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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1.1 Notices

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ONTARIO SECURITIES COMMISSION NOTICE 11-769 – STATEMENT OF PRIORITIES

REQUEST FOR COMMENTS
REGARDING THE STATEMENT OF PRIORITIES
FOR FINANCIAL YEAR TO END MARCH 31, 2015

The *Securities Act* requires the Commission to deliver to the Minister and publish in its Bulletin each year a statement of the Chairman setting out the proposed priorities of the Commission for its current fiscal year in connection with the administration of the Act, the regulations and rules, together with a summary of the reasons for the adoption of the priorities.

This *Statement of Priorities* describes the actions that the OSC will take in 2014-2015 to address each of the goals and its related priorities. While the proposed priorities will potentially impact more than one organizational goal, each priority is identified only under the specific goal where the greatest impact is expected. In certain cases, the process required to properly assess the issues, including consultations with market participants, and to develop and implement appropriate regulatory solutions, may take more than one year to complete.

In an effort to obtain feedback and specific advice on our proposed objectives and initiatives, the Commission is publishing a draft Statement of Priorities which follows this Request for Comments. The Commission will consider the feedback, and make any necessary revisions prior to finalizing and publishing its 2014-2015 Statement of Priorities. The Statement of Priorities, once approved by the Minister, will serve as the guide for the Commission's ongoing operations. Shortly after the conclusion of our 2013-2014 fiscal year we will publish a report on our progress against our 2013-2014 priorities on our website.

Comments

Interested parties are invited to make written submissions by June 1, 2014 to:

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April 3, 2014

[Editor's Note: *2014-2015 OSC Draft Statement of Priorities – Request for Comments* is reproduced on the following internally numbered pages. Bulletin pagination resumes at the end of the Draft Statement.]

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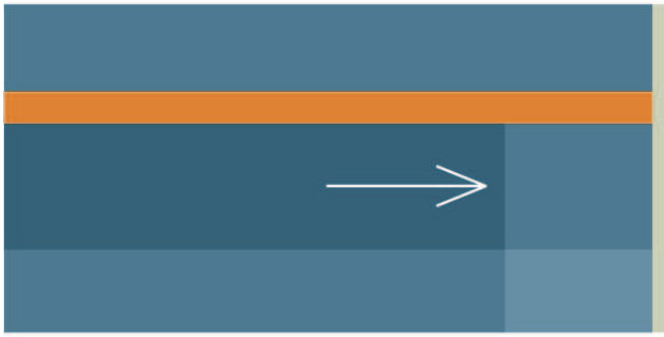
OSC ONTARIO SECURITIES COMMISSION



2014-2015
OSC Draft Statement of Priorities
Request For Comment

Introduction

We are pleased to present the OSC Chair's proposed Statement of Priorities for the Commission commencing April 1, 2014. The Statement of Priorities is required by the *Securities Act* (Ontario) and requires the Ontario Securities Commission (OSC) to publish the statement in its Bulletin and to deliver it to the Minister by June 30 of each year. This statement also supports the OSC's commitment to delivering its regulatory services effectively and with accountability.

This Statement of Priorities sets out the OSC's strategic goals and the specific initiatives that will be pursued in support of each of these goals in the fiscal year beginning each April. The statement also presents the environmental factors that the OSC considered in setting these goals. The OSC remains committed to its Vision and Mandate:

OSC Vision

To be an effective and responsive securities regulator – fostering a culture of integrity and compliance and instilling investor confidence in the capital markets.

OSC Mandate

The OSC's mandate (established by statute) is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

Our Environment -- Risks and Challenges

The regulatory framework for Ontario's capital markets is designed to provide protection to investors while fostering fair and efficient capital markets. Public confidence in these markets can be affected by many factors, including the stability of the financial system, the economic health of the country and the volatility in the marketplace. There are a wide range of issues and risks that challenge the OSC's ability to achieve its vision/mandate.

Capital formation and efficient access to capital for issuers is critical to the economic prosperity of Ontario. The OSC must balance the need to take action to support this vital market function with its mandate to protect investors. Smaller participants are facing challenges raising capital through traditional sources (e.g. banks). To support capital formation the OSC needs to find ways to improve access by small and medium enterprises to capital raising alternatives such as private equity and "angel" investors. Other alternatives such as "crowd funding" can provide additional options to fund start-up enterprises. Actions in these areas will also help to address competition that is emerging from other jurisdictions to attract smaller issuers.

The OSC needs to act to address the international, national and interprovincial nature of the markets it regulates. The OSC must remain responsive to market developments with timely regulatory responses that maintain the competitiveness and attractiveness of Ontario capital markets to investors and capital. Capital markets are increasingly international and capital flows are not constrained by borders. It is critical that the OSC continue to play an active role in international organizations such as IOSCO to influence and promote changes to international securities regulation that are most beneficial to Ontario markets and participants. Greater harmonization and streamlined regulatory

requirements that are aligned with international standards can enhance the quality and reputation of our markets and promote capital inflows.

Currently the financial industry, market participants and investors are facing many challenges from globalization, structural changes within our markets as well as ongoing financial innovation. These changes all generate increased complexity and have given rise to new areas of regulatory focus such as the regulation of derivative markets, regulatory changes needed to oversee electronic trading and the effects of rapidly evolving technology including social media on our markets. Domestic market evolution also continues to present issues. For example, smaller retail focused financial firms and issuers continue to experience pressure on their current business models due to market conditions and increasing competition from larger entities. The OSC will need to focus on regulatory solutions and market structures that address market evolution, foster competition and meet the needs of market participants and investors.

To address national and interprovincial issues it remains important for the OSC to continue to work with its Canadian Securities Administrators (CSA) partners to harmonize the rules and their application across the country where possible. Concurrently, the OSC supports the significant efforts underway between BC, Ontario and the Federal Governments to implement a cooperative securities regulator that will deliver more efficient and effective regulation of the capital markets and effectively oversee sources of systemic risk. The resource implications for the OSC's role in this initiative are currently unclear but are expected to be substantial.

The increasing regulatory burden continues to present challenges for market participants as the complexity of regulatory requirements and the resources required to comply continue to grow. The OSC will need to examine whether the existing rules are still effective and determine whether they inhibit or promote high-quality capital markets and deliver a system that protects investors and promotes their confidence. It is important to continue to seek less intrusive regulatory solutions and opportunities to avoid undue burdens on business. The OSC must look for ways to lower the regulatory costs used to achieve its mandate as they are a critical component affecting the competiveness and efficiency of Ontario's capital markets.

Investors are faced with many more complex investment choices at the same time as many are assuming greater responsibilities for their investments and retirement savings. The OSC is driving to achieve a fair deal for investors. To achieve this outcome the OSC will need to continue efforts to better educate investors and to promote the provision of information that is clearer and more easily understood. In addition, the OSC must try to ensure that the reliance by investors on their advisers is well placed by setting standards and overseeing that the advice being provided is suitable and that any conflicts are managed appropriately. The Ontario Government is currently examining the need for more consistent standards for individuals who offer financial advice and planning services. The OSC will work with the government as this initiative evolves.

We continue to believe that effective consultation is necessary to the development of good regulatory policy and decision making. We will continue to consult through our important advisory committees and various other initiatives such as "OSC in the Community" and issue specific public roundtables.

OSC Regulatory Goals for 2014 – 2015

1. Deliver strong investor protection
2. Deliver responsive regulation
3. Deliver effective enforcement and compliance
4. Support and promote financial stability
5. Run a modern, accountable and efficient organization

Key OSC Regulatory Priorities for 2014–2015

The OSC strives to be as responsive, innovative and collaborative as possible in its policy responses to other regulators. The OSC remains committed to enhanced co-operation and information-sharing with the CSA, working with its partners in the International Organization of Securities Commissions (IOSCO) and collaborating with other international agencies and governments.

In this environment, the OSC must use its finite resources as efficiently as possible. This Statement of Priorities identifies the most important areas where the OSC intends to focus its resources and actions in 2014-2015. Each of the proposed priorities has been aligned under one of the five regulatory goals.

Summary of 2014-2015 OSC Priorities

Deliver strong investor protection	
Issue/Priority	**Proposed Actions**
1. Best Interest Duty to Investors	a. Complete the joint OSC/IIROC/MFDA mystery shop research sweep of advisers to gauge the suitability of advice currently being provided to investors b. Complete research that will inform our decision regarding the application of a best interest duty and evaluate options to move forward
2. Embedded Fees in Mutual Funds	a. Complete third-party research to determine whether and to what extent the perceived conflicts of interests associated with various forms of commission compensation (including product imbedded commissions) influence adviser behaviour. The research will aim to: i. quantify the degree to which various forms of compensation for distribution affect fund sales ii. assess whether the use of fee-based compensation materially changes the advice given to the client and has the potential to lead to enhanced long-term investment outcomes relative to the use of commission compensation (including embedded commissions) b. Encourage expansion of product choices across distribution platforms
3. Point of Sale Disclosure for Investors	The CSA Point of Sale (POS) initiative for mutual funds will: a. Publish final rules introducing pre-sale delivery of the Fund Facts. Work with the CSA to consider mandating a risk classification methodology to improve the comparability of risk ratings of mutual funds in the Fund Facts b. Publish rules for comment by December 2014 that create a new summary disclosure document for ETFs and require it to be delivered. Legislative changes may be necessary before rules can be finalized
Deliver responsive regulation	
Issue/Priority	**Proposed Actions**
4. Market Structure Evolution	a. Publish proposals to update the order protection rule to respond to the evolution of the Canadian capital market structure
5. Improve Capital Formation	a. Complete our review of stakeholder feedback on the following proposed new capital raising prospectus exemptions (offering memorandum, family, friends and business associates, existing security holder and crowd funding exemptions)

	b. Subject to considering the feedback received, develop and publish proposed rules implementing these exemptions c. Develop proposals for streamlining the existing rights offering exemption to improve its efficiency and effectiveness for reporting issuers
6. Regulation of Fixed Income Securities	a. Review transparency in the corporate bond market and develop a proposal to increase post trade information available to the market.
7. Corporate Governance - Women on Boards	a. Complete review of stakeholder feedback on our proposed disclosure requirements requiring TSX-listed and other non-venture issuers to provide disclosure regarding the representation of women on boards and in executive management positions b. Subject to considering the feedback received, develop and publish proposed rules requiring disclosure about the number of women on boards and in executive management positions
8. Shareholder Democracy	a. Publish a progress report with preliminary recommendations on the status of our review of the proxy voting system b. Review the feedback received on CSA Consultation Paper 54-401 Review of the Proxy Voting Infrastructure through the comment letter process and the related OSC roundtable to target specific concerns and potential solutions
Deliver effective enforcement and compliance	
Issue/Priority	**Proposed Actions**
9. Serious Securities-related Misconduct	a. Bring forward more cases involving fraudulent activity that harms investors and affects the integrity of our market by leveraging strategic partnerships with law enforcement agencies, the Ministry of the Attorney General and relevant international regulatory authorities b. Bring forward more cases where issuer or registrant misconduct is harming market integrity or eroding confidence in Ontario's capital markets. c. Select registrants for compliance reviews that are most likely to have material compliance issues, are new registrant firms, or are involved in a specific topic or industry sector that is of concern d. Issue and analyze a Risk Assessment Questionnaire to gather information necessary to risk rate our registrant population
Support and promote financial stability	
Issue/Priority	**Proposed Actions**
10. Systemic Risk to Financial Markets	a. Develop rules for the clearing of OTC derivatives and implement trade reporting rules for OTC derivatives b. Work with CSA colleagues to create a harmonised and efficient OTC derivatives regime in Canada c. Develop and implement a web portal for trade reports that are unable to be accepted by a designated trade repository d. Develop a plan for implementing data analysis for systemic risk oversight and market conduct purposes including the development of analytical tools and the creation of snapshot descriptions of the Canadian OTC derivatives market e. Pursue a leadership role internationally to influence the development of global securities regulation that works for Canada f. Work with the Ontario, B.C. and Federal governments to support the creation of a Co-operative Capital Markets Regulator
Run a modern, accountable and efficient organization	
Issue/Priority	**Proposed Actions**
11. Reduce Regulatory Burden	a. Review current fee rule and issues arising due to market evolution and develop a proposed fee rule for approval by the Minister b. Complete a regulatory impact analysis for all proposed policy projects. c. Review filing requirements to identify opportunities to cease collection of data that is not used, lightly used, or readily available elsewhere d. Implement electronic solutions to ease submission of data for market participants
12. Timely and Fair Adjudication	a. Implement an on-line Electronic Case Management System to receive and distribute electronic filings to improve access to the tribunal and make the hearing process more understandable and efficient b. Enhance accessibility for respondents and the public by holding electronic hearings (where practical) c. Adopt and implement a guideline for the timely release of decisions within 6 months, where practical

Deliver strong investor protection

Protection of investors continues to be a fundamental element of everything the OSC does. The OSC's Office of the Investor works to strengthen the OSC's investor engagement and ensure investor issues are directly considered in policy and operational activities. Our increasing engagement with investors has improved our understanding of their needs and has informed how the OSC undertakes its outreach and education, regulatory policy, compliance oversight and enforcement work. Seniors represent a growing segment of Ontario's investors. The Office of the Investor will continue to focus on outreach to seniors and bring attention to seniors' issues in policy development, compliance and enforcement.

