 2014.

A copy of the Order dated March 11, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Corus Entertainment Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – filer made three acquisitions considered to be “acquisitions of related businesses” – one acquisition considered to be immaterial relative to the other two acquisitions – filer requests exemption from the requirement to include separate financial statements for each related business in the filing of a business acquisition report (BAR) – it is impractical to prepare the relevant financial statement disclosure for the immaterial acquisition – filer granted relief to include alternative financial information regarding the least significant related business.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

March 7, 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
CORUS ENTERTAINMENT INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief pursuant to Part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) exempting the Filer from the requirements to include in a business acquisition report (BAR), certain financial statements required pursuant to Item 3 of Form 51-102F4 and Section 8.4 of Part 8 of NI 51-102 relating to the Acquisitions (as defined herein), on the condition that

the Filer include in the BAR, the Alternative Financial Statements (as defined herein) in the BAR (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 (the **Principal Regulator**); and
- (b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a corporation governed by the *Canada Business Corporations Act*.
2. The Filer's head office is located at Corus Quay, 25 Dockside Drive, Toronto, Ontario, M5A 0B5.
3. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of its reporting issuer obligations under the securities legislation of any of the jurisdictions of Canada.
4. The Filer's Class B Non-Voting Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "CJR.B".
5. The Filer is a diversified Canadian communications and entertainment company whose principal business activities are: the operation of radio stations; the operation of specialty television networks, pay television services and conventional television stations; and the Corus content business, which consists of the production and distribution of films and television programs, merchandise licensing, publishing and animation software.

6. On March 4, 2013, the Filer entered into three separate purchase agreements with Bell Media Inc. (**Bell**) pursuant to which the Filer agreed to acquire from Bell: (a) the 50% interest in a television network business, TELETOON Canada Inc. (**Teletoon** and such 50% interest, the **Teletoon Interest**) that was not already owned by the Filer; (b) a 50% interest in the French-language television specialty channels, Historia and Séries+s.e.n.c. (**H&S**); and (c) two Ottawa-based broadcasting radio stations known under the call letters CKQB-FM and CJOT-FM (**Radio Stations**). Each of Teletoon, H&S and the Radio Stations were acquired by Bell as part of its acquisition of Astral Media Inc. (**Astral**) pursuant to a plan of arrangement transaction (the **Bell-Astral Arrangement**) that was completed on July 5, 2013, prior to the sale by Bell to the Filer of the various assets described herein.
7. While the Filer had previously held a 50% interest in Teletoon, it did not historically consolidate the Teletoon financial results for accounting purposes, and began doing so for the first time as of September 1, 2013, following certain changes to the board composition of Teletoon that followed the completion of the Bell-Astral Arrangement.
8. In addition, the Filer entered into a separate purchase agreement on November 29, 2013, with Shaw Media Inc. (**Shaw**) to acquire the remaining 50% interest in H&S (together with Teletoon, the **Television Businesses**, and together with the Radio Stations, the **Acquired Assets**).
9. On January 1, 2014, the Filer completed its acquisition of the Television Businesses (collectively, the **Television Acquisitions**) from Bell and Shaw, for an aggregate purchase price of \$526.2 million, subject to certain working capital adjustments.
10. On January 24, 2014, the Filer received approval by the Canadian Radio-television Telecommunications Commissions (**CRTC**) to close the acquisition of the Radio Stations (the **Ottawa Radio Acquisition** and together with the Television Acquisitions, the **Acquisitions**). The Filer completed its acquisition of the Radio Stations on January 31, 2014, for an aggregate purchase price of \$13.0 million, subject to certain working capital adjustments.
11. On their own, for the purposes of the threshold being met under the investment test (the **Investment Test**), the Filer had determined that the consolidated investments in the Television Businesses equalled approximately 24% of the consolidated assets of the Filer based on the most recent audited annual financial statements of the Filer. The consolidated investment of the Filer in the Radio Stations, on its own, equals approximately 0.6% of the consolidated assets of the Filer, also based on the most recent audited annual financial statements of the Filer. Accordingly, the Acquisitions constitute a significant acquisition for the purposes of NI 51-102 and the Filer is required to file a BAR within 75 days of the completion of the Acquisitions pursuant to Section 8.2 of NI 51-102.
12. The Ottawa Radio Acquisition is immaterial relative to the two other relevant acquired businesses – the purchase price for the Teletoon Interest was \$249 million, while the purchase price for H&S in its entirety was \$277.2 million, subject in each case to certain working capital adjustments. By contrast, the purchase price/investment for the Radio Stations assets is only \$13.0 million, representing approximately 2.41% of the combined purchase price of approximately \$539.2 million paid for the Acquired Assets as a whole, and 0.6% of the Filer's consolidated assets of approximately \$2.2 billion as of August 31, 2013 (using the last set of audited annual financial statements).
13. The Radio Stations previously formed part of Astral's sizable radio business, and the assets comprising the Radio Stations were held in part by Astral Media Radio Inc. and in part by Astral Media Radio, G.P. In order to facilitate the sale of the Radio Stations to the Filer and to break out the specific assets to be acquired by the Filer from the balance of the Astral/Bell radio businesses, Bell had reorganized the assets relevant to the two Radio Stations into 8384851 Canada Inc. (**Newco 1**) and 8504598 Canada Inc. (**Newco 2**, and collectively with Newco 1, the **Radio Station Newcos**), two newly created entities incorporated on May 29, 2013. The assets and liabilities constituting the business of the Radio Stations were transferred from Bell to the Radio Station Newcos on July 4, 2013 (the **Ottawa Radio Reorganization**). The shares of the Radio Station Newcos were subsequently acquired by the Filer upon the closing of the Ottawa Radio Acquisition on January 31, 2014.
14. The Filer is unable to prepare the required financial statements for the Radio Stations in accordance with Section 8.4 of NI 51-102 for the following reasons:
 - (a) Stand-alone financial statements of the Radio Stations have never been prepared. The Radio Stations historically did not represent a separate operating segment or reporting unit within either Astral's or Bell's radio broadcasting business and indeed represented only a very small discrete portion of the assets of that business.
 - (b) As part of the Ottawa Radio Reorganization completed in the context of the

- Bell-Astral Arrangement, the assets and liabilities comprising the Radio Stations had recently been transferred from Bell to Newco 1 and Newco 2, newly-formed, wholly-owned direct subsidiaries of Bell. Newco 1 and Newco 2 were each formed on May 29, 2013 and have no prior historical financial statements. As such, financial statements would have to be re-created retroactively with no clear basis for presentation.
- (c) The Filer understands that, historically, the reporting of the assets and liabilities of the Radio Stations were generally commingled with the assets and liabilities of the other radio broadcasting assets for Astral/Bell.
15. Pursuant to Section 8.4 of NI 51-102 and Item 3 of Form 51-102F4, absent the Exemption Sought, the Filer would have been required to include in its BAR for the Acquisitions, the following financial statements:
- (a) an audited statement of comprehensive income, a statement of changes in equity and a statement of cash flows for each of Teletoon and H&S, in each case for the year ended August 31, 2013, and an audited statement of financial position for each as at the end of that year;
- (b) an audited statement of comprehensive income, a statement of changes in equity and a statement of cash flows for the Radio Stations, in each case for the transition year from September 1, 2012 and ended July 5, 2013, and an audited statement of financial position as at that date;
- (c) an unaudited statement of comprehensive income, statement of changes in equity and statement of cash flows for each of Teletoon, H&S and the Radio Stations, in each case for the year ended August 31, 2012, and an unaudited statement of financial position for each as at the end of that year;
- (d) an unaudited interim financial report for each of Teletoon, and H&S for the three month interim period ended November 30, 2013, and an unaudited interim financial report for the comparable period in the preceding financial year;
- (e) an unaudited interim financial report for the Radio Stations for the three month interim period ended December 31, 2013 (no comparative prior period would be necessary as a result of Section 8.9 of NI 51-102);
- (f) a *pro forma* statement of financial position of the Filer as at the date of the Filer's most recent statement of financial position filed, at November 30, 2013, that gives effect, as if they had taken place as at the date of that *pro forma* statement of financial position, to each of the Acquisitions;
- (g) a *pro forma* income statement of the Filer that gives effect to the Acquisitions for:
- (i) the Filer's financial year ended August 31, 2013; and
- (ii) the Filer's three month interim period ended November 30, 2013
- as if they had taken place at the beginning of the 2013 financial year; and
- (h) *pro forma* earnings per share based on the *pro forma* financial statements referred to in paragraph (f) above.
16. The Filer is preparing the required financial information pursuant to Section 8.4 of NI 51-102 and Item 3 of Form 51-102F4 in respect of the Television Acquisitions.
17. The Filer proposes to include the following alternative financial statements regarding the Radio Stations in the BAR (the **Alternative Financial Statements**) as a condition of obtaining the requested relief:
- (a) an unaudited statement of the assets to be acquired and liabilities to be assumed by the Filer in respect of the Radio Stations as at December 31, 2013; and
- (b) an unaudited income statement of the Radio Stations' revenues and expenses for a three month period ended December 31, 2013.
18. The Alternative Financial Statements will be prepared in accordance with accounting policies permitted by International Financial Reporting Standards.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted provided that the Filer includes the Alternative Financial Statements in the BAR in respect of the Ottawa Radio Acquisition.

“Shannon O’Hearn”
Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Triangle Petroleum Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by U.S. issuer for a decision that it is not a reporting issuer – The issuer has *de minimis* market presence in Canada – the issuer satisfies the criteria set out in CSA Staff Notice 12-307 Applications for a Decision that an Issuer is not a Reporting Issue – 2% *de minimis* threshold for securities met – Requested relief granted.

Applicable Legislative Provisions

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

Citation: Re Triangle Petroleum Corporation, 2014 ABASC 87

March 7, 2014

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

AND

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

AND

IN THE MATTER OF
TRIANGLE PETROLEUM 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 for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer be deemed to have ceased to be a reporting issuer under the Legislation (the **Exemptive Relief Sought**).

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Delaware. The Filer's head office is located at 1200 17th Street, Suite 2600 Denver, Colorado 80202.
2. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of the securities legislation in any jurisdiction in Canada.
3. The only securities of the Filer held by the public are its shares of common stock. In order to determine the number of shares of common stock of the Filer beneficially owned directly by persons with addresses in Canada, the Filer obtained and reviewed:
 - (a) a registered shareholders list from Continental Stock Transfer & Trust Company, the registrar and transfer agent of the Filer;
 - (b) a Canadian geographical survey conducted by Broadridge Financial Solutions Inc. (**Broadridge**), which included a detailed breakdown of brokers and banks that responded to the survey;
 - (c) a Security Position Report from The Depository Trust Company (**DTC**) against which the Broadridge Canadian geographical survey was compared; and
 - (d) reports from INVeSHARE Inc., Proxy-Trust, Mediant Communications LLC and Foliofn Inc. confirming that no shares of common stock were beneficially held by Canadians.