The Office of the Investor is continuing to lead outreach to investors across Ontario to hear their concerns and issues and to provide them with resources and tips to help them become more informed and protected investors. The OSC wants investors to be able to make more informed investment decisions. More effective disclosure, prepared in easy-to-understand formats, can help investors better understand investment products, risks, costs and performance. These initiatives and outreach efforts provide a better understanding of investor issues and enhance the OSC's ability to better protect investors.

Many Ontarians work with an adviser or dealer to achieve their investment and retirement goals. Registered firms and individuals are expected to meet their responsibilities to clients with respect to know your client, know your product and suitability. Investors should be able to expect financial services and products that meet their needs from firms that treat them fairly. Findings from studies commissioned by the Investor Education Fund, Investor Advisory Panel and others have concluded that mutual fund investors often have little knowledge about what they are buying, the fees they are paying or how their advisers are paid. These findings are further supported by Ombudsman for Banking Services and Investments cases that show that suitability can be a problem and investors often had no understanding of the risks they are assuming. Interactions with investors at OSC in the Community events have confirmed these findings as well as investor appetite for simpler and easier to understand information relating to their investments.

To address these issues, the OSC needs to examine the investor experience and quality of advice being provided to investors in order to better understand the impact, if any, that issues such as incentive structures and embedded commissions may be having on the nature of advice being provided to investors. Research in this crucial area will allow the OSC to identify if there are issues to address and opportunities for improvements.

The OSC will undertake the priorities set out below toward achieving the following outcomes for investors:

1. Investors are provided with clear information before, during and after the point of sale of financial services and products
2. Advice provided to investors is clear, and suitable for their needs
3. The goals of firms and the investors they deal with are aligned

Best Interest Duty to Investors

Priority 1 Issue	Investors expect the OSC to clearly demonstrate and communicate how they are protecting their interests. Investors expect a fair and transparent client/adviser relationship. The OSC will take steps to examine and better understand the potential impacts on dealers, advisers and investors of imposing a best interest duty.
Action Plan	a. Complete the joint OSC/IIROC/MFDA mystery shop research sweep of advisers to gauge the suitability of advice currently being provided to investors b. Complete research that will inform our decision regarding the application of a best interest duty and evaluate options to move forward
Success Measures/ Expected Outcomes	a. Mystery shop research completed on time and within budget. Data collected, analysed and areas for potential remediation identified b. Report on mystery shop published including guidance issued on what constitutes non-compliant advice, compliant advice and good advice. Key findings used to inform targeting of future OSC suitability sweeps and best interest duty policy development c. Research on best interest duty is completed and preliminary recommendations published

Embedded Fees in Mutual Funds

Priority 2 Issue	Investors are at risk if advisers fail to provide suitable investment advice or manufacturers fail to offer product choices due to compensation structures. The OSC will undertake a targeted analysis of how compensation models influence adviser behaviour to inform a decision on whether or not to cap or ban embedded commissions and other types of compensation arrangements.
Action Plan	a. Complete third-party research to determine whether and to what extent the perceived conflicts of interests associated with various forms of commission compensation (including product imbedded commissions) influence adviser behaviour. The research will aim to: i. quantify the degree to which various forms of compensation for distribution affect fund sales ii. assess whether the use of fee-based compensation materially changes the advice given to the client and has the potential to lead to enhanced long-term investment outcomes relative to the use of commission compensation (including embedded commissions) b. Encourage expansion of product choices across distribution platforms
Success Measures/ Expected Outcomes	a. Research completed as per plan (on time and within budget) by early 2015 b. Actionable results identified and a recommendation made about whether or not to cap or ban embedded commissions c. Staff notice setting out key findings and status will be published by early 2015

Point of Sale Disclosure for Investors

Priority Issue 3	Investor protection can be improved by providing more meaningful and accessible information to investors to support more informed investment decisions. The OSC will publish rules introducing pre-sale delivery of Fund Facts for mutual funds and introduce a new summary disclosure document and delivery regime for ETFs.
Action Plan	The CSA Point of Sale (POS) initiative for mutual funds will: a. Publish final rules introducing pre-sale delivery of the Fund Facts. Work with the CSA to consider mandating a risk classification methodology to improve the comparability of risk ratings of mutual funds in the Fund Facts b. Publish rules for comment by December 2014 that create a new summary disclosure document for ETFs and require it to be delivered. Legislative changes may be necessary before rules can be finalized
Success Measures/ Expected Outcomes	a. Positive feedback from stakeholders on the consultation process b. Final rules will be published by March 2015, subject to Minister approval **Note: Effectiveness of pre-sale delivery of Fund Facts to be considered in 2015-2016 following implementation (i.e. costs savings to industry stakeholders on delivery; greater investor awareness of key risks and costs).**

Deliver responsive regulation

Market Structure Evolution

The overall objective of market regulation is to ensure that markets remain fair and that all participants have confidence in both the resiliency and integrity of the market. Global capital markets continue to undergo significant technological change and rapid evolution. The OSC has responded to these changes with collaborative policy responses with the CSA and through the implementation of appropriate international best practices to support fair, efficient and orderly markets in Ontario.

In addition, the OSC plans to review the effects of its rules post-implementation to determine if the rules are achieving the desired outcomes. As an example, the order protection rule appears to have had a number of unintended consequences that may be creating inefficiencies and additional costs in the market. This rule will be examined and changes to address these issues will be proposed during the coming year.

Priority 4 Issue	The OSC needs to address issues that arise as a result of the evolution of the market including the impact of the order protection rule.
Action Plan	a. Publish proposals to update the order protection rule to respond to the evolution of the Canadian capital market structure
Success Measures/ Expected Outcomes	a. Proposed changes to update the order protection rule are published b. Industry feedback confirms that the proposed changes to the order protection rule will improve efficiency and are aligned with current market needs

Improve Capital Formation

The OSC recognizes that cost-effective access to capital is critical to companies of all sizes to grow and develop. The OSC has heard from stakeholders that the current capital raising options in Ontario may not be meeting the needs of companies, particularly start-ups and small and medium enterprises (SMEs). It is critical for the OSC to consider ways to support this important sector. The OSC has also heard from stakeholders that investors may want increased access to investment opportunities in the exempt market.

The OSC has considered a broader range of capital raising options, particularly for smaller companies. These options are more tailored to start-ups and SMEs and will improve the rule harmonization with other CSA regulators. The OSC is also considering options that provide greater access to exempt market products for all investors while maintaining important investor protections. If appropriate, the OSC will propose changes to its current rules.

Priority 5 Issue	The current capital raising regime in Ontario needs to better meet the needs of market participants, especially SMEs. The OSC will look at options to expand opportunities for businesses to raise capital.
Action Plan	a. Complete our review of stakeholder feedback on the following proposed new capital raising prospectus exemptions (offering memorandum, family, friends and business associates, existing security holder and crowd funding exemptions) b. Subject to considering the feedback received, develop and publish proposed rules implementing these exemptions c. Develop proposals for streamlining the existing rights offering exemption to improve its efficiency and effectiveness for reporting issuers

Success Measures/ Expected Outcomes	a. Rule amendments delivered to Minister for approval and publication of amendments in final form b. Proposals for streamlining the existing rights offering exemption published for public comment

Regulation of Fixed Income Securities

The Canadian fixed income market is similar to the equity market in terms of value of assets outstanding. The fixed income market (particularly the corporate bond market) has substantially increased in size in the last decade and there is a large presence of retail investors invested in this market directly and indirectly. Debt financings are also an important source of financing for Canadian corporations.

In Canada, corporate bond trading is opaque with limited post-trade transparency for both regulators and retail investors. This lack of transparency limits the OSC's ability to determine whether retail investors and small institutional investors are obtaining best execution.

The OSC needs to better understand the significant issues (e.g. access, sales practices and disclosure) affecting fixed income securities and those who invest in them, and to identify opportunities where changes to regulatory approaches could improve market transparency and better protect investor interests.

Priority 6 Issue	Fixed income is a significant but less transparent segment of our capital markets. Retail participation is high as investors seek opportunities for higher yields. The OSC will examine ways to improve the transparency of this market.
Action Plan	a. Review transparency in the corporate bond market and develop a proposal to increase post trade information available to the market.
Success Measures/ Expected Outcomes	a. The proposal will be published by March 2015.

Corporate Governance – Women on Boards

Effective corporate governance is a fundamental part of a Board's responsibility and it is key to maintaining investor confidence. The OSC continues to seek opportunities to improve the focus of boards on good governance practices. More diverse board composition may encourage greater effectiveness and better corporate decision making. The OSC has proposed to require greater transparency for investors and other stakeholders regarding the representation of women on boards and in senior management. This transparency is intended to assist investors when making investment and voting decisions.

Priority 7 Issue	There are growing expectations for better board governance and transparency, including increased transparency regarding the representation of women in leadership roles at reporting issuers.
Action Plan	a. Complete review of stakeholder feedback on our proposed disclosure requirements requiring TSX-listed and other non-venture issuers to provide disclosure regarding the representation of women on boards and in executive management positions b. Subject to considering the feedback received, develop and publish proposed rules requiring disclosure about the number of women on boards and in executive management positions

Success Measures/ Expected Outcomes	a. Rule amendments delivered to the Minister of Finance for approval and final amendments published b. The composition of senior management and the Board will be more transparent to shareholders

Shareholder Democracy

The ability to vote on certain key decisions is a fundamental shareholder right. By voting, shareholders elect directors, approve or disapprove major transactions and make their views known on matters such as executive compensation. Shareholder voting plays an important role in the fairness and efficiency of our capital markets. Recently, some issuers and investors have raised concerns about the reliability and accuracy of the proxy voting infrastructure that records shareholder votes. The OSC believes it is critical that the proxy voting infrastructure records votes accurately and reliably, and it is necessary for market confidence that it is perceived to be fair.

Priority 8 Issue	The OSC is taking a leadership role in looking for ways forward with the proxy voting system, and improving the accuracy and reliability of the proxy voting infrastructure.
Action Plan	a. Publish a progress report with preliminary recommendations on the status of our review of the proxy voting system b. Review the feedback received on CSA Consultation Paper 54-401 Review of the Proxy Voting Infrastructure through the comment letter process and the related OSC roundtable to target specific concerns and potential solutions
Success Measures/ Expected Outcomes	a. Progress report published by December 2014 b. Significant stakeholder engagement on the issues and positive stakeholder feedback on the consultation process

Deliver effective enforcement and compliance

Serious Securities-related Misconduct

To promote public confidence in capital markets, the OSC must use its authority to address significant non-compliance and misconduct. The OSC continues to intensify its enforcement presence and is exploring new opportunities to bolster investor and market participant trust in our markets.

The OSC continues to pursue more fraud cases before the courts, where it can seek jail sentences for violations of the Securities Act (Ontario) and breaches of Commission orders. The OSC is also considering various new policy initiatives to strengthen its enforcement regime including no-enforcement action agreements, no-contest settlements, and a credit for co-operation program with enhanced public disclosure of the credit granted for co-operating with the OSC.

As the regulatory agenda increases the OSC must effectively allocate its resources. As enforcement consumes the greatest proportion of OSC resources it is particularly important to maximize the enforcement impact on activities with the most detrimental impact on investors. The OSC Joint Serious Offences Team (JSOT) has been formed with the cooperation of law enforcement agencies and the Ministry of the Attorney General and the OSC is leveraging their different powers, authorities and skill sets to address these issues.

Effective Compliance

The OSC conducts compliance reviews of registered firms primarily to assess compliance with Ontario securities law, but also to help registrants improve their understanding of the regulatory requirements and our expectations, and to help us to learn about a specific industry topic or practice.

The OSC will continue to focus on firms that are most likely to have material compliance issues or risk of harm to investors or would have a significant effect on the capital markets if there is a compliance breach due to their size or market penetration. In addition to reviewing individual firms, the OSC will continue to conduct issue specific compliance reviews (sweeps). Sweeps allow us to respond on a timely basis to industry-wide concerns or issues. The OSC regularly performs sweeps of newly registered firms to assess if they are off to a good start and to help them to understand their requirements and our expectations.

Priority 9 Issue	The OSC needs to better demonstrate the effectiveness and efficiency of its enforcement and compliance efforts. The OSC will seek to limit potential harm to investors by focusing enforcement efforts on cases involving fraud, manipulation and other serious securities related misconduct. The OSC will focus its compliance oversight on registrants that are most likely to have material compliance issues, including risk of harm to investors, or significant effect on the capital markets if there is a compliance breach.
Action Plan	a. Bring forward more cases involving fraudulent activity that harms investors and affects the integrity of our market by leveraging strategic partnerships with law enforcement agencies, the Ministry of the Attorney General and relevant international regulatory authorities b. Bring forward more cases where issuer or registrant misconduct is harming market integrity or eroding confidence in Ontario's capital markets. c. Select registrants for compliance reviews that are most likely to have material compliance issues, are new registrant firms, or are involved in a specific topic or industry sector that is of concern d. Issue and analyze a Risk Assessment Questionnaire to gather information necessary to risk rate our registrant population
Success Measures/ Expected Outcomes	a. The OSC JSOT will: i. Increase the number of cases investigated for fraudulent activity and recidivist offenders ii. Work with law enforcement to proactively use Criminal Code tools in JSOT investigations b. Visible and effective enforcement actions in cases of unacceptable or egregious issuer or registrant misconduct will result in improved market conduct and have a deterrent effect on future misconduct c. Increase the number of reviews of registrants that reveal significant compliance issues d. Respond on a timely basis to industry wide compliance issues or concerns

Support and Promote Financial Stability

Ontario's financial markets are part of the Canadian and international capital markets, closely linked by technology, investment flows, risk-management practices, cross border transactions and the global business models of market participants. The OSC must align its regulatory framework to adhere to important global reforms and standards, including G20 commitments (OTC derivatives and systemic risk) that seek to promote financial system resilience. The OSC actively participates in the development of international securities regulation and plays a leadership role as a key member of the IOSCO Executive, which sets internationally recognized standards for the securities sector. This role is critical to allow the OSC to develop and implement timely, aligned regulatory responses that maintain the competitiveness and attractiveness of Ontario capital markets to investors and capital.

One of the key outcomes from the 2008 financial crisis was the understanding of the need for increased regulatory coordination and oversight of the OTC derivatives markets. As the trading of OTC derivatives could be a significant source of systemic risk in Canada a globally and nationally coordinated OTC derivatives regime benefits Ontario capital markets. Regulatory oversight of the OTC derivatives markets should result in earlier identification of potential risks and increase the ability of regulators to respond to systemic risk and market misconduct. This will also ensure Canada can meet its international commitments in this area.

Priority 10 Issue	Increasingly interconnected global financial markets present systemic risk to financial market stability. OTC derivatives represent a significant potential source of systemic risk in Canada. The OSC will develop and implement an OTC derivatives regulatory framework to reduce potential risks to the financial system posed by unregulated entities. The OSC supports implementation of a cooperative securities regulator that will deliver more efficient and effective regulation of the capital markets and effectively oversee sources of systemic risk.
Action Plan	a. Develop rules for the clearing of OTC derivatives and implement trade reporting rules for OTC derivatives b. Work with CSA colleagues to create a harmonised and efficient OTC derivatives regime in Canada c. Develop and implement a web portal for trade reports that are unable to be accepted by a designated trade repository d. Develop a plan for implementing data analysis for systemic risk oversight and market conduct purposes including the development of analytical tools and the creation of snapshot descriptions of the Canadian OTC derivatives market e. Pursue a leadership role internationally to influence the development of global securities regulation that works for Canada f. Work with the Ontario, B.C. and Federal governments to support the creation of a Co-operative Capital Markets Regulator
Success Measures/ Expected Outcomes	a. Clearing and reporting rules for OTC derivatives that align with international standards and meet G20 commitments will be in place b. Systems for oversight and to facilitate systemic analysis of the Ontario derivatives markets will be in place on time and within budget

Run a modern, accountable and efficient organization

Reduce Regulatory Burden

All market participants are operating in challenging economic times and have to deal with intense competition, uneven global economic growth and slowly recovering financial markets. Smaller market participants are struggling to adjust to market volatility and market structure changes. Recognizing these challenges the OSC is looking for ways to reduce the regulatory burden in both time and the costs of compliance. Market participants expect the OSC to use its limited resources efficiently, so improving our efficiency is a top priority. In February the OSC implemented a targeted, one-time fee reduction to address market conditions and assist smaller market participants. The OSC has also committed to review its current fee rule and issues arising due to market evolution and develop a proposed fee rule for approval by the Minister.

Where regulatory requirements may no longer be appropriate or required due to market evolution there is an opportunity to reduce regulatory burden. The OSC is committed to assessing the impacts of its proposed policy and operational changes to try to ensure

that any proposed regulation is proportionate and fit for purpose, does not act as an unnecessary barrier to new firms entering the industry and does not constrain innovation and growth. The OSC will improve its policy development process by completing a regulatory impact analysis prior to initiating any proposed policy projects.

Priority 11 Issue	Market participants continue to identify regulatory burden as a significant issue. The OSC will look for ways to reduce regulatory burden on market participants.
Action Plan	a. Review current fee rule and issues arising due to market evolution and develop a proposed fee rule for approval by the Minister b. Complete a regulatory impact analysis for all proposed policy projects. c. Review filing requirements to identify opportunities to cease collection of data that is not used, lightly used, or readily available elsewhere d. Implement electronic solutions to ease submission of data for market participants
Success Measures/ Expected Outcomes	a. At least two opportunities identified where filing requirements could be reduced or eliminated b. At least 95% of capital and financial statement filings by registrants received electronically

Timely and Fair Adjudication

Timely and fair adjudication processes are a key requirement of the regulatory framework. The OSC is looking for ways to reduce costs, improve the efficiency of the adjudication process and to modernize our hearing process. Improved timeliness benefits respondents and reduces the risk of offenders avoiding sanction due to unreasonable delays in the process.

Priority 12 Issue	The OSC needs to improve its adjudicative processes through more transparent policies, practices and procedures and more timely dissemination of its orders, decisions and reasons.
Action Plan	a. Implement an on-line Electronic Case Management System to receive and distribute electronic filings to improve access to the tribunal and make the hearing process more understandable and efficient b. Enhance accessibility for respondents and the public by holding electronic hearings (where practical) c. Adopt and implement a guideline for the timely release of decisions within 6 months, where practical
Success Measures/ Expected Outcomes	a. The Electronic Case Management System will be implemented on time and within budget. b. Hearings will be held electronically, as appropriate c. The efficiency and timeliness of tribunal adjudicative hearing and deliberation processes will be improved. Decisions will be released within six months, where practical

2014 – 2015 Financial Outlook

OSC Revenues and Surplus

The OSC is forecasting 2014–2015 revenues to increase by 6.1% from 2013–2014 revenues. The forecast reflects fee increases set out in the OSC's fee rules (13-502 and 13-503), which became effective April 1, 2013. The fee increases are necessary to meet the OSC's evolving regulatory responsibilities, many of which are driven by work at the international level. To maintain competitive capital markets in Canada, the OSC must align its regulatory framework to be consistent with important global reforms and standards including G20 commitments (derivatives and systemic risk), increasingly complex international enforcement files, changing oversight responsibilities related to market infrastructure entities and new complex products.

In February, the OSC announced an opportunity for one-time relief on participation fees for certain small registered firms and reporting issuers ("Participants"). Eligible Participants must apply for relief and there is no cost for applying. The total financial impact of the proposed relief is not known as it is dependent on the number of Participants that apply for the relief. The OSC expects that most eligible Participants will seek this relief and the proposed fee reduction will reduce the OSC's 2013/2014 revenues and impact its ability to reach cost recovery by the end of fiscal 2016, as originally set out in 2013. The OSC expects to continue to operate at a deficit in 2014–2015. As a result, the OSC will no longer have a general surplus as at March 31, 2015. The OSC maintains a $20 million reserve that may be used to fund operations.

2014 – 2015 Budget Approach

The 2014 - 2015 OSC Budget is focused on investment in the key strategies identified in the 2012 - 2015 OSC Strategic Plan, while at the same time maintaining fiscal responsibility. In setting this budget the OSC has taken a strategic approach to assess areas where resources can be reduced, or the work can be done differently or more efficiently and has refocused resources to priority areas. This resulted in decreased budgets for certain program areas and an OSC Budget for 2014 - 2015 which is lower than the 2013 - 2014 budget.

(thousands)	2013/2014 Budget	2013/2014 Actual	2014/2015 Budget	2014-15 Budget to 2013-14 Budget		2014-15 Budget to 2013-14 Actual	
Revenues	101,160	95,478	101,325	165	0.2%	5,847	6.1%
Expenses	103,552	101,340	102,976	(577)	-0.6%	1,636	1.6%
Deficiency of Revenue compared with	(2,392)	(5,862)	(1,651)	742		4,211	
Capital Expenditures	5,661	6,800	3,349	(2,312)		(3,451)	

The OSC continues to face challenges to continue to improve its capacity to keep up with market developments, innovation and investor concerns. Increased use of technology is a key element of the OSC's strategy. As a result, the budget reflects the

need to invest resources to update and improve the OSC Information Technology infrastructure. The budget also includes resources for work toward the successful implementation of the Common Market Regulator.

The budget reflects a decrease of 0.6% from the 2013–2014 budget. Salaries and benefits, which comprise $77.9 million or 75.7% of the budget, reflect an increase of $2.1 million or 2.7% over 2013–2014 spending due to:

a. Budgeting of full-year costs for vacancies and staff hired throughout 2013–2014
b. New positions approved to achieve the OSC's strategic initiatives including to:
    i. bring in-house computer forensic support for enforcement cases
    ii. address the expected increase in hearing days
    iii. support the work to upgrade OSC Information Technology Infrastructure

The significant decrease in the capital budget primarily reflects the fact that the build-out of recently acquired additional space that took place in 2012-2013 and 2013-2014 is now complete. The budget also includes an investment to support upgrading and expansion of our information technology, including completion of the network replacement. In addition, funds have been allocated to implement a refresh of our mobile devices program.

1.2 Notices of Hearing

1.2.1 Eric Inspektor – 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
ERIC INSPEKTOR

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 15, 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 Eric Inspektor (the "Respondent"):

(a) that trading in any securities or derivatives by the Respondent 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 the acquisition of any securities by the Respondent 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;

(c) that any exemptions contained in Ontario securities law do not apply to the Respondent permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;

(d) that the Respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(e) that the Respondent 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;

(f) that the Respondent 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;

(g) that the Respondent 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;

(h) that the Respondent pay an administrative penalty of not more than $1 million for each failure by the Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

(i) that the Respondent disgorge to the Commission any amounts obtained as a result of the Respondent's non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

(j) that the Respondent pay the costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

(k) 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 ("Staff"), dated March 28, 2014, and such further allegations as Staff 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 28th 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
ERIC INSPEKTOR

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 conduct of the Respondent, Eric Inspektor, in relation to the unregistered trading and illegal distribution of securities by Kaptor Financial Inc. ("Kaptor Financial"), 2025610 Ontario Ltd. ("202"), CarCap. Inc. ("CarCap"), and CarCap Auto Finance Inc. ("CarCap Auto Finance") (collectively, the "Kaptor Group").

2. Between January 2005 and September 2011 (the "Relevant Period"), the Kaptor Group raised an aggregate of approximately $90,000,000 from investors in Ontario through the issuance and unregistered sale of various non-prospectus qualified securities, including short and long term debentures, convertible term debentures, co-tenancy agreements, share purchase agreements, and promissory notes.