Following such review, where the Filer noted discrepancies between the Broadridge Canadian geographical survey and the DTC Security Position Report, it followed up with all DTC listed brokers/banks with Canadian addresses and other brokers/banks with significant discrepancies in order to determine whether the unreported shares in the Broadridge Canadian geographical survey were beneficially held by Canadians. All shares held by CDS Inc. in the DTC report were assumed to be beneficially held by Canadians, as a result no reports were requested from CDS Inc. as the results of any such reports would not change the conclusions noted below. All other brokers/banks

with Canadian addresses provided the Filer with Canadian beneficial holding information for their unreported shares. While most non-Canadian brokers/banks contacted by the Filer confirmed that no shares were beneficially held by Canadians, certain brokers/banks with US addresses were unwilling or unable to respond to the Filer's inquiries due to their internal policies respecting the disclosure of such information. Consequently, as no contrary information is available, the Filer has assumed that those US brokers/banks that were unwilling or unable to respond hold shares of common stock only on behalf of US beneficial holders.

Based on the information and diligent inquiries set out above:

- (i) as at October 3, 2013, the total amount of common stock held by a total of 472 residents of Canada was 1,523,399 shares (representing 1.78% of the total number of outstanding shares worldwide), and such 472 Canadian resident stockholders represents approximately 1.32% of the total number of 35,759 stockholders of the Filer;
 - (ii) on a fully diluted basis to account for an in-the-money convertible note held by a US investor (convertible into 16,094,243 shares), only 1.50% of outstanding shares are held by residents of Canada; and
 - (iii) residents of Canada do not, directly or indirectly: (a) beneficially own more than 2% of any class or series of outstanding securities of the Filer worldwide; or (b) comprise more than 2% of the total number of securityholders of the Filer worldwide.
4. The Filer files continuous disclosure reports under U.S. securities law and is listed on the NYSE MKT.
 5. None of the Filer's securities are listed, traded or quoted on a marketplace in Canada as defined in National Instrument 21-101 *Marketplace Operation*, and the Filer does not intend to have its securities listed, traded or quoted on such a marketplace in Canada.
 6. In the last 12 months the Filer has not taken any steps that indicate there is a market for its securities in Canada and the Filer has no intention to seek financing by way of a prospectus offering or private placement of its securities in Canada.
 7. The Filer has issued a news release stating that it has made application for a decision that it is not a reporting issuer in Canada and that, if that

decision is made, the Filer will no longer be a reporting issuer in any jurisdiction in Canada.

8. The Filer undertakes to concurrently deliver to its Canadian securityholders, all disclosure the Filer would be required under U.S. securities law or exchange requirements to deliver to U.S. resident securityholders.

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 Exemptive Relief Sought is granted.

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.3 Novik Inc. – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

March 17, 2014

Blake, Cassels & Graydon LLP
600 de Maisonneuve Boulevard West, suite 2200
Montréal (QC) H3A 3J2
Canada

Attention: Jean Tessier

Dear Mr. Tessier:

Re: Novik Inc. (the “Applicant”)

Application for a decision under the securities legislation of Alberta, Manitoba, Ontario and Québec (the “Jurisdictions”) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

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

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant's status as a reporting issuer is revoked.

"Martin Latulippe"
Director, Continuous Disclosure
Autorité des marchés financiers

2.1.4 Sun Life Investment Management Inc.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to permit portfolio manager, on behalf of two new funds, to purchase and sell mortgages and debt securities from and to affiliates of the portfolio manager – relief granted subject to various representations and conditions including funds will only be sold to permitted clients, IRC approval and an independent valuation.

Applicable Legislative Provisions

NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 13.5(2)(b).

February 24, 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
SUN LIFE INVESTMENT MANAGEMENT INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from section 13.5(2)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) to permit the Funds (as defined below) to purchase or sell a security from or to the investment portfolio of a "responsible person", as such term is defined in NI 31-103 and as further described below (the **Exemption Sought**).

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

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

provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Canada with its head office in Toronto, Ontario. The Filer is an indirect, wholly-owned subsidiary of Sun Life Financial Inc., a company the shares of which are listed on, among others, the Toronto Stock Exchange.
2. Sun Life Assurance Company of Canada (**SLA**) is an insurance company authorized to carry on business under the *Insurance Companies Act* (Canada) and regulated by the Office of the Superintendent of Financial Institutions (**OSFI**). SLA is a wholly-owned subsidiary of Sun Life Financial Inc. (**SLF**) and accordingly is an affiliate of the Filer.
3. The Filer is registered as an investment fund manager, portfolio manager and exempt market dealer in each province and territory of Canada.
4. Two limited partnerships, Sun Life Canadian Commercial Mortgage Fund (the **Mortgage Fund**) and Sun Life Private Fixed Income Plus Fund (the **PFI Fund**), have been established under the laws of the Jurisdiction (the Mortgage Fund and the PFI Fund are each referred to as a **Fund** and collectively referred to as the **Funds**). Securities of each of the Mortgage Fund and the PFI Fund will be sold, pursuant to available exemptions from the prospectus requirements, only to investors who are "permitted clients" as such term is defined in NI 31-103, other than those described in paragraph (k) of the definition, unless the client of the managed account is otherwise a permitted client.
5. The Filer will be the investment fund manager and portfolio adviser for each Fund.
6. None of the Filer, the Mortgage Fund or the PFI Fund is in default of securities legislation in the Jurisdiction.
7. The Mortgage Fund will seek to provide income while preserving capital over the long term by investing primarily in a portfolio of first mortgage loans and construction financing loans secured by properties located in Canada.
8. The Mortgage Fund will seek to invest in mortgage loans secured by properties located in growing metropolitan areas (typically with populations in excess of 100,000) and to qualified, financially-strong borrowers with expertise in the ownership, management and operation of commercial real estate and/or multi-family rental properties. The mortgage loans will be diversified by geographic region and by property type.
9. In addition, the Mortgage Fund may invest in a limited portfolio of variable-rate construction loans secured by mortgages on lands being serviced for residential or commercial development or to provide financing for the construction of single family, condominium or commercial development. Such construction lending will focus on small to medium scale developments in markets with strong housing demand and on experienced land, housing and condominium developers.
10. Except for mortgages insured by Canada Mortgage and Housing Corporation (or another corporation with a similar function that may be established by a statute of Canada or of a province or territory in Canada from time to time) (**CMHC**), each mortgage that will be purchased by the Mortgage Fund from SLA will not exceed 75% of the appraised value of the underlying real property at the time of investment. Each mortgage insured by CMHC will not exceed 85% of the appraised value of the underlying real property at the time of investment.
11. The PFI Fund will seek to achieve total return by providing income, while preserving capital over the long term, by investing primarily in a diverse portfolio of private and public fixed income assets. The private fixed income assets will include long-term debt financing for power projects such as hydro, wind, co-generation and solar, as well as public private partnerships (P3) infrastructure projects including hospitals, bridges, roads, detention facilities, court houses and public transit systems; senior secured and unsecured loans to high credit quality large corporate borrowers; investments secured by marquee or key strategic real estate assets often not financed through traditional mortgage structures; senior loans to mid-market companies which generally do not access the public debt markets; and investments in securitized lease/loan obligations supported by diversified pools of assets such as manufacturing equipment and transportation assets. The PFI Fund will invest in private fixed income assets from a diverse range of geographic locations including Canada, the United States, the United Kingdom and Australia. The PFI Fund will also invest in a wide range of securities available in public debt markets to seek to achieve positive active returns, neutralize exposure to unintended risks, enhance liquidity and manage the Fund's duration.

12. It is expected that approximately 50% to 90% of the PFI Fund's portfolio will comprise of PFI Securities (as defined below) at any given time.
13. A portion of the investments in each Fund's initial portfolio will be purchased from SLA at the Fund's inception. From time to time thereafter, each Fund may purchase or sell securities from or to SLA. In exchange for the purchase of such investments from SLA, the Fund will issue units to SLA (an **In-Specie Transaction**), and/or the parties will satisfy the price of the purchase in cash (a **Principal Trade**). Where a Fund is selling securities to SLA, the parties will satisfy the purchase price by way of a Principal Trade.
14. The assets that the Mortgage Fund will purchase from or sell to SLA will include mortgages. The mortgages will be originated by third-parties, SLA or the Mortgage Fund.
15. The assets that the PFI Fund will purchase from or sell to SLA will include private debt securities (**PFI Securities**) and loans (or a portion of a loan) originated by third-parties, SLA or the PFI Fund.
16. From time to time, the Mortgage Fund and the PFI Fund may invest in the same securities as SLA or affiliates of SLA.
17. The seed capital of the Mortgage Fund will consist of an investment by SLF and an investment by SLA. The Mortgage Fund will issue units to SLF in exchange for cash. The Mortgage Fund will purchase mortgages from SLA and a portion of the purchase price will be satisfied by way of an In-Specie Transaction and a portion of the purchase price will be satisfied by way of a Principal Trade. As a result of the In-Specie Transaction, SLA will own, directly or indirectly, approximately 45% of the issued and outstanding units of the Mortgage Fund at the Fund's inception (the other 55% being owned by SLF as a result of SLF's investment).
18. The seed capital of the PFI Fund will consist of an investment by SLF. The PFI Fund will issue units to SLF in exchange for cash. The PFI Fund will purchase private fixed income assets including PFI Securities from SLA and the purchase price will be satisfied by way of a Principal Trade. As the purchase of portfolio securities from SLA by the PFI Fund is not done by way of an In-Specie Transaction, SLA will not own any units of the PFI Fund at the Fund's inception.
19. There is a limited supply of PFI Securities and mortgages available to the Funds in the open market, and frequently the only source or buyer of PFI Securities and mortgages may be SLA. SLA has relatively large teams of professionals involved in the origination and sourcing of mortgages and private loans. Based on market information, SLA has a relatively sizable market share in each of the mortgage and private fixed income markets. The Filer believes that permitting the Mortgage Fund and the PFI Fund to purchase mortgages and PFI Securities, respectively, from SLA will allow the Funds to access investments that they may not be otherwise able to access in the market, and in a manner that will be efficient for the Funds, and permitting the Funds to sell mortgages and PFI Securities, respectively, to SLA will provide liquidity for the Funds.
20. Certain individuals who participate in the management of the proprietary portfolio of SLA are portfolio managers of the Filer and will be involved in managing the portfolios of the Funds. Accordingly, SLA will have access to investment decisions made on behalf of a client of the Filer or advice given to a client of the Filer and therefore is a "responsible person" as defined in section 13.5(1) of NI 31-103.
21. Absent the Exemption Sought, the Filer is prohibited by section 13.5(2)(b) of NI 31-103 from causing the Funds to purchase or sell securities from or to SLA.
22. Each of the Filer and SLA will have policies and procedures in place to address any potential conflicts of interest that may arise as a result of any purchase or sale of securities between the Funds and SLA and each of the Filer and SLA will be able to appropriately deal with any such conflicts.
23. Each Fund will only purchase securities from SLA that are consistent with, or necessary to meet, the Fund's investment objectives. Each Fund will only sell securities to SLA if the Filer has determined that disposing of such securities is appropriate for the Fund.
24. All decisions to purchase or sell securities on behalf of each Fund's portfolio from or to SLA will be made based on the judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.
25. Securities sold by SLA to each Fund will only be those that are permitted to be owned by a life insurance company under the *Insurance Companies Act* (Canada) (the **Insurance Act**) and the regulations and rules thereunder. The Insurance Act requires that the directors of an insurance company establish and the company adhere to investment and lending policies, standards and procedures that a reasonable and prudent person would apply in respect of a portfolio of investments and loans to avoid undue risk of loss and obtain a reasonable return. There are also specific statutory and regulatory constraints such as aggregate limits for various categories of investments based on prudential

- principles and restrictions on the types of businesses in which life insurance companies can invest.
26. The Filer, on behalf of each Fund, intends to establish an independent review committee (the **IRC**) consistent with section 3.7 of National Instrument 81-107 (**NI 81-107**). The IRC of each Fund will be expected to comply with the standard of care set out in section 3.9 of NI 81-107 as if each Fund were subject to that rule.
 27. The Filer will refer the In-Specie Transactions and Principal Trades between SLA and a Fund to the IRC of such Fund.
 28. Prior to a Fund making a purchase or sale of securities from or to SLA:
 - (a) The IRC of the Fund will approve the transaction in accordance with section 5.2(2) of NI 81-107;
 - (b) The Filer will comply with section 5.1 of NI 81-107; and
 - (c) The Filer and the IRC of the Fund will comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transaction.
 29. A description of each mortgage held in the Mortgage Fund's portfolio will be available to an investor or a prospective investor from the Filer, upon request and conditional upon the investor or prospective investor agreeing to treat such information as confidential.
 30. The Mortgage Fund will purchase mortgages at an amount determined in accordance with section III(2)(2.4) of National Policy Statement 29 *Mutual Funds Investing in Mortgages* (**NP 29**) as if the Mortgage Fund were subject to that policy.
 31. The Mortgage Fund will value the mortgages in its portfolio in accordance with section III(2)(2.5) of NP 29 as if the Mortgage Fund were subject to that policy. So long as it is consistent with NP 29, the Mortgage Fund intends to determine the value of each mortgage by discounting the expected future cash flows using a current market interest rate applicable to financial instruments with similar yield, credit quality and maturity characteristics as the mortgage. Valuation inputs typically include yields on benchmark government bonds and risk-adjusted spreads from current lending activities or loan issuances.
 32. The Filer expects that with respect to the mortgages that will be transferred from SLA to the Mortgage Fund, there will generally be observable and comparable market prices.
 33. An independent and reputable valuation firm that is an accounting firm registered with the Canadian Public Accountability Board (**CPAB**) and the valuation services of which are provided by professionals who are active members of the Canadian Institute of Chartered Business Valuators will be retained for the Mortgage Fund to (i) provide a valuation opinion as to the value of the mortgages transferred from SLA to the Mortgage Fund that will form part of the Mortgage Fund's initial portfolio; and (ii) review the models and methodologies developed and used by the Filer to determine the value attributed to the mortgages. The Filer will rely upon such valuation opinion at the time of the sale of mortgages to the initial portfolio of the Mortgage Fund and will continue to use such valuation models and methodologies to determine the price(s) at which mortgages will be purchased from or sold by the Mortgage Fund.
 34. A public accounting firm that is registered with CPAB will be retained to act as auditor of the Mortgage Fund and will carry out an audit, in accordance with Canadian generally accepted auditing standards, of the annual financial statements of the Mortgage Fund. The annual financial statements will be prepared in accordance with International Financial Reporting Standards (**IFRS**). The financial statements will present the mortgages at fair value as defined in IFRS 13 *Fair Value Measurement*, as the same may be amended or replaced from time to time, which sets out a framework for measuring fair value.
 35. A description of the general characteristics (such as issuer description, industry, maturity date and indicative yield) of each PFI Security held in the PFI Fund's portfolio will be available to an investor or a prospective investor from the Filer, upon request and conditional upon the investor or prospective investor agreeing to treat such information as confidential.
 36. The PFI Securities to be purchased or sold by the PFI Fund from or to SLA will be securities that SLA determines to be of investment grade in accordance with SLA's internal policies and procedures for the purpose of SLA's proprietary account (**SLA Credit Rating Policies**).
 37. Currently, under the SLA Credit Rating Policies, PFI Securities are rated using scorecards which combine probability of default and loss given default to arrive at a credit risk rating. The rating, expressed using a point scale consistent with those used by external rating agencies, is based on detailed examination of the borrower's or issuer's credit quality and the characteristics of the specific instrument. The probability of default assessment is based on borrower-level or issuer-level analysis, which encompasses an assess-

ment of industry risk, business strategy, competitiveness, strength of management, and other financial information. The loss given default assessment is based on instrument-level analysis, which considers the impact of guarantees, covenants, liquidity and other structural features. Under the SLA Credit Rating Policies, the ratings determined cannot be higher than the highest rating provided by nationally recognized statistical rating organizations on assets with similar credit quality and risk characteristics.

38. The Filer has developed a methodology to value PFI Securities. Currently, the methodology involves using one of the following approaches for valuing each PFI Security:

- (a) Use of an observed external market spread (if one exists) (**First Category**);
- (b) If paragraph (a) above does not apply for a particular PFI Security, the Filer will use the observed credit spread of an externally priced comparable private fixed income asset of similar, or appropriately adjusted, average life, sector and credit risk (the **Private Comparable**) to serve as the basis for the credit spread for the PFI Security. The yield used for valuing the PFI Security will be a function of (i) the credit spread of the Private Comparable adjusted for illiquidity and other relevant factors, plus (ii) the interpolated risk-free yield for a term equal to the average life of the PFI Security. This yield will be used by the Filer to discount the cash flows of the PFI Security to establish its fair value (**Second Category**);
- (c) If paragraph (b) above does not apply for a particular PFI Security, the Filer will use the observed credit spread of a externally priced comparable public fixed income asset of similar, or appropriately adjusted, average life, sector and credit risk (the **Public Comparable**) to serve as the basis for credit spread for the PFI Security. The yield used for valuing the PFI Security will be a function of (i) credit spread of the Public Comparable adjusted for illiquidity and other relevant factors, plus (ii) the interpolated risk-free yield for a term equal to the average life of the PFI Security. This yield will be used by the Filer to discount the cash flows of the PFI Security to establish its fair value (**Third Category**); and
- (d) If paragraph (c) above does not apply for a particular PFI Security, the Filer will use the Private Placement Comparable Index (**PPCI**) matrix spreads maintained by

SLA to serve as the basis for credit spread changes for the PFI Security held in the PFI Fund. SLA maintains the PPCI matrix which is a record of public bond spreads for different terms to maturity and credit ratings. The yield used for valuing the PFI Security will be a function of (i) its initial credit spread, plus (ii) changes in the credit spread for the relevant reference point in the matrix for the applicable average life and credit rating, plus (iii) the interpolated risk-free yield for a term equal to the average life of the PFI Security. This yield will be used by the Filer to discount the cash flows of the PFI Security to establish its fair value (**Fourth Category**). Notwithstanding the foregoing, if a PFI Security that falls under the Fourth Category has a floating rate of interest, the value of such PFI Security will be determined by assigning a value to such security equal to par (its face amount), unless such PFI Security exhibits credit deterioration that warrants a reduction in its value.

39. The Filer will retain SLA to complete and maintain a standard template for each PFI Security that will be transferred to the PFI Fund from SLA. This template will record key information such as the maturity date, credit rating, average life, and other relevant quantitative or qualitative features. It will also record the key information for valuing the PFI Securities, such as, for PFI Securities valued under the Second Category and Third Category, comparable public or private assets along with differences between those assets (such as geography, credit quality, project lifecycle, or breadth of deal participation) versus the PFI Securities, and for PFI Securities valued under the Fourth Category, the initial spread over the PPCI matrix. This information will be reviewed monthly by the Filer's Valuation Team, and any relevant changes (i.e. a credit rating change) will be updated as required.

40. The Filer will establish a Valuation Committee to provide oversight to the valuation process, models and methodology and to approve the PFI Fund's asset valuations. The Valuation Committee will consist of members that are independent of the portfolio management team of the Filer, and will include the Chief Financial Officer, Chief Operating Officer, Chief Compliance Officer, and Senior Managing Director, Investments Strategic Research and Initiatives (or another executive performing a similar function) of the Filer. The Valuation Committee will approve the pricing methodology used for new and existing assets in the PFI Fund and approve any changes to the valuation methodology to be applied to assets in the PFI Fund. Recommendations for changes to

the valuation methodology or for valuation assumptions on assets of the PFI Fund will be provided to the committee jointly by the Filer's Valuation Team and SLA's PFI team. The Valuation Committee will provide a forum to discuss any idiosyncratic assets and valuation assumptions to ensure that the value attributed to each asset in the PFI Fund is fair and reasonable.

41. An independent and reputable valuation firm that is an accounting firm registered with CPAB and the valuation services of which are provided by professionals who are active members of the Canadian Institute of Chartered Business Valuators will be retained for the PFI Fund to (i) provide a valuation opinion as to the value of the PFI Securities in the initial portfolio; and (ii) review whether the models and methodologies developed and used by the Filer to determine the value attributed to the PFI Securities are fair and reasonable from the perspective of an independent third party. The Filer will rely upon such valuation opinion at the time of the sale of PFI Securities to the initial portfolio of the PFI Fund and will continue to use such valuation models and methodologies to determine the price(s) at which PFI Securities will be purchased from or sold by the PFI Fund. In addition, an independent and reputable valuation firm that is an accounting firm registered with CPAB and the valuation services of which are provided by professionals who are active members of the Canadian Institute of Chartered Business Valuators will be retained to review whether the models and methodologies developed, amended (if applicable) and used by the Filer to determine the value attributed to the PFI Securities continue to be fair and reasonable from the perspective of an independent third party on an annual basis.
42. A public accounting firm that is registered with CPAB will be retained to act as auditor of the PFI Fund and will carry out an audit, in accordance with Canadian generally accepted auditing standards, of the annual financial statements of the PFI Fund. The annual financial statements will be prepared in accordance with IFRS. The financial statements will present the PFI Securities and any publicly-traded fixed income securities at their fair values, which will be determined based on all applicable fair valuation principles set out in IFRS 13 *Fair Value Measurement*, as the same may be amended or replaced from time to time. These principles will consider the credit spreads and yields used by market participants in the fair market valuation of private debt securities and other market value influencing assumptions, to the extent that such information is publicly available, as well as other information considered to be relevant by the Filer.
43. Based on existing information and interpretation on fair value measurements under IFRS, the Filer

expects that, under normal market conditions, PFI Securities that are valued under the First Category, Second Category and Third Category would be treated as Level II fair value under IFRS and the PFI Securities that are valued under the Fourth Category would be treated as Level III fair value under IFRS.