3. The Kaptor Group was controlled and managed by Inspektor who was its directing mind. All of the capital raising activity of the Kaptor Group was carried out by or at the direction of Inspektor. Of the funds raised during the Relevant Period, approximately $38,000,000 remains outstanding to investors.

4. As summarized below, the Kaptor Group entities have been the subject of two separate receivership proceedings, one of which remains ongoing.

II. THE RESPONDENT AND THE KAPTOR GROUP

5. Inspektor is a resident of Toronto, Ontario. During the Relevant Period, Inspektor was the self-titled "Group President and Chief Executive Officer" of the Kaptor Group. Inspektor has never been registered with the Ontario Securities Commission ("Commission") in any capacity.

6. Kaptor Financial was incorporated in Ontario. During the Relevant Period, Kaptor Financial held itself out as boutique merchant bank and asset based lender. Inspektor was the President and Chief Executive Officer of Kaptor Financial. Kaptor Financial has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Kaptor Financial has never filed a prospectus or preliminary prospectus with the Commission.

7. 202 was incorporated in Ontario. 202 was a holding company owned by Inspektor, of which he was the sole officer and director. 202 held 48% of the common shares of Kaptor Financial and the remaining 52% were held by investors. 202 has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. 202 has never filed a prospectus or preliminary prospectus with the Commission.

8. CarCap and CarCap Auto Finance (collectively, the "CarCap Companies") were incorporated in Ontario and were subsidiaries of Kaptor Financial. Inspektor was a director of the CarCap Companies and was a part of its senior management. The CarCap Companies have never been reporting issuers in Ontario and have never been registered with the Commission in any capacity. The CarCap Companies have never filed a prospectus or preliminary prospectus with the Commission.

9. In December 2011, the CarCap Companies were placed into receivership (the "CarCap Receivership") at the request of a secured institutional creditor of the CarCap Companies. The assets captured by the CarCap Receivership were sold and distributed to secured institutional creditors pursuant to an order of the Ontario Superior Court (Commercial List) dated March 13, 2012. Subsequently, the CarCap Companies were placed into bankruptcy. Individual investors did not receive distributions through the CarCap Receivership or following the bankruptcy proceeding.

10. Subsequently, in May 2012, a second receiver was appointed *inter alia* over the assets of Kaptor Financial and 202 at the request of a group of individual investors (the "Kaptor Receivership"). As of the date of the within proceeding, no distributions have been made to individual investors in the Kaptor Receivership.

III. BACKGROUND

A. Trading in Securities and Illegal Distribution

11. The most significant trading and capital raising activity of the Kaptor Group occurred in conjunction with the CarCap Companies, which provided sub-prime car lease financing and sub-prime auto loans. The capital raising activity in relation to the CarCap Companies was carried out by Kaptor Financial as well as through other entities, including 202 and the CarCap Companies (both directly and through special purpose investment vehicles referred to as "silos"), and was ongoing throughout the Relevant Period.

12. The balance of the Kaptor Group's trading and capital raising activity was carried out by 202 for the benefit of Insignia Trading Inc. ("Insignia"), another subsidiary of Kaptor Financial of which Inspektor was a member of senior management, to support its operations. Insignia held itself out as a wholesaler and distributor of licensed household products. Insignia's Confidential Offering Memorandum dated May 2011 indicated that investor funds raised through the Kaptor Group were one of Insignia's two main sources of funding.

13. More particularly, during the Relevant Period, the respective entities within the Kaptor Group, at the direction and instruction of Inspektor, issued and sold the following securities:

(a) Term debentures, preference shares and common shares of Kaptor Financial to at least 80 investors, for a total of at least $31 million;

(b) Debentures, promissory notes, co-tenancy agreements, and profit participation agreements of 202 issued to 39 investors for a total of at least $30 million; and

(c) Term debentures and preference shares of the CarCap Companies, directly and indirectly through the "silos", to 60 investors, for a total of at least $28 million.

14. The promissory notes, debentures, common shares, preference shares, co-tenancy agreements, and profit sharing agreements referred to above fall within one or more categories of "document, instrument or writing commonly known a security", "evidence of indebtedness" and/or "investment contract" and are thereby "securities" as defined in subsection 1(1) of the Act.

15. In most cases, the documents evidencing the securities were signed by Inspektor on behalf of the Kaptor Group entity issuing the security.

16. Through their dealings with Inspektor, investors were led to believe that the Kaptor Group was investing in various business activities within the Kaptor Group which would generate substantial rates of return and would generally yield investors returns between 15% and 36% annually.

17. In some cases, Inspektor, either directly or through the Kaptor Group, sold securities to individuals who were unknown to him and with whom he did not meet or speak, either in person or by telephone.

18. As of September 2011, individual investors were owed at least $38,000,000 by the Kaptor Group. This amount remains outstanding.

B. No Available Exemptions

19. Throughout the Relevant Period, Inspektor and the Kaptor Group traded in securities of the Kaptor Group entities in circumstances where the accredited investor exemption and other exemptions contained in Ontario securities law were improperly relied upon; where there was insufficient information for Inspektor or the Kaptor Group to determine if the investors qualified for the accredited investor exemption; or where the requirements for other exemptions from the prospectus and registration requirements contained in Ontario securities law were not met.

20. By engaging in the conduct described herein, Inspektor traded and engaged in, or held himself 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 him under the Act, contrary to sections 25 and 53 of the Act.

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

21. The specific allegations advanced by Staff are:

(a) During the Relevant Period, Inspektor traded and engaged in or held himself out as engaging in the business of trading in securities of the Kaptor Group entities 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 Relevant Period, Inspektor traded in securities of the Kaptor Group entities 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 Relevant Period, Inspektor, as an actual and/or de facto officer and director of each of the entities within the Kaptor Group, authorized, permitted or acquiesced in the Kaptor Group's non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and

(d) Inspektor's conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

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

DATED at Toronto, March 28, 2014.

1.2.2 Children's Education Funds Inc. – ss. 127, 127.1

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

AND

IN THE MATTER OF
CHILDREN'S EDUCATION FUNDS INC.

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, April 7, 2014 at 9:00 a.m., or as soon thereafter as the hearing can be held:

AND TAKE NOTICE that the purpose of the hearing is to consider whether it is in the public interest for the Commission to: (a) approve the Settlement Agreement between Staff of the Commission and Children's Education Funds Inc. ("CEFI"); and (b) make such other order as the Commission may consider appropriate;

BY REASON OF the allegations set out in the Statement of Allegations dated March 31, 2014 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 31st 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
CHILDREN'S EDUCATION FUNDS INC.

STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

STAFF OF THE ONTARIO SECURITIES COMMISSION MAKE THE FOLLOWING ALLEGATIONS:

1. Children's Education Funds Inc. ("CEFI") distributes units of three types of education plans which are Registered Education Savings Plans under the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.), as amended.

2. CEFI is registered with the Commission as both an investment fund manager and as a dealer in the category of scholarship plan dealer.

3. CEFI has been the subject of four compliance field review reports since 2003 by Staff of the Compliance and Registrant Regulation Branch ("CRR Staff"). CEFI also had terms and conditions previously imposed on its registration by CRR Staff, namely, from July 9, 2004 to June 16, 2005. The last compliance field review report on CEFI dated June 14, 2012 (the "2012 Compliance Report") had a review period of June 1, 2010 to May 31, 2011. In some cases, CRR Staff found CEFI to be deficient in similar areas to those previously identified as containing deficiencies.

4. As set out in the 2012 Compliance Report, on or between October 1, 2010 to September 30, 2011, CEFI did not meet reasonable compliance practices by failing to adequately meet its compliance obligations in certain of its sales supervision and compliance activities and thereby engaged in conduct contrary to the public interest.

Dated at Toronto this 31st day of March, 2014.

1.4 Notices from the Office of the Secretary

1.4.1 AMTE Services Inc. et al.

FOR IMMEDIATE RELEASE
March 27, 2014

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

AND

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

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that the Temporary Order is extended until September 18, 2015 without prejudice to Staff or the Respondents to seek to vary the Temporary Order on application to the Commission and that the hearing to consider a further extension of the Temporary Order is adjourned until September 16, 2015 at 10:00 a.m. or to such other date or time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Temporary Order dated March 27, 2014 is available at www.osc.gov.on.ca.

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1.4.2 North American Financial Group Inc. et al.

FOR IMMEDIATE RELEASE
March 27, 2014

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

AND

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

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

(a) the hearing to determine sanctions and costs is adjourned and shall be held on May 7, 2014 at 10:00 a.m.;

(b) the Respondents shall file and serve written submissions on sanctions and costs by April 25, 2014; and

(c) Staff shall file and serve any reply submissions on sanctions and costs by May 2, 2014.

A copy of the Order dated March 27, 2014 is available at www.osc.gov.on.ca.

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1.4.3 Alka Singh and Mine2Capital Inc.

FOR IMMEDIATE RELEASE
March 27, 2014

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

AND

IN THE MATTER OF
ALKA SINGH AND MINE2CAPITAL INC.

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND ALKA SINGH AND MINE2CAPITAL INC.

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Alka Singh and Mine2Capital Inc.

A copy of the Order dated March 27, 2014 and Settlement Agreement dated March 24, 2014 are available at www.osc.gov.on.ca.

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1.4.4 Keith MacDonald Summers et al.

FOR IMMEDIATE RELEASE
March 28, 2014

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

AND

IN THE MATTER OF
KEITH MACDONALD SUMMERS,
TRICOASTAL CAPITAL PARTNERS LLC, and
TRICOASTAL CAPITAL MANAGEMENT LTD.

TORONTO – The Commission issued an Order in the above named matter which provides that this matter is adjourned to a status update to be held on June 2, 2014 at 11:00 a.m.

A copy of the Order dated March 27, 2014 is available at www.osc.gov.on.ca.

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1.4.5 Eric Inspektor

FOR IMMEDIATE RELEASE
March 31, 2014

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

AND

IN THE MATTER OF
ERIC INSPEKTOR

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 15, 2014 at 10:00 a.m. or 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 28, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 28, 2014 are available at www.osc.gov.on.ca.

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JOSÉE TURCOTTE
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1.4.6 Bunting & Waddington Inc. et al.

FOR IMMEDIATE RELEASE
March 31, 2014

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

AND

IN THE MATTER OF
BUNTING & WADDINGTON INC.,
ARVIND SANMUGAM and JULIE WINGET

TORONTO – The Commission issued its Reasons and Decision with respect to Arvind Sanmugam and an Order pursuant to Sections 127(1) and 127(10) of the Securities Act in the above noted matter.

A copy of the Reasons and Decision with respect to Arvind Sanmugam and the Order dated March 28, 2014 are available at www.osc.gov.on.ca.

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1.4.7 Global Energy Group, Ltd. et al.

FOR IMMEDIATE RELEASE
March 31, 2014

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

AND

IN THE MATTER OF
GLOBAL ENERGY GROUP, LTD.,
NEW GOLD LIMITED PARTNERSHIPS,
CHRISTINA HARPER, HOWARD RASH,
MICHAEL SCHAUMER, ELLIOT FEDER,
VADIM TSATSKIN, ODED PASTERNAK,
ALAN SILVERSTEIN, HERBERT GROBERMAN,
ALLAN WALKER, PETER ROBINSON,
VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI,
BRUCE COHEN and ANDREW SHIFF

TORONTO – The Commission issued an Order in the above named matter which provides that the Temporary Order is extended against Rash until May 30, 2014 and the hearing to consider a further extension of the Temporary Order is adjourned to May 27, 2014 at 10:00 a.m.

A copy of the Order dated March 28, 2014 is available at www.osc.gov.on.ca.

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1.4.8 Howard Rash

FOR IMMEDIATE RELEASE
March 31, 2014

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

AND

IN THE MATTER OF
HOWARD RASH

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to May 27, 2014 at 10:00 a.m. or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary.

A copy of the Order dated March 28, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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Manager, Public Affairs
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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)

1.4.9 Children's Education Funds Inc.

FOR IMMEDIATE RELEASE
March 31, 2014

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

AND

IN THE MATTER OF
CHILDREN'S EDUCATION FUNDS INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Children's Education Funds Inc. in the above named matter.