44. Each Fund will value portfolio securities under an In-Specie Transaction using the same values to be used to calculate the net asset value for the purpose of the issue price or redemption price of the units of the Fund.
45. None of the securities which will be the subject of an In-Specie Transaction or Principal Trade will be securities of an issuer that is a related party of the Filer.
46. The Filer will receive no remuneration with respect to any purchase or sale of securities between a Fund and SLA, and with respect to the delivery of securities, the only expenses which will be incurred by a Fund will be nominal administrative charges levied by the custodian and/or recordkeeper of the Fund for recording the trades and/or any charges by a dealer in transferring the securities, if applicable. In the case of syndicated PFI Securities in the PFI Fund, an agent bank may charge the PFI Fund nominal fees for the transfer or assignment of such syndicated PFI Securities.
47. For each purchase or sale of securities from or to SLA, each Fund will keep written records in a financial year of the Fund. These records will reflect details of the securities received or delivered by the Fund and the value assigned to such securities. These records will be retained for five years after the end of the financial year, the most recent two years in a reasonably accessible place.
48. The Filer will disclose to each investor in the Mortgage Fund and the PFI Fund the fact that securities were transferred from SLA to the Fund at the Fund's inception and that further purchases and sale of securities between the Fund and SLA may occur from time to time. The Filer will also disclose how the price of such securities is determined and the valuation procedure for such securities.

Decision

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

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

1. Securities of each Fund are sold pursuant to available exemptions from the prospectus requirements, only to investors who are “permitted clients” as such term is defined in NI 31-103, other than those described in paragraph (k) of the definition, unless the client of the managed account is otherwise a permitted client.
2. With respect to the mortgages to be purchased or sold by the Mortgage Fund from or to SLA:
 - (a) The mortgages are purchased and sold at an amount determined in accordance with section III(2.4) of NP 29; and
 - (b) The mortgages are valued in accordance with section III(2.5) of NP 29.
3. An independent and reputable valuation firm that is an accounting firm registered with CPAB and the valuation services of which are provided by professionals who are active members of the Canadian Institute of Chartered Business Valuators is retained for the Mortgage Fund to (i) provide a valuation opinion as to the value of the mortgages transferred from SLA to the Mortgage Fund that will form part of the Mortgage Fund’s initial portfolio; and (ii) review the models and methodologies developed and used by the Filer to determine the value attributed to the mortgages.
4. A public accounting firm that is registered with CPAB is retained to act as auditor of the Mortgage Fund and carry out an audit, in accordance with Canadian generally accepted auditing standards, of the annual financial statements of the Mortgage Fund. The annual financial statements are prepared in accordance with IFRS and present the mortgages at fair value as defined in IFRS 13 *Fair Value Measurement*, which sets out a framework for measuring fair value.
5. The PFI Securities to be purchased or sold by the PFI Fund from or to SLA are valued in accordance with the valuation methodology developed by the Filer and as reviewed by an independent valuation firm on an annual basis.
6. An independent and reputable valuation firm that is an accounting firm registered with CPAB and the valuation services of which are provided by professionals who are active members of the Canadian Institute of Chartered Business Valuators is retained for the PFI Fund to (i) provide a fairness opinion as to the value of the PFI Securities in the initial portfolio; and (ii) review whether the models and methodologies developed and used by the Filer to determine the value attributed to the PFI Securities are fair and reasonable from the perspective of an independent third party. The Filer relies upon such fairness opinion at the time of the sale of PFI Securities to the initial portfolio of the PFI Fund and continues to use such valuation models and methodologies to determine the price(s) at which PFI Securities are purchased from or sold by the PFI Fund. In addition, an independent and reputable valuation firm that is an accounting firm registered with CPAB and the valuation services of which are provided by professionals who are active members of the Canadian Institute of Chartered Business Valuators is retained to review whether the models and methodologies developed, amended (if applicable) and used by the Filer to determine the value attributed to the PFI Securities continue to be fair and reasonable from the perspective of an independent third party on an annual basis.
7. A public accounting firm that is registered with CPAB is retained to act as auditor of the PFI Fund and carries out an audit, in accordance with Canadian generally accepted auditing standards, of the annual financial statements of the PFI Fund and the annual financial statements are prepared in accordance with IFRS. The financial statements present the PFI Securities and any publicly-traded fixed income securities at their fair values, determined based on all applicable fair valuation principles set out in IFRS 13 *Fair Value Measurement*. The principles consider the credit spreads and yields used by market participants in the fair market valuation of private debt securities and other market value influencing assumptions, to the extent that such information is publicly available, as well as other information considered to be relevant by the Filer.
8. Not more than approximately 27% of the initial net asset value of the PFI Fund, and not more than approximately 40% of the initial net asset value of the PFI Securities transferred from SLA to the PFI Fund in the initial portfolio, will consist of PFI Securities valued under the Fourth Category.
9. The PFI Fund shall not purchase PFI Securities on an on-going basis from SLA if, after the purchase, more than 20% of the net asset value of the PFI Fund would consist of PFI Securities that were purchased from SLA on an on-going basis and valued under the Fourth Category (but excluding such PFI Securities that were purchased from SLA at the Fund’s inception).
10. With respect to the amount of PFI Securities valued under the Fourth Category that the PFI Fund may sell to SLA, the PFI Fund shall be limited to selling only 20% of the net asset value of such PFI Securities in each calendar year, where such 20% limit may be allocated to one or more sales in the year and the net asset value of such PFI Securities shall be by reference to the net asset value at the time of sale.
11. For each sale or purchase of securities between a Fund and SLA:

- (a) The Fund will only purchase securities from SLA that are consistent with, or necessary to meet, the Fund's investment objectives;
- (b) The IRC of the Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;
- (c) The Filer complies with section 5.1 of NI 81-107;
- (d) The Filer and the IRC of the Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transaction;
- (e) The Filer receives no remuneration with respect to the purchase or sale. With respect to the delivery of securities, the only expenses incurred by a Fund are nominal administrative charges levied by the custodian and/or recordkeeper of the Fund for recording the trades and/or any charges by a dealer in transferring the securities, if applicable, and, in the case of syndicated PFI Securities in the PFI Fund, the nominal fees charged by an agent bank for the transfer or assignment of such syndicated PFI Securities;
- (f) The Fund keeps written records in a financial year of the Fund. The records reflect details of the securities received or delivered by the Fund and the value assigned to such securities and are retained for five years after the end of the financial year, the most recent two years in a reasonably accessible place; and
- (g) The Filer discloses to each investor in the Mortgage Fund and the PFI Fund the fact that securities were transferred from SLA to the Fund at the Fund's inception and that further purchases and sale of securities between the Fund and SLA may occur from time to time. The Filer also discloses how the price of such securities is determined and the valuation procedure for such securities.

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

12. In respect of each In-Specie Transaction:

- (a) The Fund values portfolio securities under the transaction using the same values used by the Fund to calculate the net asset value for the purpose of the issue price or redemption price of the units of the Fund; and
- (b) None of the securities in the transaction are securities of an issuer that is a related party of the Filer.

2.1.5 Atrium Innovations Inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

March 14, 2014

Atrium Innovations Inc.
Place Alexis-Nihon, Tower 2
3500 De Maisonneuve Boulevard West
Suite 2405
Westmount (Québec) H3Z 3C1

Dear Sirs/Ms.:

Re: Atrium Innovations Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Manitoba, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and Yukon (the “Jurisdictions”) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total world-wide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) he Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

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

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant’s status as a reporting issuer is revoked.

“Martin Latulippe”
Director, Continuous Disclosure
Autorité des marchés financiers

2.1.6 Alliance Pipeline Limited Partnership

Headnote

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

Applicable Legislative Provisions

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

Citation: Re Alliance Pipeline Limited Partnership, 2014 ABASC 93

March 14, 2014

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

AND

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

AND

IN THE MATTER OF
ALLIANCE PIPELINE LIMITED PARTNERSHIP
(the Filer)

DECISION

Background

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

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador (the **Passport Jurisdictions**); and
- (c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

In this decision:

- (a) unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 52-107 have the same meaning; and
- (b) "activities subject to rate regulation" has the meaning ascribed in the Handbook at the date hereof.

Representations

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

1. The Filer is a limited partnership formed under the laws of Alberta on February 1, 1996 and managed by Alliance Pipeline Ltd.
2. The Filer's head office is located in Calgary, Alberta.
3. The Filer is a reporting issuer or equivalent in each of the Jurisdictions and in each of the Passport Jurisdictions.
4. The Filer has issued non-convertible debt to the public in the form of senior secured and unsecured notes and the holders of these notes are the only public holders of securities of the Filer.
5. The Filer is not in default of securities legislation in any jurisdiction in Canada.
6. The Filer has activities subject to rate regulation.
7. The Filer is not an SEC issuer and, therefore, cannot rely on section 3.7 of NI 52-107 to file financial statements prepared in accordance with U.S. GAAP.
8. By order cited as *Re Alliance Pipeline Limited Partnership* 2011 ABASC 335, the Filer has been granted relief substantially similar to the Exemption Sought (the **Existing Relief**).
9. The Existing Relief will expire not later than 1 January 2015.
10. The International Accounting Standards Board (**IASB**) continues to work on a project focusing on accounting specific to activities subject to rate regulation. It is not yet known when this project will be completed or whether IFRS will include a specific standard that is mandatory for entities with activities subject to rate regulation.

Decision

Each of the Decision Makers is satisfied that the decision satisfies 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:

- (a) the Existing Relief is revoked;
- (b) the Exemption Sought is granted to the Filer in respect of the Filer's financial statements required to be filed on or after the date of this order, provided that the Filer prepares those financial statements in accordance with U.S. GAAP; and
- (c) the Exemption Sought will terminate on the earliest of the following:
 - (i) 1 January 2019;
 - (ii) if the Filer ceases to have activities subject to rate regulation, the first day of the Filer's financial year that commences after the Filer ceases to have activities subject to rate regulation; and
 - (iii) the effective date prescribed by the IASB for the mandatory application of a standard within IFRS specific to entities with rate-regulated activities.

For the Commission:

"William Rice, QC"
Chair

"Stephen Murison"
Vice-Chair

2.1.7 Cangene Corporation – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

March 17, 2014

Cangene Corporation
66 Wellington Street West, Suite 5300
Toronto ON M5K 1E6

Dear Sirs/Mesdames:

Re: Cangene Corporation (the “Applicant”) – Application for a decision under the securities legislation of Manitoba, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the “Jurisdictions”) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

- a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer; and

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

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and makes an order declaring that the Applicant has ceased to be a reporting issuer and revoking the Applicant’s status as a reporting issuer.

“Chris Besko”
Deputy Director
The Manitoba Securities Commission

2.2 Orders

2.2.1 Bradon Technologies Ltd. et al. – s. 127

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

AND

**IN THE MATTER OF
BRADON TECHNOLOGIES LTD., JOSEPH COMPTA,
ENSIGN CORPORATE COMMUNICATIONS INC.
and TIMOTHY GERMAN**

ORDER (Section 127)

WHEREAS on October 3, 2013, 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, accompanied by a Statement of Allegations dated October 3, 2013, issued by Staff of the Commission ("Staff") with respect to Bradon Technologies Ltd. ("Bradon"), Joseph Compta ("Compta"), Ensign Corporate Communications Inc. ("Ensign") and Timothy German ("German") (collectively, the "Respondents");

AND WHEREAS on October 29, 2013, Staff appeared and made submissions, Compta appeared on behalf of himself and Bradon and made submissions, and German appeared on behalf of himself and Ensign;

AND WHEREAS the Commission determined that the parties should return on December 9, 2013, after disclosure has been provided to the Respondents, to set a date for a confidential pre-hearing conference;

AND WHEREAS Staff provided disclosure to the Respondents on November 19, 2013;

AND WHEREAS on December 9, 2013, Staff appeared and made submissions, German appeared on behalf of himself and Ensign and confirmed that he had retained counsel to represent him and Ensign in this proceeding, and counsel on behalf of Compta and Bradon appeared and made submissions;

AND WHEREAS on December 9, 2013, the Commission ordered that a confidential pre-hearing conference shall take place on March 12, 2014 at 10:00 a.m.;

AND WHEREAS on March 12, 2014, Staff appeared and made submissions, German appeared on behalf of himself and Ensign, and counsel on behalf of Compta and Bradon appeared and made submissions;

AND WHEREAS Staff requested that dates be set for the hearing on the merits and for a further confidential pre-hearing conference;

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 hearing on the merits shall commence on December 1, 2014 at 10:00 a.m. and shall continue on December 3, 4, 5, 8, 9, 10, 11, 12, and 15, 2014, or on 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 October 27, 2014 at 11:00 a.m.

DATED at Toronto this 12th day of March, 2014.

"James E. A. Turner"

2.2.2 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.**

ORDER

WHEREAS on May 17, 2013, the Commission issued a temporary order (the "Temporary Order") with respect to Pro-Financial Asset Management Inc. ("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 be 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 (as defined in the Temporary Order) and to the Pro-Hedge Funds and Pro-Index Funds (as defined in the Temporary Order); 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 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 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 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 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 be extended to January 24, 2014;
- (iii) the hearing be 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 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 the prospectus for the distribution of securities of the Pro- Index Funds had passed its lapse date on January 14, 2014 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 be permitted to 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 for the Pro-Index Funds which was previously extended to February 24, 2014 by Commission order dated January 21, 2014 (the "Further Lapse Date Relief");

AND WHEREAS in connection with a confidential pre-hearing conference on February 25, 2014 and the appearance on March 3, 2014, 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 securityholders of the Pro-Index Funds;

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

AND WHEREAS on March 4, 2014, the Commission ordered: (i) the terms and conditions imposed on PFAM's registration by the Temporary Order be deleted and replaced with new terms and conditions which provided that PFAM shall not accept any new clients or open any new client accounts of any kind in respect of its Managed Accounts and that PFAM may only distribute securities of the Pro-Index Funds to existing securityholders of the Pro-Index Funds (the "Distribution Restriction"); (ii) PFAM be 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 specific items set out in the March 4, 2014 order; and (b) PFAM comply with the terms of the March 4, 2014 order; (iii) the hearing be adjourned to April 7, 2014 at 10:00 a.m.; and (iv) the Temporary Order be extended to April 10, 2014;

AND WHEREAS on March 6, 2014, a confidential prehearing conference was held to consider a motion by counsel to the Purchaser and the Investor to vary the Distribution Restriction imposed by the Commission in the March 4, 2014 order, so that PFAM could continue distributing securities until April 7, 2014 to new investors after issuing the press release provided for in the March 4 order (the "Variation Motion");

AND WHEREAS on March 6, 2014, the Commission was of the view that the hearing of the Variation Motion should proceed only after a notice of the Variation Motion has been filed with the Secretary's office so that the public could be advised of the hearing;

AND WHEREAS on March 6, 2014, the Commission ordered that: (i) portions of the Commission decision of March 3, 2014 imposing the Distribution Restriction and deleting and replacing the terms and conditions on PFAM's registration and operation be stayed until March 11, 2014; (ii) PFAM be granted lapse date relief to extend the lapse date for the Pro-Index Funds to March 11, 2014; (iii) the Purchaser and the Investor file notice of the Variation Motion with the Secretary's office; and (iv) the Variation Motion be adjourned to March 11, 2014 at 1:00 p.m.;

AND WHEREAS the Purchaser and Investor's counsel filed the affidavit of Diego Beltran sworn March 5, 2014, the affidavit of Stuart McKinnon sworn March 11, 2014 and written submissions dated March 6, 2014 in support of the Variation Motion and Staff filed the affidavit of Michael Ho sworn March 10, 2014 and written submissions dated March 10, 2014 to oppose the Variation Motion;

AND WHEREAS on March 11, 2014, the Purchaser and the Investor's counsel made a request that the hearing of the Variation Motion proceed *in camera* and Staff opposed the request and the Purchaser and Investor's counsel and Staff made oral submissions and the Commission denied the request that the hearing proceed *in camera*;

AND WHEREAS on March 11, 2014, Staff opposed the Variation Motion and the Purchaser and Investor's counsel and Staff made oral submissions on the Variation Motion and Staff advised that a separate order will be required to cease the distribution of securities of the Pro-Index Funds to new investors as of March 11, 2014 if the Variation Motion is dismissed;

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 Variation Motion is dismissed.
2. Notwithstanding that the lapse date for the Pro-Index Funds was previously extended to March 11, 2014, the distribution of securities of the Pro-Index Funds to new investors shall cease as of the end of the day on March 11, 2014.

DATED at Toronto this 11th day of March, 2014.

"James E. A. Turner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Pro-Financial Asset Management Inc. and the Pro-Index Funds

February 28, 2014

McCarthy Tétrault LLP
Suite 5300
TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, ON M5K 1E6

Attention: Rene Sorell

Re: Pro-Financial Asset Management Inc. (**PFAM**) and the Pro-Index Funds

Pro Forma Simplified Prospectus filed January 27, 2014 (the Pro Forma Prospectus) – SEDAR Project No. 2158032

This letter sets out my decision as Director in respect of the recommendation of staff (**Staff**) of the Ontario Securities Commission (the **Commission**) that I refuse to issue a receipt for the final simplified prospectus (the **Final Prospectus**) of the Pro-Index Funds (as defined below). Staff's recommendation is made in a letter of Staff dated February 10, 2014 to counsel for PFAM (the **Recommendation Letter**).

I understand that, on February 25, 2014, counsel for PFAM and the Pro-Index Funds waived the right of PFAM and the Pro-Index Funds to an opportunity to be heard on this matter under subsection 61(3) of the *Securities Act* (Ontario) (the **Act**). Accordingly, I have not received any submissions from PFAM or the Pro-Index Funds with respect to this matter, and the only submission by Staff is the Recommendation Letter.

Based on the Recommendation Letter, I accept Staff's recommendation that a receipt not be issued for the Final Prospectus for the reasons set out below.

This decision is being issued ahead of PFAM's hearing before the Commission, scheduled to take place on March 3, 2014. Accordingly, this decision highlights the key policy considerations that form the basis of my determination.

Finally, I note that the Recommendation Letter makes reference to "substantive concerns with the disclosure in the [Pro Forma Prospectus]", which were not included in the Recommendation Letter, given they did not form part of Staff's decision to recommend that a receipt not be issued for the Final Prospectus. While any decision to issue a receipt for the Final Prospectus would require resolution of these substantive disclosure concerns, resolution of these concerns is outside the scope of my decision and I have made no determination with respect to the disclosure in the Final Prospectus.

I. Background

The Pro-Index Funds are currently distributing securities under a simplified prospectus dated January 14, 2013. Accordingly, under section 62 of the Act, distribution of securities of the Pro-Index Funds would not be lawful after January 14, 2014 (the **Lapse Date**), unless a pro forma simplified prospectus was filed by December 15, 2014. PFAM and the Pro-Index Funds failed to file a pro forma simplified prospectus by December 15, 2014 and, accordingly, securities of the Pro-Index Funds could no longer be lawfully distributed after January 14, 2014.

On January 21, 2014, PFAM obtained an order of the Commission which extended the Lapse Date for the Pro-Index Funds to February 24, 2014 subject to conditions (the **Lapse Date Order**). Accordingly, under the Lapse Date Order distribution of securities of the Pro-Index Funds could continue until that date.

On January 27, 2014, counsel for PFAM filed the Pro Forma Prospectus on behalf of Pro FTSE RAFI Canadian Index Fund, Pro FTSE RAFI US Index Fund, Pro FTSE RAFI Global Index Fund, Pro FTSE RAFI Hong Kong China Index Fund, Pro FTSE RAFI Emerging Markets Index Fund, Pro FTSE NA Dividend Index Fund, Pro Fundamental Bond Index Fund, Pro Fundamental Balanced Index Fund and Pro Money Market Fund (each, a **Pro-Index Fund**, and collectively, the **Pro-Index Funds**). Each Pro-Index Fund is an open-end mutual fund established under the laws of Ontario.

As a result of the filing of the Pro Forma Prospectus, the distribution of securities of the Pro-Index Funds may continue until March 6, 2014 under paragraph 62(2)(b) of the Act. In order for the Pro-Index Funds to continue distributing securities beyond March 6, 2014, the Final Prospectus must be filed on or prior to that date.

On February 10, 2014, Staff sent the Recommendation Letter to PFAM's counsel via SEDAR. In the Recommendation Letter, Staff stated that they were not able to recommend that a receipt be issued for the Final Prospectus, for the reasons described below.

On February 25, 2014, at a pre-hearing conference before the Commission, counsel for PFAM and the Pro-Index Funds waived their right to an opportunity to be heard under subsection 61(3) of the Act.

II. Issues

In the Recommendation Letter, Staff express their view that a receipt should not be issued for the Final Prospectus as a result of subsection 61(1) and subparagraphs 61(2)(d)(iii) and (e)(iii) of the Act. I have classified Staff's reasons in the following three categories:

- (A) PFAM's ongoing compliance issues and the failure to keep the Pro-Index Funds' simplified prospectus from lapsing;
- (B) PFAM's financial condition; and
- (C) public interest concerns, including PFAM's failure to become registered as an investment fund manager.