The hearing will be held on April 7, 2014 at 9:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated March 31, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 31, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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1.4.10 Ground Wealth Inc. et al.

FOR IMMEDIATE RELEASE
April 1, 2014

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

AND

IN THE MATTER OF
GROUND WEALTH INC., MICHELLE DUNK,
ADRION SMITH, JOEL WEBSTER, DOUGLAS DEBOER,
ARMADILLO ENERGY INC.,
ARMADILLO ENERGY, INC., and
ARMADILLO ENERGY, LLC
(aka ARMADILLO ENERGY LLC)

AND

IN THE MATTER OF A SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE ONTARIO SECURITIES
COMMISSION and GROUND WEALTH INC., MICHELLE
DUNK, DOUGLAS DEBOER and JOEL WEBSTER

TORONTO – The Commission issued an order which provides that the Hearing is adjourned and shall continue on April 7, 2014 at 10:00 a.m.

A copy of the Order dated March 28, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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1-877-785-1555 (Toll Free)

1.4.11 York Rio Resources Inc. et al.

FOR IMMEDIATE RELEASE
April 1, 2014

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

AND

IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC, GEORGE SCHWARTZ,
PETER ROBINSON, ADAM SHERMAN,
RYAN DEMCHUK, MATTHEW OLIVER,
GORDON VALDE AND SCOTT BASSINGDALE

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated March 31, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

For media inquiries:
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1.4.12 Global RESP Corporation and Global Growth Assets Inc.

FOR IMMEDIATE RELEASE
April 1, 2014

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

AND

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

TORONTO – The Commission issued an Order in the above named matter pursuant to section 127 of the Act which provides that the hearing is adjourned to April 7, 2014 at 2:30 p.m.

A copy of the Order dated March 31, 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 N-45° First CMBS Issuer Corporation

Headnote

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

Applicable Legislative Provisions

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

March 24, 2014

N-45° First CMBS Issuer Corporation
413, rue Saint-Jacques, bureau 700
Montréal (Québec) H2Y 1N9

Attention: Ms. Stéphanie Bisson

Dear Ms. Bisson:

Re: N-45° First CMBS Issuer Corporation (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the "Jurisdictions") that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

(b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in *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.

"Josée Deslauriers"
Senior Director,
Investment Funds and Continuous Disclosure
Autorité des marchés financiers

2.1.2 AltaGas Ltd.

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 AltaGas Ltd., 2014 ABASC 61

February 19, 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
ALTAGAS LTD.
(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; 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 corporation formed by amalgamation under the laws of Canada on July 1, 2010 and the Filer's head office is located in Calgary, Alberta.

2. The Filer is a reporting issuer or equivalent in each of the Jurisdictions and in each of the Passport Jurisdictions.

3. The Filer represents that it is not in default of securities legislation in any jurisdiction in Canada.

4. The Filer has activities subject to rate regulation.

5. 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.

6. By order cited as *Re AltaGas Ltd.*, 2011 ABASC 362, the Filer has been granted relief substantially similar to the Exemption Sought (the **Existing Relief**).

7. The Existing Relief will expire not later than 1 January 2015.

8. 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.

1. 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:

"Stephen Murison"
Vice-Chair

"Richard Shaw, QC"
Member

2.1.3 Nova Gas Transmission Ltd.

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 NOVA Gas Transmission Ltd., 2014 ABASC 62

February 19, 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
NOVA GAS TRANSMISSION LTD.
(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, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut; 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 was incorporated under the NOVA Corporation Act of Alberta on April 8, 1954 and was continued under the *Business Corporations Act* (Alberta) on September 1, 1987 and the Filer's head office is located in Calgary, Alberta.

2. The Filer is an indirect wholly-owned subsidiary of TransCanada Corporation (**TransCanada**) by virtue of TransCanada's 100% ownership interest in TransCanada PipeLines Limited (**TCPL**). TCPL owns a direct 100% interest in the Filer.

3. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions.

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

5. The Filer has activities subject to rate regulation.

6. The financial statements of the Filer are consolidated into the financial statements of TransCanada and TCPL.

7. TransCanada and TCPL are SEC issuers and each relies on subsection 3.7 of NI 52-107 to file financial statements prepared in accordance with U.S. GAAP. The Filer is not an SEC issuer and, therefore, cannot rely on that provision.

8. By an order cited as *Re: Nova Gas Transmission Ltd.*, 2011 ABASC 348, 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.

1. 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:

"Stephen Murison"
Vice-Chair

"Fred Snell, FCA"
Member

2.1.4 Azumah Resources Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by a reporting issuer for an order that it is not a reporting issuer – To the knowledge of the reporting issuer, and based on diligent enquiry, residents of Canada (i) do not directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the reporting issuer worldwide, and (ii) do not directly or indirectly comprise more than 2% of the total number of shareholders of the Filer worldwide – Issuer is subject to Australian. securities law and requirements of the Australia Stock Exchange – Issuer has provided notice through a press release that it has submitted an application to cease to be a reporting issuer in Ontario.

Applicable Legislative Provisions

Securities Act (Ontario), s. 1(10)(a)(ii).

March 28, 2014

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

AND

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

AND

IN THE MATTER OF
AZUMAH RESOURCES LIMITED
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the Filer is not a reporting issuer (the "**Exemptive Relief Sought**").

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

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

(b) 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.

Representations

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

1. The Filer is a corporation that was incorporated under the *Australian Corporation Act 20*01 (Commonwealth) on December 23, 2004. The Filer's registered and head office is Ground Floor, 20 Kings Park Road, West Perth, WA, Australia 6005 and its principal place of business is 2/11 Ventnor Avenue, West Perth, WA, Australia 6005.

2. The Filer does not have any operations, employees or offices in Canada.

3. The Filer is an Australian based mining company in the business of exploration and development. The Filer owns 100% of the Wa Gold Project in northwest Ghana, West Africa and holds a 15.5% strategic stake in neighbouring junior explorer Castle Minerals Limited which has ~10,000km2 under licence in the northwest Ghana region. The Filer's management is located in West Perth, Australia.

4. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of securities legislation in any jurisdiction of Canada.

5. The Filer's ordinary shares have been listed on the Australian Securities Exchange ("**ASX**") since January 9, 2006.

6. The Filer became a reporting issuer in the Jurisdictions under the Legislation when its ordinary shares commenced trading on the Toronto Stock Exchange (the "**TSX**") on September 1, 2011.

7. Except for the Jurisdictions, the Filer is not a reporting issuer in any other jurisdiction of Canada.

8. The Filer had discussions with the TSX regarding a voluntary delisting of its ordinary shares from the TSX and the TSX confirmed that the ordinary shares of the Filer were delisted from the TSX at the close of trading on December 13, 2013. Following the delisting from the TSX, the Filer's Canadian share register will be closed on or about April 7, 2014.

9. The capital structure of the Filer is composed of an unlimited number of ordinary shares, without par value. As of January 20, 2014: (i) 356,189,096 ordinary shares were issued and outstanding; (ii) 2,000,000 unvested options were on issue which expire November 30, 2014 and have an exercise price of AUD$0.60; (iii) 1,000,000 unvested options were on issue which expire November 30, 2014 and have an exercise price of AUD$0.26; (iv) 4,000,000 unvested performance rights over ordinary shares were on issue which expire November 30, 2014; and (v) 325,000 unvested performance rights over ordinary shares were on issue which expire November 30, 2015. There is no exercise price pertaining to the performance rights.

10. None of the Filer's options or performance rights are traded on any securities exchange.

11. The Filer's only outstanding securities are its ordinary shares which are listed for trading on the ASX and the Filer is not in default of any reporting requirements or other requirement of the ASX.

12. The Filer determined the number of Canadian securityholders directly or indirectly beneficially owning its ordinary shares through a review of the shareholder register kept by its registrar and transfer agent and with respect to beneficial securityholders in accordance with the process set out in National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

13. In support of the representations set forth in paragraphs 14 and 15 below concerning the percentage of outstanding securities and the total number of security holders in Canada, the Filer sought and obtained information from the Filer's transfer agent, Equity Financial Trust Company (the "**Transfer Agent**"). The Filer directed the Transfer Agent to undertake a thorough and diligent examination of its share register for the purposes of determining the number, holdings, identity and geographic location of the holders of its outstanding ordinary shares. The Filer believes that these inquiries were reasonable, given that its share register and the Transfer Agent are the only official sources of information on the Filer's security holders.

14. Based on the Filer's diligent inquires described above and information provided by the Transfer Agent, as of January 20, 2014, the Filer had 356,189,096 ordinary shares outstanding, of which the number of shares held by Canadians, or residents of Canada, whether through the Australian share register or in Canada, beneficially and of record, is 446,249 shares representing 0.12% of the total outstanding shares. Notwithstanding the foregoing, there are ordinary shares held by brokers that are not clients of the Transfer Agent and thus their holdings are unknown, however, if these ordinary shares were in fact held by Canadians, or residents of Canada, beneficially or of record, it would bring the total outstanding shares held by Canadians, or residents of Canada, to 0.82% of the total outstanding shares. Further, residents of Canada represent 22 of the Filer's 4,641 worldwide securityholders and therefore residents of Canada comprise 0.47% of the Filer's worldwide securityholders.

15. Accordingly, based solely on the foregoing, as of January 20, 2014, residents of Canada:

- do not, directly or indirectly, beneficially own more than 2% of each class or series of outstanding securities of the issuer worldwide; and
- do not, directly or indirectly, comprise more than 2% of the total number of securityholders of the Filer worldwide.

16. The Filer is unable to rely on the simplified procedure set out in CSA Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the relief sought because the Filer's securities are traded on the ASX, the Filer is a reporting issuer in British Columbia and it has more than 50 security holders in total worldwide. The Filer does not qualify to use the procedures in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* to cease to be a reporting issuer in British Columbia because it has more than 50 securityholders and its securities are traded on the ASX.

No Canadian capital markets activity

17. The Filer has no current intention to seek public financing by way of an offering of securities in any jurisdiction in Canada.

18. The Filer has not taken steps to create a market for the ordinary shares and, in particular, never offered securities to the public, the Jurisdictions or in any other jurisdiction in Canada by way of a prospectus offering, and has not privately placed any ordinary shares in Canada in the last 12 months. Securityholders on the Canadian share register were given up to four weeks from the date the Filer delisted on the TSX to transfer their holdings to Australia if they had a preferred holding format. Securityholders who did not make a transfer during such period were advised that an automatic transfer would occur after the four week period ended on January 9, 2014. Prior to the January 9, 2014 deadline, three securityholders voluntarily transferred to the Australian share registry and the remaining securityholders will be automatically transferred by the Transfer Agent on or about April 7, 2014 concurrent with the closing

of the Canadian share registry. To date, no securityholder has expressed concern to the Filer regarding this transfer.

19. None of the Filer's securities are listed, traded or quoted on a marketplace in Canada as defined in National Instrument 21-101 *Market Place Operation* and the Filer does not intend to have its securities listed, traded or quoted on such marketplace in Canada.

20. The Filer only attracted a de minimis number of Canadian investors and the average daily volume of trading of the Filer's ordinary shares in the 12 months prior to delisting from the TSX was 26,771 shares, which accounted for ~3.4% of the Filer's average worldwide daily trading volumes. In contrast, the average daily volume on the ASX for the same period represented approximately 780,138 shares.

No prejudice to Canadian Investors

21. The Filer is subject to all applicable corporate requirements of a corporation formed under Australian law and the applicable rules of the ASX, which is a major foreign exchange. The Filer is not in default of any of the requirements of Australian law applicable to it.

22. None of the 4,325,000 unvested performance rights over ordinary shares on issue are held by Canadians or residents of Canada.

23. On January 22, 2014, the Filer issued and filed a press release announcing that it has submitted an application to the Decision Makers for a decision that is not a reporting issuer in the Jurisdictions and, if that decision is granted, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

24. The Filer hereby undertakes in favour of the securities regulatory authorities of the Jurisdictions that it will deliver to its securityholders resident in Canada, in the same manner and at the same time as delivered to its securityholders resident in Australia, all disclosure material required by Australian securities laws to be so delivered by way of public filings. Such disclosure material is available on the Filer's website at www.azumahresources.com.au/ and on the ASX website at www.asx.com.au.