Staff submit that, as a result of the above elements, issuing a receipt for the Final Prospectus would be contrary to the public interest. Furthermore, Staff take the position that the Pro-Index Funds cannot reasonably be expected to be financially responsible in the conduct of their business because of the financial condition of PFAM, and that the business of the Pro-Index Funds may not be conducted with integrity and in the best interest of securityholders of the Pro-Index Funds because of the past conduct of PFAM, or its officers, directors or control persons.

For the reasons set out below, with respect to each of the elements above, I accept Staff's recommendation that a receipt not be issued for the Final Prospectus.

III. Applicable Provisions and the Standard of Proof

The Recommendation Letter engages the Director's jurisdiction under subsection 61(1) and subparagraphs 61(2)(d)(iii) and (e)(iii) of the Act.

Subsection 61(1) of the Act states that, subject to specified exceptions, the Director shall issue a receipt for a prospectus "unless it appears to the Director that it is not the public interest to do so".

Subsection 61(2) of the Act states in part that the Director

"shall not issue a receipt for a prospectus or an amendment to a prospectus if it appears to the Director that,

(d) the issuer cannot reasonably be expected to be financially responsible in the conduct of its business because of the financial condition of,

[...]

(iii) the investment fund manager of the issuer [...]; [and]

(e) the business of the issuer may not be conducted with integrity and in the best interests of the security holders of the issuer because of the past conduct of

[...]

(iii) the investment fund manager of the issuer or any of the investment fund manager's officer, directors or control persons.

Standard of Proof

The standard of proof applicable to Commission proceedings, including those before the Director, is the balance of probabilities.³ That is, in respect of the issue before me, “whether it is more likely than not” that the issuance of a receipt would be contrary to the public interest, that the Pro-Index Funds cannot be expected to be financially responsible in the conduct of their business because of the financial condition of PFAM, or that the business of the Pro-Index Funds may not be conducted with integrity and in the best interest of securityholders of the Pro-Index Funds because of the past conduct of PFAM.

IV. Discussion of the Issues

As identified above, in my view, Staff have raised three grounds for refusing to issue a receipt for the Final Prospectus. I accept Staff’s recommendation that each of these grounds is sufficient on its own for refusing a receipt, for the reasons set out below. Alternatively, even if any of the grounds would not be sufficient in itself to refuse a receipt, in my view their cumulative effect is sufficient to find it is not in the public interest to issue a receipt for the Prospectus. A discussion of each of the issues follows.

A. Ongoing Compliance Issues and Failure to File a Prospectus before the Lapse Date

Staff’s Recommendation

In the Recommendation Letter, Staff note that PFAM has compliance issues that have engaged staff in the Compliance and Registrant Regulation Branch (**CRR**) of the Commission, and that these issues have been ongoing for some time and are now the subject of a temporary order of the Commission (the **Temporary Order**), which was most recently extended on January 21, 2014.

The Recommendation Letter further states that the issues that have given rise to the Temporary Order include the unresolved working capital deficiency at PFAM as well as PFAM’s application for registration as an investment fund manager, and the Recommendation Letter also provides other examples of serious deficiencies found by CRR staff and described in a December 21, 2012 letter of CRR staff to PFAM.

The Recommendation Letter also notes that PFAM, as manager and trustee of the Pro-Index Funds, has twice allowed the simplified prospectus of the Funds to lapse (in 2008 and in 2014) and has had to seek relief on behalf of the Pro-Index Funds to keep the simplified prospectus current.

Staff conclude that, as a result of these compliance issues and PFAM’s past deficiencies (described in the December 21, 2012 letter), the business of the Pro-Index Funds may not be conducted with integrity and in the best interests of the security holders of the Pro-Index Funds. Therefore, according to Staff, the Director may not issue a receipt for the Final Prospectus under subparagraph 61(2)(e)(iii) of the Act.

Determination

In my view, PFAM’s ongoing compliance issues, which are the subject of the Temporary Order, are very serious and raise concerns about whether the business of the Pro-Index Funds may be carried on with integrity and in the best interests of their securityholders and in a way that would foster confidence in the capital markets.

I agree with Staff’s position in the Recommendation Letter that ensuring “that the prospectus of a mutual fund which is distributing securities to the public does not lapse is [...] a very basic aspect of managing the mutual fund”. For PFAM to have twice allowed the prospectus of the Pro-Index Funds to lapse raises questions about the adequacy of PFAM’s internal controls and its ability to ensure that the Pro-Index Funds are operating in compliance with Ontario securities law.

On the basis of the past actions described above, and the serious ongoing compliance issues of PFAM, which are the subject matter of the Temporary Order, I am unable to conclude that, on a balance of probabilities, the business of the Pro-Index Funds can be carried on with integrity and in the best interests of the securityholders of the Pro-Index Funds. Accordingly, I conclude that, under subparagraph 61(2)(e)(iii) of the Act, a receipt may not be issued for the Final Prospectus.

In reaching my determination on this matter, I note that the integrity that is at issue here is not the integrity of PFAM or any of its directors or officers.⁴ Rather, my focus is on whether, as stated in subparagraph 61(2)(e)(iii) of the Act, “the business of the issuer may not be conducted with integrity and in the best interests of the security holders of the issuer”. I find that, as a result of

³ *Maple Leaf Investment Fund Corp. (Re)*, (2011), 34 OSCB 11551 at paras 42-43.

⁴ In this way, the facts underlying my decision in this case differ from those that formed the basis of the Commission’s decision in *Citadel Income Fund and Energy Income Fund (Re)* (2011), 34 OSCB 8554 to order the issuance of a receipt. In that decision, the integrity of the President of the investment fund manager, which was the subject of an ongoing Commission enforcement proceeding, partially formed the basis of the Director’s original decision to not issue a receipt for the prospectus. In this case, the integrity of PFAM is not a consideration in my decision that a receipt not be issued for the Final Prospectus under subparagraph 61(2)(e)(iii) of the Act.

the serious ongoing compliance issues of PFAM, as well as PFAM's failure to prevent the prospectus of the Pro-Index Funds to lapse twice, on a balance of probabilities, *the business of the Pro-Index Funds* may not be carried on with integrity and in the best interest of securityholders.

In my view, the seriousness of PFAM's compliance issues is evidenced by the existence of the Temporary Order, which places strict limitations on the businesses in which PFAM may engage and suspends its registration as an exempt market dealer.

B. PFAM's Financial Condition

Staff's Recommendation

The Recommendation Letter describes a number of factors which concern Staff regarding the financial condition of PFAM. In particular I note two of Staff's observations:

- PFAM, in its capacity as a registered firm, is capital deficient and, to Staff's knowledge, other than a proposed transaction with Kingship Capital Corporation (**KCC**), PFAM does not have a proposal to become compliant with its capitalization requirement under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.
- PFAM currently has outstanding debt which appears to threaten the financial condition and viability of PFAM.

Therefore, Staff conclude that the Pro-Index Funds cannot reasonably be expected to be financially responsible in the conduct of their business because of the financial condition of PFAM and that, therefore, under subparagraph 61(2)(d)(iii) of the Act, a receipt may not be issued for the Final Prospectus.

Determination

In my view, the financial viability of a manager is crucial to the question of whether a receipt should be issued for the prospectus of an investment fund. A manager is the person or company that directs the business, operations and affairs of an investment fund. The manager has ultimate responsibility for the investment fund and makes decisions regarding its operations.

Accordingly, where there is a serious question about the financial viability of a manager, I have a concern about any investment fund managed by that manager, as retail investors will be investing their money with a fund whose "directing mind" may cease to exist due to financial difficulties.

I find that, on a balance of probabilities, the financial condition of PFAM is such that the continued distribution of securities of the Pro-Index Funds to the public should not continue. Should the financial condition of PFAM change, PFAM may file a preliminary prospectus on behalf of the Pro-Index Funds and seek a receipt at that time. However, given the current financial condition of PFAM, I find that a receipt may not be issued for the Final Prospectus under subparagraph 61(2)(d)(iii) of the Act.

C. PFAM's Not Registered as IFM and Public Interest Concerns Generally

Staff Recommendation

Staff take the view, in the Recommendation Letter, that to issue a receipt for the Final Prospectus would be contrary to the public interest under subsection 61(2) of the Act. Staff reach this conclusion on the basis of PFAM's ongoing serious compliance and financial viability issues, as well as the fact that PFAM has still not been registered as an investment fund manager by staff of the CRR Branch.

Determination

1. Extent of the Director's Public Interest Jurisdiction

It is generally acknowledged that the Director's public interest jurisdiction under subsection 61(1) is broad and gives the Director some degree of "blue sky" discretion.⁵ Furthermore, in order for the Director to make a determination that the issuance of a receipt is contrary to the public interest, it is not necessary that the Director find a breach of the Act or related instruments, or that, in the absence of a breach, the matter be "abusive".⁶

⁵ *Biovail Corp. (Re)*, (2010), 33 OSCB 8914 at paras 388-389 [*Biovail*]; *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, 2001 SCC 37 at paras 39-41 [*Asbestos*]; *Guard Inc., Re*, (1996), 19 OSCB 3737 at 3743 [*Guard*].

⁶ *Biovail*, supra note 2 at paras 382, 388-389; *Guard* supra note 2 at 3743.

However, the public interest power is not unlimited. It must be exercised with reference to the purposes of the Act as set out in section 1.1 of the Act.⁷

The purposes of the Act as detailed in section 1.1 of the Act are,

- (a) to provide protection to investors from unfair, improper or fraudulent practices; and
- (b) to foster fair and efficient capital markets and confidence in capital markets.

The prospectus of an investment fund can give rise to concerns about whether the product is consistent with the purposes and animating principles of the Act, beyond the quality of the disclosure in the prospectus. In a dynamic market environment, it is important for the Director to have broad discretion when it comes to determining whether it is in the public interest to issue a receipt for a prospectus.

In exercising the broad public interest discretion, I recognize that this jurisdiction must be exercised with some caution and restraint,⁸ and that caution needs to be exercised where intervention in the public interest would amount to an amendment of the existing law or policies.⁹ I note that I do not consider the public interest jurisdiction I have exercised in this decision to constitute intervention that would amount to any amendment of existing law or policies.

2. Application of Public Interest Jurisdiction to PFAM

In making my decision that the issuance of a receipt for the Final Prospectus would be contrary to the public interest, I have kept in mind the two purposes of the Act cited above. In a previous decision, I stated that, in a retail-focused context such as the mutual fund industry, confidence in capital markets and investor protection are paramount considerations in determining the public interest.¹⁰

As described earlier in this decision, PFAM has serious compliance and financial viability issues that, in my view, engage the public interest jurisdiction of the Director under subsection 61(2) of the Act.

Furthermore, as Staff note in the Recommendation Letter, PFAM continues to not be registered as an investment fund manager. In the ordinary course, registration as an investment fund manager is a condition to managing investment funds, and I am unable to conclude that an entity which, to date, has not been registered as an investment fund manager should be permitted to continue distributing investment fund securities to the public.

I note that a decision that a receipt not be issued for the Final Prospectus does not mean that the Pro-Index Funds have to be wound up or that securityholders of the Pro-Index Funds are not permitted to continue holding securities of the Pro-Index Funds. I agree with Staff that, as National Instrument 81-102 *Mutual Funds* requires the portfolio assets of a mutual fund to be well diversified and liquid, the Funds should be in a position to honour redemption requests at all times. Therefore, in terms of investor protection, securityholders of the Pro-Index Funds will not be materially harmed by a decision not to issue a receipt for the Pro-Index Funds as they may continue holding their securities, or redeem those securities at a price equal to their net asset value.

However, if a receipt were issued for the Final Prospectus, the result is that new securities of the Pro-Index Funds would be sold to the public in the midst of PFAM's ongoing serious compliance and financial viability issues, which call into question its ability to manage the Pro-Index Funds with integrity and in the best interest of the Pro-Index Funds' securityholders. In this context there is, in my view, a real possibility of harm to the public and to confidence in our capital markets.

In light of the foregoing, I agree with Staff that to issue a receipt for the Final Prospectus, would be contrary to the public interest.

This determination has been made independently of any consideration of PFAM's proposed transaction with KCC, as this transaction has not been completed at this time. I do not believe that my decision will have a material negative impact on the proposed transaction with KCC, as the refusal to issue a receipt does not necessitate the termination of the Pro-Index Funds; it only stops the distribution of new securities. Furthermore, I believe any limited negative impact to the KCC transaction is outweighed by the potential harm to the public interest that would arise as a result of a receipt being issued for the Final Prospectus.

⁷ *Asbestos*, supra note 2 at paras 41.

⁸ *Biovail*, supra note 2 at para 374.

⁹ *Financial Models Co. (Re)*, (2005), 28 OSCB 2184 at para 54.

¹⁰ *ONE Financial Corporation and ONE Financial All-Weather Profit Family Corp. (Re)*, (2012), 35 OSCB 3083 at 3085.

Finally, I note that a decision to not issue a receipt for the Final Prospectus is consistent with a term of the Temporary Order, which states that “PFAM shall not accept any new clients or open any new client accounts of any kind in respect of the Managed Accounts”. In my view, the situation with respect to the Pro-Index Funds is very similar to that of the Managed Accounts. That is, on the same basis as with the Managed Accounts, PFAM should not accept any new clients in respect of the Pro-Index Funds until such time as all the outstanding issues affecting PFAM, which Staff have raised in the Recommendation Letter, are resolved.

Staff also note in the Recommendation Letter that they have recently become aware of an issue related to the accuracy of the management expense ratios (**MERs**) of certain Pro-Index Funds as reported for the periods ended December 31, 2012 and June 30, 2013 and that the extent of these issues and their impact on other figures reported in the Pro-Index Funds’ continuous disclosure documents is currently unclear. While I have not made a determination with respect to this issue, given that so many of the facts regarding the accuracy of the Pro-Index Funds’ reported MERs are currently unknown, I would be concerned if the Pro-Index Funds were to distribute securities to the public without this issue being resolved.

V. Conclusion

In summary, having considered the Recommendation Letter, and the issues being faced by PFAM, I find that a receipt for the Final Prospectus should not be issued.

I note that this decision does not preclude PFAM from filing a preliminary simplified prospectus on behalf of the Pro-Index Funds should its situation improve in a way that addresses my reasons to not issue a receipt for the Final Prospectus.

Yours truly,

“Rhonda Goldberg”
Director, Investment Funds Branch

cc: Susan Thomas, Senior Legal Counsel, Investment Funds
Mostafa Asadi, Legal Counsel, Investment Funds

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
Alterrus Systems Inc.	13 Mar 14	25 Mar 14		
Fire River Gold Corp.	12 Mar 14	24 Mar 14		
Jiminex Inc.	12 Mar 14	24 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

NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
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

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date		No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
02/12/2014		2	ANFIELD RESOURCES INC. - Units	162,000.00	600,000.00
05/31/2013 12/31/2013	to	6	Archdiocese of Toronto Balanced Master Trust - Units	172,890,706.38	17,257,427.72
05/17/2013 10/31/2013	to	6	Archdiocese of Toronto Fixed Income Master Trust - Units	73,373,585.67	7,344,973.18
01/30/2014 02/03/2014	to	8	Bowmore Exploration Ltd. - Units	325,110.00	2,280,846.00
02/18/2014		5	CARIBOU KING RESOURCES LTD. - Units	184,000.00	3,680,000.00
02/18/2014		53	CRAZY HORSE RESOURCES INC. - Units	1,300,000.00	26,000,000.00
02/14/2014 02/21/2014	to	31	DONNER METALS LTD. - Common Shares	1,035,476.00	8,628,966.00
02/25/2014		11	First Sahara Energy Inc. - Common Shares	165,000.00	3,300,000.00
02/25/2014		7	First Sahara Energy Inc. - Flow-Through Shares	62,440.00	892,000.00
08/01/2013		1	LMAP Alpha Limited - Special Shares	67,197,000.00	N/A
03/01/2013 10/01/2013	to	1	LMAP Epsilon Limited - Special Shares	167,431,250.00	N/A
07/11/2013		1	LMAP Eta Limited - Special Shares	103,890,000.00	N/A
08/23/2013 11/01/2013	to	1	LMAP Gamma Limited - Special Shares	178,982,010.00	N/A
09/23/2013		1	LMAP Lota Limited - Special Shares	51,415,000.00	N/A
12/13/2013		1	LMAP Xi Limited - Special Shares	51,915,500.00	N/A
04/01/2013 11/01/2013	to	1	LMAP ZETA Limited - Special Shares	167,513,115.00	N/A
02/18/2014		2	LTP Financing Inc. - Bonds	16,000.00	16.00
09/18/2013		3	LTP Financing Inc. (Amended) - Bonds	43,000.00	43.00
02/01/2013 12/01/2013	to	3	Mercer Canadian Hedge Fund Investors Ltd. - Units	11,500,000.00	11,500.00
01/30/2014		26	Mettrum Ltd. - Common Shares	5,588,607.26	454,728.00
02/10/2014		1	MIRACULINS INC. - Common Shares	16,667.00	33,333.00
01/01/2013 12/01/2013	to	2	MMCAP Fund Inc. - Common Shares	460,465.00	N/A
01/01/2013	to	1	MMCAP Fund Inc. - Units	250,000.00	N/A

Notice of Exempt Financings

Transaction Date		No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
12/01/2013					
01/01/2013 12/01/2013	to	1	MMCAP Fund Inc. - Units	198,878.17	N/A
01/01/2013 12/31/2013	to	1	MMCAP Fund Inc. - Units	50,000.00	N/A
01/01/2013 12/01/2013	to	2	MMCAP Fund Inc. - Units	1,000,000.00	N/A
02/06/2014		5	NOKA RESOURCES INC. - Units	59,000.00	5,975,000.00
01/27/2014		3	ONE Gas, Inc. - Notes	17,756,800.00	16,000.00
02/04/2014		9	Organic Potash Corporation - Units	220,000.00	2,200,000.00
01/01/2013 12/31/2013	to	122	Picton Mahoney Diversified Strategies Fund - Units	9,101,417.80	N/A
01/01/2013 12/31/2013	to	269	Picton Mahoney Global Long Short Equity Fund - Units	23,648,012.54	N/A
01/01/2013 12/31/2013	to	646	Picton Mahoney Global Market Neutral Equity Fund - Units	52,488,671.62	N/A
01/01/2013 12/31/2013	to	1143	Picton Mahoney Income Opportunities Fund - Units	71,616,697.95	N/A
01/01/2013 12/31/2013	to	171	Picton Mahoney Long Short Emerging Markets Fund - Units	7,655,491.03	N/A
01/01/2013 12/31/2013	to	215	Picton Mahoney Long Short Equity Fund - Units	12,917,156.03	N/A
01/01/2013 12/31/2013	to	30	Picton Mahoney Long Short Global Resource Fund - Units	895,471.22	N/A
01/01/2013 12/31/2013	to	357	Picton Mahoney Market Neutral Equity Fund - Units	65,872,218.09	N/A
01/01/2013 12/31/2013	to	224	Picton Mahoney Premium Fund - Units	3,276,632.72	N/A
02/07/2014		68	SLYCE INC. - Units	2,453,250.00	4,960,500.00
01/10/2014		295	STEEL REEF INFRASTRUCTURE CORP. - Common Shares	33,279,000.00	33,279,000.00
02/13/2014		7	THERMOCERAMIX, INC. - Common Shares	325,000.00	6,500,000.00
02/09/2014		1	TORONTO MOBILE LISTINGS INC. - Common Shares	86,480.00	8.00
02/18/2014		1	UBIQUITY INIVERSITY - Common Shares	54,695.00	400,000.00
02/10/2014 02/13/2014	to	5	UBS (CANADA) HIGH YIELD DEBT FUND - Units	61,959.00	4,090,229.00
01/02/2013 12/02/2013	to	176	Waratah Performance Trust - Units	24,600,281.60	N/A
01/02/2013 12/02/2013	to	3	Waratah Performance Trust - Units	934,123.73	N/A

Notice of Exempt Financings

Transaction Date		No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/02/2013 12/02/2013	to	87	Waratah Performance Trust - Units	7,109,852.40	N/A
01/02/2013 12/31/2013	to	6	Waratah Performance Trust - Units	500,000.00	N/A

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

AGF Global Concentrated Fund
AGF Global Resources Fund
AGF Tactical Fund
AGF U.S. Small-Mid Cap Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated March 13, 2014
NP 11-202 Receipt dated March 14, 2014

Offering Price and Description:

Series Q and Series S Securities

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF Investments Inc.

Project #2175552

Issuer Name:

Altamira Global Small Company Fund
Altamira High Yield Bond Fund
Altamira International Currency Neutral Index Fund
Altamira Quebec Growth Fund
Altamira Resource Fund
Altamira Tactical Asset Allocation Fund
Altamira U.S. Currency Neutral Index Fund
Altamira U.S. Equity Fund
National Bank Global Equity Fund
National Bank Money Market Fund
Omega Canadian Equity Fund
Omega Consensus American Equity Fund
Omega Consensus International Equity Fund
Westwood Global Dividend Fund
Westwood Global Equity Fund
Principal Regulator - Quebec

Type and Date:

Preliminary Simplified Prospectuses dated March 12, 2014
NP 11-202 Receipt dated March 13, 2014

Offering Price and Description:

Institutional Series, F Series, F5 Series, M Series, O Series
and T5 Series Securities

Underwriter(s) or Distributor(s):

National Bank Securities Inc.