25. The Filer files continuous disclosure reports under Australian securities laws and is listed on the ASX. Such continuous disclosure reports are available to Canadian securityholders on the Filer's website at www.azumahresources.com.au/ and on the ASX website at www.asx.com.au.

26. The Filer qualifies as a "designated foreign issuer" under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* ("**NI 71-102**") and has relied on and complied with the exemptions from Canadian continuous disclosure requirements afforded to designated foreign issuers under Part 5 of NI 71-102.

27. The Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the granting of the Exemptive Relief Sought.

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.

"Deborah Leckman"
Commissioner
Ontario Securities Commission

"Sarah Kavanagh"
Commissioner
Ontario Securities Commission

2.1.5 Newmont Mining Corporation of Canada Limited – 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 28, 2014

Newmont Mining Corporation of Canada Limited
c/o Goodmans LLP
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Attention: Jamie van Diepen

Dear Sirs/Mesdames:

Re: Newmont Mining Corporation of Canada Limited (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, 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 orders that the Applicant is not a reporting issuer.

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

2.1.6 Commercial Solutions Inc.

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 under applicable securities laws – Requested relief granted.

Applicable Legislative Provisions

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

Citation: Re Commercial Solutions Inc., 2014 ABASC 78

February 28, 2014

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, QUÉBEC, MANITOBA, ONTARIO, NEW BRUNSWICK AND NOVA SCOTIA
(THE JURISDICTIONS)

AND

IN THE MATTER OF

THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
COMMERCIAL SOLUTIONS INC.
(THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received on February 6, 2014 an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer (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 governed by the *Business Corporations Act* (Alberta) (the **ABCA**) with its registered office located at 4203 - 95 Street, Edmonton, Alberta, T6E 5R6.

2. The Filer is a reporting issuer in each of the Jurisdictions and is thus subject to continuous disclosure requirements under the Legislation. The Filer is not a reporting issuer in any other Canadian province or territory.

3. On January 31, 2014, the Filer completed an arrangement with Motion Industries (Canada) , Inc. (**Motion Canada**) under Section 193 of the ABCA (the **Arrangement**).

4. The Arrangement was approved by the shareholders of the Filer, holding 99.98% of the outstanding shares of the Filer (the **Shares**) represented, in person or by proxy, at a special meeting of shareholders of the Filer held on January 28, 2014.

5. The Arrangement was approved by the Court of Queen's Bench of Alberta pursuant to a final order issued on January 29, 2014.

6. The Arrangement involved, inter alia, the acquisition by Motion Canada of all of the outstanding Shares.

7. The Shares were delisted from the Toronto Stock Exchange on February 5, 2014.

8. As a result of the Arrangement, all of the outstanding Shares are owned by Motion Canada and the Shares are the only outstanding securities of the Filer.

9. The Filer does not currently intend to seek public financing by an offering of its securities in Canada.

10. The Filer did not surrender its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the **BC Instrument**) in order to avoid the 10-day waiting period under the BC Instrument.

11. The outstanding securities of the Filer, including debt securities, are now beneficially owned by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.

12. No securities of the Filer, 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.

13. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than an obligation (arising after the Arrangement) to file on or before February 14, 2014 its interim financial statements and its management discussion and analysis in respect of such statements for the period ended December 31, 2013, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Filings**).

14. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Application for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the decision sought because (i) it is a reporting issuer in British Columbia; and (ii) it is in default for failure to file the Filings.

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.

"Tom Graham"
Director, Corporate Finance

2.1.7 Brigus Gold Corp. – s. 1(10)

Headnote

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

Ontario Statutes

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

March 28, 2014

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

Dear Sirs/Mesdames:

Re: Brigus Gold Corp. (the "Applicant") – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, 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:

1. 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;

2. 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;

3. 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

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

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

"Paul Radford, Q.C."
Vice-chair
Nova Scotia Securities Commission

2.1.8 Elm Park Capital Management, LLC and Charles Martin Winograd

Headnote

Under paragraph 4.1(1)(a) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations a registered firm must not permit an individual to act as a dealing, advising or associate advising representative of the registered firm if the individual acts as an officer, partner or director of another registered firm that is not an affiliate of the first-mentioned firm. The firms require relief in order to permit a registered representative of one firm to also act as a partner of another registered firm. The individual will have sufficient time to adequately serve both firms. In practice, as the registered representative is essentially serving as a shareholder as opposed to a partner of the other registered firm, conflicts of interest are unlikely to arise. The firms have policies in place to handle potential conflicts of interest. The firms are exempted from the prohibition.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 4.1, 15.1.

March 26, 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
ELM PARK CAPITAL MANAGEMENT, LLC
(Elm Park or the Filer)

AND

CHARLES MARTIN WINOGRAD

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from the restriction under paragraph 4.1(1)(a) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), pursuant to section 15.1 of NI 31-

103, to permit Charles Martin Winograd (**Mr. Winograd**) to act as a dealing representative and an advising representative of Elm Park and also hold a partnership interest in RP Investment Advisors (**RPIA**) through Winograd Capital Inc. (**Winograd Capital**), a company in which Mr. Winograd is the sole officer, director, and shareholder (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,

(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 by the Filer in Alberta, British Columbia, Manitoba, Nova Scotia, and Quebec (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

1. Elm Park is a limited liability company organized under the laws of the State of Delaware, United States of America (United States). The head office of Elm Park is located in Dallas, Texas in the United States.

2. Elm Park is registered as an investment adviser with the United States Securities and Exchange Commission.

3. Elm Park is registered as an exempt market dealer in Alberta, British Columbia, Ontario, Manitoba, Nova Scotia, and Quebec. Elm Park is also registered as an investment fund manager and portfolio manager in Ontario.

4. Elm Park is a private investment firm that focuses on investing in lower middle market debt securities, and manages two investment funds which invest in private credit opportunities.

5. RPIA is a partnership composed of corporate partners and its head office is located in Toronto, Ontario.

6. RPIA is registered as an exempt market dealer in Alberta, British Columbia, Ontario, Manitoba, Nova Scotia, Quebec, and Saskatchewan. RPIA is also registered as an investment fund manager in Ontario and Quebec. In addition, RPIA is registered as a commodity trading manager and portfolio manager in Ontario.

7. RPIA is an alternative fixed income asset manager that specialises in active investment grade credit funds and interest rate management. RPIA manages five investment funds utilizing three different strategies.

8. Elm Park and RPIA are not affiliates.

9. Mr. Winograd is a resident of Ontario and is a senior managing partner of Elm Park. He owns a 50% voting interest in Elm Park through a holding company.

10. Mr. Winograd is registered as a dealing representative of Elm Park in Alberta, British Columbia, Ontario, Manitoba, Nova Scotia, and Quebec. Mr. Winograd is registered as an advising representative of Elm Park in Ontario.

11. The Filer is not in default of any requirement of securities legislation in any of the Jurisdictions, except in respect of allowing Winograd Capital (a firm whose sole officer, director, and shareholder is Mr. Winograd, an Elm Park dealing representative and advising representative) to also be a partner of RPIA since August 15, 2012 contrary to the restriction under paragraph 4.1(1)(a) of NI 31-103. The Filer understands that the Exemption Sought is only effective from the date of this decision.

12. Winograd Capital holds a 4.5% partnership interest in RPIA. Although Winograd Capital is the partner of RPIA, Mr. Winograd could be considered to be acting as a partner of RPIA as he is the sole officer, director, and shareholder of Winograd Capital. Accordingly, Mr. Winograd would be in contravention of paragraph 4.1(1)(a) of NI 31-103.

13. The partnership interest does not allow Winograd Capital or Mr. Winograd to be involved in the business, operations or affairs of RPIA like an officer, director or an active partner. Winograd Capital has no voting rights on the day-to-day business, operations or affairs of RPIA. Winograd Capital is only entitled to vote on extraordinary matters involving RPIA, such as a sale of all or substantially all of the business or its assets.

14. Mr. Winograd does not personally act as an officer, partner, or director of RPIA. He is not registered as a dealing representative or an advising representative with RPIA. Mr. Winograd has no individual decision-making authority and has not been given individual authority by the corporate partners to bind RPIA.

15. Mr. Winograd has acted as a management advisor to RPIA since October 2009. In that capacity, he

serves in a limited advisory and consultative role. He reviews and discusses firm strategy, financial plans and results, and policies including risk policies. Mr. Winograd is not involved in any investment decisions or other day to day decisions made for RPIA. He does not advise on specific investments.

16. Mr. Winograd estimates that he spends around one to two hours per week on RPIA duties. He has always had, and will continue to have, sufficient time and resources to adequately meet his obligations to each firm (specifically, Elm Park and RPIA).

17. The potential for conflicts of interest between Elm Park and RPIA is mitigated by the fact that the investment funds they manage invest in different types of securities. Elm Park's investments are solely focused on private market investments that are not publicly issued securities traded on any exchange, unlike investments made by RPIA.

18. Although it is not expected that there will be any conflicts of interest between Elm Park and RPIA as they each have different products, both have policies and procedures in place to address conflicts of interest that may arise as a result of Mr. Winograd acting as a dealing and advising representative of Elm Park and holding a partnership interest in RPIA through Winograd Capital.

19. Elm Park has compliance and supervisory policies and procedures in place to monitor the conduct and outside business activities of its registered representatives (including Mr. Winograd) and to ensure that Elm Park can deal appropriately with any conflict of interest that may arise.

20. Each of Elm Park and RPIA are subject to the restrictions and requirements in Part 13 of NI 31-103 regarding conflict of interest matters.

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 Exemption Sought shall cease to be effective when:

(i) Winograd Capital is no longer a partner of RPIA; or

(ii) Mr. Winograd is no longer registered in any of the Jurisdictions as a dealing representative or an advising representative of Elm Park.

"Marrianne Bridge"
Deputy Director,
Compliance and Registrant Regulation
Ontario Securities Commission

2.1.9 McWatters Mining 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., s. 1(10)(a)(ii).

March 27, 2014

McCarthy Tétrault
Suite 2500
1000 De La Gauchetière Street West
Montréal, Québec H3B 0A2

Attention: Mr. Matthieu Rheault

Dear Mr. Rheault:

Re: McWatters Mining Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, 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 *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

2.1.10 Element Financial Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from requirement to file a BAR under Part 8 of NI 51-102 for an acquisition that is not significant to the Filer from a commercial, business, practical or financial perspective.

Applicable Legislative Provisions

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

March 31, 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

ELEMENT FINANCIAL CORPORATION
(THE "FILER" OR "ELEMENT")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for an exemption (the "**Exemption Sought**") pursuant to Section 13.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") from the requirement in Part 8 of NI 51-102 that a business acquisition report (a "**BAR**") be prepared and filed with the applicable Canadian securities regulatory authorities in connection with the acquisition (the "**Acquisition**") by the Filer of certain finance assets consisting of lease and loan arrangements secured by 59 individual helicopters (the "**Acquired Portfolio**") from General Electric Capital Corporation ("**GECC**") and Path Air L.L.C. (together with GECC, the "**Vendors**").

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;

(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, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 51-102 have the same meanings if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation formed under the Ontario *Business Corporations Act* and is a reporting issuer in Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador.

2. The principal and head office of the Filer is located in Toronto, Ontario.

3. The financial year end of the Filer is December 31.

4. The Filer is a reporting issuer in each of the provinces of Canada and, to its knowledge, other than the technical requirement to file a BAR in respect of the Acquisition, is not in default of securities legislation in any such jurisdiction in Canada in which it is a reporting issuer.

5. The common shares, Cumulative 5-Year Rate Reset Preferred Shares, Series A, and Cumulative 5-Year Rate Reset Preferred Shares, Series C, of the Filer are listed on the Toronto Stock Exchange under the symbol "EFN", "EFN.PR.A" and "EFN.PR.C", respectively.

The Acquisition

6. On November 13, 2013, the Filer announced that it had entered into an agreement to purchase the Acquired Portfolio, subject to customary conditions precedent.

7. The Acquired Portfolio is a portfolio of lease and loan arrangements secured by 59 individual helicopters manufactured by Airbus Helicopters (formerly Eurocopter), Sikorsky Aircraft Corporation and Bell Helicopter (a division of Textron Inc.). The helicopters are operated by a diversified base of customers across a variety of industries primarily based in the United States, including air medical services, offshore oil and gas, and other energy sectors. The lease arrangements are longer-term, with the shortest lease being five years and with the longest lease being fifteen years. The individual lease values range in size from $682,000 to $26.3 million.