Promoter(s):

National Bank Securities Inc.

Project #2175342

Issuer Name:

BNK Petroleum Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated March 11, 2014
NP 11-202 Receipt dated March 13, 2014

Offering Price and Description:

\$35,002,000.00 - 15,910,000 Common Shares
Price: \$2.20 per Common Share

Underwriter(s) or Distributor(s):

MACQUARIE CAPITAL MARKETS CANADA LTD.

GMP SECURITIES L.P.

TD SECURITIES INC.

CORMARK SECURITIES INC.

Promoter(s):

-

Project #2174663

Issuer Name:

Brookfield Canada Office Properties
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated March 13, 2014
NP 11-202 Receipt dated March 14, 2014

Offering Price and Description:

\$750,000,000.00

Trust Units

Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2175555

Issuer Name:

Callidus Capital Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated March 13, 2014
NP 11-202 Receipt dated March 13, 2014

Offering Price and Description:

\$ * - * Common Shares
Price: \$ * per Offered Share

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
GMP SECURITIES L.P.
DESJARDINS SECURITIES INC.
DUNDEE SECURITIES LTD.

Promoter(s):

-

Project #2175482

Issuer Name:

Cayden Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated March 13, 2014
NP 11-202 Receipt dated March 13, 2014

Offering Price and Description:

\$7,837,000.00 - 4,610,000 Common Shares
Price: \$1.70 per Offered Share

Underwriter(s) or Distributor(s):

BEACON SECURITIES LIMITED
CANACCORD GENUITY CORP.

Promoter(s):

-

Project #2175495

Issuer Name:

Discovery Air Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 14, 2014
NP 11-202 Receipt dated March 14, 2014

Offering Price and Description:

OFFERING OF * RIGHTS TO SUBSCRIBE FOR UP TO *
COMMON SHARES

Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2175998

Issuer Name:

ENCANTO POTASH CORP.
Principal Regulator - British Columbia

Type and Date:

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

Offering Price and Description:

\$ * - * Units
Price: \$ * per Unit

and

\$ * - * Flow-Through Units

Price: \$ * per Flow-Through Unit

Underwriter(s) or Distributor(s):

Secutor Capital Management Corporation
Haywood Securities Inc.

Promoter(s):

-

Project #2174497

Issuer Name:

Gear Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated March 12, 2014
NP 11-202 Receipt dated March 13, 2014

Offering Price and Description:

\$56,000,000.00 - 14,000,000 Common Shares
Price: \$4.00 per Common Share

Underwriter(s) or Distributor(s):

FirstEnergy Capital Corp.
Peters & Co. Limited
RBC Dominion Securities Inc.
GMP Securities L.P.
Haywood Securities Inc.
AltaCorp Capital Inc.

Promoter(s):

-

Project #2174968

Issuer Name:

Genesis Trust II
Principal Regulator - Ontario

Type and Date:

Preliminary Base Shelf Prospectus dated March 14, 2014
NP 11-202 Receipt dated March 17, 2014

Offering Price and Description:

Up to \$7,000,000,000 Real Estate Secured Line of Credit
Backed Notes

Underwriter(s) or Distributor(s):

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

Promoter(s):

The Toronto-Dominion Bank

Project #2176099

Issuer Name:

Lumenpulse Inc.
Principal Regulator - Quebec

Type and Date:

Amended and Restated Preliminary Long Form dated
March 14, 2014

NP 11-202 Receipt dated March 14, 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:

Meritas Canadian Bond Fund
Meritas International Equity Fund
Meritas Jantzi Social Index Fund
Meritas Money Market Fund
Meritas Monthly Dividend and Income Fund
Meritas U.S. Equity Fund
OceanRock Canadian Equity Fund
OceanRock International Equity Fund
OceanRock U.S. Equity Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectuses dated March 10, 2014
NP 11-202 Receipt dated March 11, 2014

Offering Price and Description:

Series O units

Underwriter(s) or Distributor(s):

-

Promoter(s):

OceanRock Investments Inc
Project #2174244

Issuer Name:

Primero Mining Corp.
Principal Regulator - British Columbia

Type and Date:

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

Offering Price and Description:

\$224,288,640.00 - 31,151,200 Common Shares
Price \$7.20 per Offered Share

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
CIBC WORLD MARKETS INC.
GMP SECURITIES L.P.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.

Promoter(s):

-

Project #2174570

Issuer Name:

Purpose Best Ideas Fund
Purpose Core Dividend Fund
Purpose Duration Hedged Real Estate Fund
Purpose Monthly Income Fund
Purpose Tactical Hedged Equity Fund
Purpose Total Return Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated March 7, 2014
NP 11-202 Receipt dated March 12, 2014

Offering Price and Description:

ETF shares, ETF non-currency hedged shares, Series A shares, Series A U.S. dollar denominated shares, Series A non-currency hedged shares, Series F shares, Series F U.S. dollar denominated shares, Series F non-currency hedged shares, Series I shares, Series D shares, Series XA shares and Series XF shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Purpose Investments Inc.
Project #2174276

Issuer Name:

SQI Diagnostics Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 12, 2014
NP 11-202 Receipt dated March 12, 2014

Offering Price and Description:

\$ * - * Units

Price: \$* per Unit

Underwriter(s) or Distributor(s):

Euro Pacific Canada Inc.

Promoter(s):

-

Project #2174819

Issuer Name:

UBS (Canada) High Yield Debt Fund

Type and Date:

Preliminary Simplified Prospectus dated March 14, 2014

Received on March 17, 2014

Offering Price and Description:

Series A, D and F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

UBS Global Asset Management (Canada) Inc.

Project #2176138

Issuer Name:

West Kirkland Mining Inc.

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated March 10, 2014

NP 11-202 Receipt dated March 11, 2014

Offering Price and Description:

Minimum Offering: \$25,000,000.00 - * Units

Maximum Offering: \$30,000,000.00 - * Units

Price: \$ * per Unit

Underwriter(s) or Distributor(s):

CORMARK SECURITIES INC.

PI FINANCIAL CORP.

GMP SECURITIES L.P.

MACQUARIE CAPITAL MARKETS CANADA LTD.

Promoter(s):

-

Project #2174368

Issuer Name:

WSP Global Inc.

Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated March 14, 2014

NP 11-202 Receipt dated March 14, 2014

Offering Price and Description:

\$179,998,750.00 - 5,333,000 Common Shares

Price: \$33.75 per Common Share

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.

RAYMOND JAMES LTD.

BMO NESBITT BURNS INC.

NATIONAL BANK FINANCIAL INC.

HSBC SECURITIES (CANADA) INC.

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

DESJARDINS SECURITIES INC.

DUNDEE SECURITIES LTD.

SCOTIA CAPITAL INC.

CANACCORD GENUITY CORP.

LAURENTIAN BANK SECURITIES INC.

Promoter(s):

-

Project #2175600

Issuer Name:

AGF Elements Global Portfolio

(Mutual Fund Series, Series D, Series F, Series J, Series O and Series Q Securities)

AGF Elements Global Portfolio Class

(Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)

AGF Global Government Bond Fund

(Mutual Fund Series, Series F and Series O Securities)

AGF Income Focus Fund

(Mutual Fund Series, Series F, Series O, Series T and Series V Securities)

Principal Regulator - Ontario

Type and Date:

Amendment #5 dated March 5, 2014 to the Simplified Prospectuses and Annual Information Form dated April 19, 2013

NP 11-202 Receipt dated March 11, 2014

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF INVESTMENTS INC.

Project #2027007

Issuer Name:

Bank of Montreal

Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated March 13, 2014

NP 11-202 Receipt dated March 14, 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

Issuer Name:

Boulevard Industrial Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated March 12, 2014
NP 11-202 Receipt dated March 13, 2014

Offering Price and Description:

\$1,500,000.00:
8,823,530 Units
Price: \$0.17 Per Unit; and
\$3,500,000.00:
7.0% Unsecured Convertible Debentures
Price: \$1,000 per Convertible Debenture
Aggregate gross proceeds: \$5,000,000.00

Underwriter(s) or Distributor(s):

Laurentian Bank Securities Inc.

Promoter(s):

HHT Investments Inc.

Project #2162339

Issuer Name:

Canadian Imperial Bank of Commerce
Principal Regulator - Ontario

Type and Date:

Final Base Shelf Prospectus dated March 11, 2014
NP 11-202 Receipt dated March 12, 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):

-

Project #2172159

Issuer Name:

Exemplar Performance Fund
Exemplar Real Assets Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated March 6, 2014
NP 11-202 Receipt dated March 11, 2014

Offering Price and Description:

Series A, Series L, Series F and Series I units

Underwriter(s) or Distributor(s):

BluMont Capital Corporation

Promoter(s):

BluMont Capital Corporation

Project #2151507

Issuer Name:

First National Financial Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 14, 2014
NP 11-202 Receipt dated March 14, 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:

Gran Colombia Gold Corp.
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

C\$14,475,000.00
7,500,000 Units
C\$1.93 per Unit

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Promoter(s):

-

Project #2134822

Issuer Name:

Marquis Institutional Balanced Portfolio (Series A, E, F, G, I, O, T and V units)
Marquis Institutional Balanced Growth Portfolio (Series A, E, F, G, I, O, T and V units)
Marquis Balanced Portfolio (Series A, F, G, I, O and T units)
Marquis Balanced Growth Portfolio (Series A, F, I, O and T units)
Marquis Growth Portfolio (Series A, F, G, I, O and T units)
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated March 7, 2014 to the Simplified Prospectuses and Annual Information Form dated November 29, 2013
NP 11-202 Receipt dated March 17, 2014

Offering Price and Description:

A, E, F, G, I, O, T and V units

Underwriter(s) or Distributor(s):

1832 ASSET MANAGEMENT L.P.
1832 Asset Management L.P.

Promoter(s):

1832 ASSET MANAGEMENT L.P.

Project #2114195

Issuer Name:

Roxgold Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated March 17, 2014
NP 11-202 Receipt dated March 17, 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

Issuer Name:

Regal Lifestyle Communities Inc.
Principal Regulator - Ontario

Type and Date:

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

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Beattie & Company Limited	Exempt Market Dealer	March 12, 2014

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Agilith Capital Inc. – s. 213(3)(b)

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 11, 2014

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

Attention: Sarah Gardiner

Dear Sirs/Mesdames:

Re: Agilith Capital 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. 2014/0073

Further to your application dated January 28, 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 Agilith Long Only Fund (the “Original 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 Original 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. Kirwin”
Commissioner
Ontario Securities Commission

“Sarah B. Kavanagh”
Commissioner
Ontario Securities Commission

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