8. Based on publicly available information, the Vendors' aviation finance portfolio has more than U.S. $47 billion in assets. The Acquired Portfolio comprised only a very small portion of the Vendors' aviation finance portfolio.

9. The purchase price for the Acquired Portfolio of approximately US$245 million was determined by the Filer based on the contractual rental payments for each of the individual leases forming the Acquired Portfolio, the credit profile of the individual customers of the leases underlying the Acquired Portfolio and the estimated residual value of the individual helicopters forming the Acquired Portfolio at the end of their respective lease term. No other financial information was available nor made available by the Vendors nor was it considered material to the Filer's determination of the purchase price for the Acquired Portfolio.

10. The Acquired Portfolio was acquired by the Filer on December 19, 2013.

The BAR Requirement

11. Pursuant to Part 8 of NI 51-102, an issuer must file a BAR within 75 days after the date of an acquisition should it be determined that the acquisition was a "significant acquisition". The three tests for determining whether an acquisition is a "significant acquisition" are set out in section 8.3 of NI 51-102, and are referred to as the "asset test", the "investment test" and the "profit or loss test". An acquisition is considered to be a "significant acquisition" if any of the described tests are triggered.

12. Based on the limited available financial information for the Acquired Portfolio, the Filer has determined that the Acquisition does not trigger the "asset test" in paragraph 8.3(2)(a) of NI 51-102, or the optional "asset test" in paragraph 8.3(4)(a) of NI 51-102. Element's total assets as at December 31, 2012 and as at September 30, 2013 were $1,508,892,000 and $2,725,955,000, respectively. The Acquired Portfolio would represent approximately 16.6% of Element's assets as of December 31, 2012 under the "asset test", and approximately 9.2% of Element's assets as of September 30, 2013 under the optional "asset test".

13. The Filer believes that the "investment test" in paragraphs 8.3(2)(b) and 8.3(4)(b) of NI 51-102 are not applicable in the circumstances.

14. Paragraph 8.3(2)(c) of NI 51-102 prescribes the required "profit or loss test" as follows:

> The reporting issuer's proportionate share of the consolidated operating income of the business or related businesses exceeds 20% of the consolidated operating income of the reporting issuer calculated using the audited financial statements of each of the reporting issuer and the business or related businesses for the most recently completed financial year of each ended before the date of the acquisition.

Paragraph 8.3(4)(c) of NI 51-102 prescribes the optional "profit or loss test" as follows:

> The specified profit or loss calculated under the following subparagraph (i) exceeds 20% of the specified profit or loss calculated under the following subparagraph (ii):
>
> (i) the reporting issuer's proportionate share of the consolidated specified profit or loss of the business or related businesses for the later of
>
> the most recently completed financial year of the business or related businesses; or
>
> the 12 months ended on the last day of the most recently completed interim period of the business or related businesses;
>
> (ii) the reporting issuer's consolidated specified profit or loss for the later of
>
> the most recently completed financial year, without giving effect to the acquisition; or
>
> the 12 months ended on the last day of the most recently completed interim period of the reporting issuer, without giving effect to the acquisition.

15. While the acquisition of the Acquired Portfolio would not trigger the requirement for the Filer to file a BAR pursuant to the "asset test" or the "investment test", the acquisition of the Acquired Portfolio would trigger the requirement for the Filer to file a BAR pursuant to the "profit or loss test" and the optional "profit and loss test" as such estimated future annual income from the Acquired Portfolio is greater than 20% of the absolute value of Element's losses for the relevant periods. As a result of four significant acquisitions completed by Element in 2012 and 2013 (for each of which a BAR was filed), Element incurred one-time acquisition costs that were required to be expensed through the income statement under IFRS. These acquisition costs were $23.2 million and $32.5 million for the year ended December 31, 2012 and the nine month period ended September 30, 2013, respectively.

16. The application of the "profit or loss test", based on the available financial information for the Acquired Portfolio discussed above and described in the GE Assets Prospectus Disclosure, results in the Acquisition being a "significant acquisition" pursuant to Item 8.3 of NI 51-102. However, this is the only "significant acquisition" test that leads to such conclusion. The application of the "profit or loss test" to the Acquisition leads to an anomalous result in that the significance of the Acquired Portfolio is exaggerated in proportion to its actual significance to the Filer from a practical, commercial, business, operational or financial perspective and in comparison to the results of the "asset test" under Section 8.3 of NI 51-102.

17. As described in the Filer's final short form base shelf prospectus dated December 6, 2013, the Filer does not consider the acquisition of the Acquired Portfolio to be a "significant acquisition" from a commercial, business, practical or financial perspective.

18. The Acquired Portfolio consists of 59 individual leases or loan arrangements in total (secured by helicopters.) The Acquisition represents a small fraction of the over 10,000 leases or loans outstanding in Element's overall finance asset portfolio.

19. Based on Element's new business organization volume in 2013 (including contributions from acquisitions), Element's monthly average new finance asset business was approximately $200 million per month, further demonstrating that the Acquisition is insignificant as it represents just over one month of Element's core origination volume of new finance assets.

20. The Acquired Portfolio does not require a significant amount of operational or administrative personnel focus, nor will a significant amount of the Filer's operational budget be assigned to or required for the Acquired Portfolio.

21. Absent this relief, the Filer was required to file a BAR in respect of the Acquisition on or before March 4, 2014.

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.

"Sonny Randhawa"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 AMTE Services Inc. et al. – s. 127(8)

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

AND

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

TEMPORARY ORDER
(Subsection 127(8))

WHEREAS on October 15, 2012, pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") issued the following order (the "Temporary Order") against AMTE Services Inc. ("AMTE"), Osler Energy Corporation ("Osler"), Ranjit Grewal ("Grewal"), Phillip Colbert ("Colbert") and Edward Ozga ("Ozga") (collectively, the "Respondents"):

(i) pursuant to clause 2 of subsection 127(1) of the Act, all trading by and in the securities of AMTE shall cease; all trading by and in the securities of Osler shall cease; all trading by Grewal shall cease; all trading by Colbert shall cease; and all trading by Ozga shall cease.

(ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to any of the Respondents;

AND WHEREAS on October 15, 2012, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on October 16, 2012, the Commission issued a Notice of Hearing to consider the extension of the Temporary Order, to be held on October 25, 2012 at 2:00 p.m.;

AND WHEREAS on October 25, 2012, the Commission ordered that the Temporary Order be extended until January 29, 2013 and that the hearing be adjourned until January 28, 2013 at 10:00 a.m.;

AND WHEREAS on January 29, 2013, the Commission ordered that the Temporary Order be extended until March 12, 2013 and that the hearing be adjourned until March 11, 2013 at 10:00 a.m.;

AND WHEREAS on March 11, 2013, the Commission ordered that the Temporary Order be extended until May 28, 2013 or until further order of the Commission and that the hearing be adjourned until May 27, 2013 at 10:00 a.m.;

AND WHEREAS on March 27, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Peaches Barnaby sworn May 24, 2013 outlining service of the Commission order dated March 11, 2013 on the Respondents;

AND WHEREAS quasi-criminal proceedings have been commenced in the Ontario Court of Justice pursuant to section 122(1)(c) of the Act against Grewal, Ozga and Colbert (the "Section 122 Proceedings");

AND WHEREAS a judicial pre-trial in connection with the Section 122 Proceedings was scheduled for June 27, 2013;

AND WHEREAS Colbert consented to the extension of the Temporary Order;

AND WHEREAS the Commission ordered that the Temporary Order be extended until July 22, 2013 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order be adjourned until July 19, 2013 at 11:00 a.m.;

AND WHEREAS on July 19, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Tia Faerber sworn July 18, 2013 outlining service of the Commission's order dated May 27, 2013 on the Respondents;

AND WHEREAS a further judicial pre-trial in connection with the Section 122 Proceedings was scheduled for September 16, 2013;

AND WHEREAS the Commission ordered that the Temporary Order be extended until September 25, 2013 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order be adjourned until September 23, 2013 at 10:00 a.m.;

AND WHEREAS on September 23, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Tia Faerber sworn September 18, 2013 outlining service of the Commission's order dated July 19, 2013 on the Respondents;

AND WHEREAS a further appearance in connection with the Section 122 Proceedings was scheduled for September 25, 2013;

AND WHEREAS the Commission ordered that the Temporary Order be extended until March 31, 2014 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order be adjourned until March 27, 2014 at 10:00 a.m.;

AND WHEREAS on March 27, 2014, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Nancy Poyhonen sworn March 26, 2014 outlining service of the Commission's order dated September 23, 2013 on the Respondents;

AND WHEREAS the trial in connection with the Section 122 Proceedings is scheduled to commence on July 6, 2015 and to continue on July 7-10 and 13-17, 2015;

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

IT IS HEREBY ORDERED that the Temporary Order is extended until September 18, 2015 without prejudice to Staff or the Respondents to seek to vary the Temporary Order on application to the Commission and that the hearing to consider a further extension of the Temporary Order is adjourned until September 16, 2015 at 10:00 a.m. or to such other date or time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 27th day of March, 2014.

"Alan Lenczner"

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

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

AND

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

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

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

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

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

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

(a) Staff shall file and serve written submissions on sanctions and costs by February 14, 2014;

(b) the Respondents shall file and serve written submissions on sanctions and costs by March 7, 2014;

(c) Staff shall file and serve written reply submissions on sanctions and costs by March 14, 2014; and

(d) the hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, Toronto, commencing on March 24, 2014 at 10:00 a.m.;

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

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

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

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

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

AND WHEREAS on March 10, 2014, the Commission ordered that:

(a) the hearing to determine sanctions and costs, scheduled for March 24, 2014 at 10:00 a.m., is adjourned and shall be held on March 28, 2014 at 10:00 a.m.;

(b) Staff shall file and serve any additional evidence and supplementary submissions on sanctions and costs by March 10, 2014;

(c) the Respondents shall file and serve written submissions on sanctions and costs by March 21, 2014; and

(d) Staff shall file and serve any reply submissions on sanctions and costs by March 26, 2014;

AND WHEREAS on March 20, 2014, the Respondents requested an adjournment of the hearing to determine sanctions and costs from March 28, 2014 to April 2, 2014 and Staff did not object to this request;

AND WHEREAS on March 20, 2014, the Commission granted the Respondents request to adjourn the hearing on sanctions and costs to April 2, 2014;

AND WHEREAS on March 26, 2014, prior to a formal order being issued in relation to the adjournment of the hearing on sanctions and costs to April 2, 2014, the Respondents sought a further adjournment of the hearing on sanctions and costs to allow counsel for the Respondents additional time to review the file he received from the Respondents' former counsel and to prepare his clients' written submissions on sanctions and costs;

AND WHEREAS Staff objected to a further adjournment of the hearing on sanctions and costs;

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

IT IS HEREBY ORDERED that:

(a) the hearing to determine sanctions and costs is adjourned and shall be held on May 7, 2014 at 10:00 a.m.;

(b) the Respondents shall file and serve written submissions on sanctions and costs by April 25, 2014; and

(c) Staff shall file and serve any reply submissions on sanctions and costs by May 2, 2014.

DATED at Toronto this 27th day of March, 2014.

"James D. Carnwath"

2.2.3 Alka Singh and Mine2Capital Inc. – ss. 127(1), 127.1

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

AND

IN THE MATTER OF
ALKA SINGH AND MINE2CAPITAL INC.

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND ALKA SINGH AND MINE2CAPITAL INC.

ORDER
(Subsections 127(1) and 127.1)

WHEREAS on March 25, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Alka Singh and Mine2Capital Inc. (the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 25, 2014;

AND WHEREAS the Respondents entered into a Settlement Agreement with Staff dated March 24, 2014 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 25, 2014, subject to the approval of the Commission;

AND WHEREAS on March 25, 2014, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondents;

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for the Respondents and from Staff;

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 Settlement Agreement is approved;

2. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities or derivatives by the Respondents cease for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

3. Pursuant to clause 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

4. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

5. Pursuant to clause 6 of subsection 127(1) of the Act, Singh is reprimanded;

6. Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Singh is prohibited from becoming or acting as a director or officer who would constitute a "permitted individual" as defined in National Instrument 33-109 of any issuer, registrant, or investment fund manager for a period of one year commencing on the date of the Commission's order approving this Settlement Agreement;

7. Pursuant to clause 8.5 of subsection 127(1) of the Act, the Respondents are prohibited from becoming or acting as a "registrant", as an "investment fund manager" or as a "promoter" as defined in the Act for a period of one year commencing on the date of the Commission's order approving this Settlement Agreement;

8. Pursuant to subsection 127.1(1), the Respondents shall pay the aggregate amount of $5,000, jointly and severally, representing a portion of Staff's costs, within three years of the date of the Commission's order approving this Settlement Agreement; and

9. Until the entire amount of the payments set out in paragraph 8 is paid in full, the provisions of paragraphs 2, 3 and 4 shall continue in force without any limitation as to time period.

DATED at Toronto, this 27th day of March, 2014.

"James D. Carnwath"

2.2.4 Savary Gold Corp. – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer already a reporting issuer in Alberta and British Columbia – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am. s. 1(11)(b).

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
("the Act")

AND

IN THE MATTER OF
SAVARY GOLD CORP.

ORDER
(Section 1(11)(b))

UPON the application of Savary Gold Corp. (the **Corporation**) to the Ontario Securities Commission (the **Commission**) for a designation order that the Corporation is a reporting issuer for the purposes of Ontario securities law;

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

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

1. The Corporation was incorporated in Alberta on February 15, 2008 as “Savary Capital Corp”. On September 12, 2012 the Corporation changed its name to “Savary Gold Corp.” and was continued under the *Business Corporations Act* (British Columbia). On October 18, 2013 the Corporation was continued under the *Business Corporations Act* (Ontario).

2. The Corporation’s head office is 65 Queen Street West, Suite 815, Toronto, Ontario, M5H 2M5.

3. The Corporation's common shares (the **Common Shares**) have been listed and posted for trading on the TSX Venture Exchange (**TSXV**) since May 16, 2008 under the symbol “SCA”.

4. The Corporation became a reporting issuer in Alberta and British Columbia on or about April 30, 2008.

5. The Corporation is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta and British Columbia.

6. The Corporation is not on the lists of defaulting reporting issuers maintained by the Alberta Securities Commission and the British Columbia Securities Commission. To the knowledge of management of the Corporation, the Corporation has not been the subject of any enforcement actions by the Alberta or British Columbia securities commissions or by the TSXV, and the Corporation is not in default of any requirement of the Act, the *Securities Act* (Alberta) or the *Securities Act* (British Columbia).

7. The continuous disclosure requirements of the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) are substantially the same as the continuous disclosure requirements under the Act.

8. The materials filed by the Corporation as a reporting issuer in the Provinces of Alberta and British Columbia are available on the System for Electronic Document Analysis and Retrieval (SEDAR).

9. The authorized share capital of the Corporation consists of an unlimited number of Common Shares, of which a total of 39,727,010 Common Shares are issued and outstanding as of February 5, 2014.

10. Neither the Corporation nor any of its officers, directors or, to the knowledge of the Corporation or its officers and directors, any controlling shareholder, has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority, or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

11. Neither the Corporation, nor any of its officers, directors nor, to the knowledge of the Corporation and its officers and directors, any of its controlling shareholders, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver,

receiver-manager or trustee, within the preceding 10 years.

12. None of the officers or directors of the Corporation nor, to the knowledge of the Corporation and its officers and directors, any of its controlling shareholders, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to: (i) any cease trade or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 1(11)(b) of the Act that the Corporation be deemed to be a reporting issuer for the purposes of Ontario securities law.

DATED at Toronto on this 25th day of March, 2014.

"Shannon O'Hearn"
Manager, Corporate Finance
Ontario Securities Commission

2.2.5 Keith MacDonald Summers 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
KEITH MACDONALD SUMMERS,
TRICOASTAL CAPITAL PARTNERS LLC, and
TRICOASTAL CAPITAL MANAGEMENT LTD.

ORDER
(Section 127)

WHEREAS on February 27, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on February 27, 2014, to consider whether it in in the public interest to make certain orders against Keith MacDonald Summers ("Summers"), Tricoastal Capital Partners LLC ("Tricoastal Partners") and Tricoastal Capital Management Ltd. ("Tricoastal Management") (collectively, the "Respondents");

AND WHEREAS the Notice of Hearing set a hearing in this matter for March 27, 2014 at 11:00 a.m.;

AND WHEREAS on March 24, 2014, a Notice from the Secretary was issued rescheduling the hearing of this matter to March 27, 2014 at 10:30 a.m.;

AND WHEREAS on March 27, 2014, counsel for the Respondents and Staff attended the hearing;

AND WHEREAS the Panel considered the submissions from Staff and the Respondents and the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED that this matter is adjourned to a status update to be held on June 2, 2014 at 11:00 a.m.

DATED at Toronto this 27th day of March, 2014.

"Alan J. Lenczner"

2.2.6 GSO Capital Partners LP – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Foreign adviser exempted from the adviser registration requirement in paragraph 22(1)(b) of the CFA where such adviser acts as an adviser in respect of commodity futures contracts or commodity futures options (commodities) for certain institutional investors in Ontario who meet the definition of "permitted client" in NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Commodities are primarily traded on commodity futures exchanges outside of Canada and primarily cleared outside of Canada.

Terms and conditions on exemption correspond to the relevant terms and conditions on the comparable exemption from the adviser registration requirement available to international advisers in respect of securities set out in section 8.26 of NI 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations – Exemption also subject to a "sunset clause" condition.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.
Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 1(1), 22(1)(b), 80.

Instruments Cited

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 1.1, 8.26.
National Instrument 33-109 Registration Information, Form 33-109F6.
Ontario Securities Commission Rule 13-502 Fees.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED (the CFA)

AND

IN THE MATTER OF
GSO CAPITAL PARTNERS LP

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of GSO Capital Partners LP (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to Section 80 of the CFA that the Applicant and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on the Applicant's behalf (the **Representatives**) be exempt, for a period of five years, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions;

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

AND WHEREAS for the purposes of this Order;

"CFA Adviser Registration Requirement" means the requirement in the CFA that prohibits a person or company from acting as an adviser with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

"CFTC" means the United States Commodity Futures Trading Commission;

"Contract" has the meaning ascribed to that term in subsection 1(1) of the CFA;

"Foreign Contract" means a Contract that is primarily traded on one or more organized exchanges that are located outside of Canada and primarily cleared through one or more clearing corporations that are located outside of Canada;

"International Adviser Exemption" means the exemption set out in Section 8.26 of NI 31-103 from the OSA Adviser Registration Requirement;

"NI 31-103" means National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

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

"OSA Adviser Registration Requirement" means the requirement in the OSA that prohibits a person or company from acting as an adviser with respect to investing in, buying or selling securities unless the person or company is registered in the appropriate category of registration under the OSA;

"Permitted Client" means a client in Ontario that is a "permitted client", as that term is defined in section 1.1 of N1 31-103, except that for the purposes of the Order such definition shall exclude a person or company registered under the securities or commodities legislation of a jurisdiction of Canada as an adviser or dealer;

"SEC" means the United States Securities and Exchange Commission;

"specified affiliate" has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 – Registration *Information*; and

"U.S. Advisers Act" means the United States *Investment Advisers Act of 1940*, as amended.

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited partnership formed under the laws of the State of Delaware, United States. The Applicant's principal place of business is located in New York, New York.

2. The Applicant is registered as an investment adviser with the SEC under the U.S. Advisers Act.

3. The Applicant engages in the business of an adviser with respect to securities and with respect to Contracts in New York and its other offices in the United States.

4. The Applicant provides its advisory services on a broad array of financial instruments and other assets and opportunities within the corporate credit market including, but not limited to, bonds, syndicated and other loans, credit derivatives, equities, equity derivatives, Contracts, and other debt instruments.

5. In the United States, the Applicant is exempt from the CFTC's registration requirements for (i) commodity pool operators under CFTC rule 4.13(a)(3) with respect to specific commodity pools, and (ii) commodity trading advisors under Sections 4m(3) and/or 4.14(A)(8) of the United States *Commodity Exchange Act*.

6. The Applicant advises Ontario clients that are Permitted Clients with respect to foreign securities in reliance on the International Adviser Exemption and therefore is not registered under the OSA.

7. The Applicant is not registered in any capacity under the CFA.

8. Certain Permitted Clients seek to access certain specialized investment advisory services provided by the Applicant, including advice as to trading in Foreign Contracts.

9. In addition to providing advice in respect of securities as described in paragraph 4 above, the Applicant proposes to act also as an adviser to Permitted Clients in Ontario in respect of Foreign Contracts. It will provide its advice on a discretionary basis.

10. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption. Consequently, in the absence of this Order, any activity undertaken by the Applicant that may comprise engaging in the business or holding itself out as engaging in the business of advising Permitted Clients as to trading in Contracts would require the Applicant to satisfy the CFA Adviser Registration Requirement by applying for and obtaining registration in Ontario as an adviser under the CFA in the category of commodity trading manager.

11. To the best of the Applicant's knowledge, the Applicant confirms that there are currently no regulatory actions of the type contemplated by the Notice of Regulatory Action attached as Appendix "B" hereto, except as otherwise disclosed to the Commission, in respect of the Applicant.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to make this Order,

IT IS ORDERED pursuant to Section 80 of the CFA that the Applicant and its Representatives are exempt, for a period of five years, from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of providing advice to the Fund as to the trading of Foreign Contracts provided that:

(a) the Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise any Permitted Client as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to its providing advice on Foreign Contracts;

(b) the Applicant's head office or principal place of business remains in the United States;

(c) the Applicant is registered or operates under an exemption from registration, under the applicable securities or commodity futures legislation in the United States, in a category of registration or exemption from registration that permits it to carry on the activities in the United States that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Ontario;

(d) the Applicant continues to engage in the business of an adviser, as defined in the CFA, in the United States;

(e) as at the end of the Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of the Applicant, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of the Applicant if the affiliate or affiliated partnership is registered under securities legislation, commodities legislation or derivatives legislation in a jurisdiction of Canada) is derived from the portfolio management activities of the Applicant, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity-futures-related activities);

(f) before advising a Permitted Client with respect to Foreign Contracts, the Applicant notifies the Permitted Client of all of the following:

  (i) the Applicant is not registered in the local jurisdiction to provide the advice described under paragraph (a) of this Order;

  (ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;

  (iii) all or substantially all of the Applicant's assets may be situated outside of Canada;

  (iv) there may be difficulty enforcing legal rights against the Applicant because of the above; and

  (v) the name and address of the Applicant's agent for service of process in Ontario;

(g) the Applicant has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached as Appendix “A” hereto;

(h) the Applicant notifies the Commission of any regulatory action initiated after the date of this Order with respect to the Applicant or any predecessors or, to the Applicant’s knowledge, specified affiliates of the Applicant by completing and filing Appendix “B” within 10 days of the commencement of each such action;

(i) the Applicant complies with the filing and fee payment requirements applicable to an unregistered exempt international firm under Ontario Securities Commission Rule 13-502 *Fees*.

March 28, 2014

“Edward. P. Kerwin”
Commissioner
Ontario Securities Commission

“Vern Krishna”
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE

INTERNATIONAL DEALER OR INTERNATIONAL ADVISER EXEMPTED FROM REGISTRATION UNDER THE COMMODITY FUTURES ACT, ONTARIO

1. Name of person or company ("**International Firm**"):

_____

2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:

_____

3. Jurisdiction of incorporation of the International Firm:

_____

4. Head office address of the International Firm:

_____

5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

   Name: _____

   E-mail address: _____

   Phone: _____

   Fax: _____

6. The International Firm is relying on an exemption order under section 38 or section 80 of the *Commodity Futures Act* (Ontario) that is similar to the following exemption in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (the "**Relief Order**"):

   [ ] Section 8.18 [international dealer]

   _____

   [ ] Section 8.26 [international adviser]

   _____

   [ ] Other [specify]:

   _____

7. Name of agent for service of process (the "**Agent for Service**"):

_____

8. Address for service of process on the Agent for Service:

_____

9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "**Proceeding**") arising out of or relating to or concerning

the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.

10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.

11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator:

    (a) a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated; and

    (b) an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service.

12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Dated: _____

_____
(Signature of the International Firm or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

Acceptance

The undersigned accepts the appointment as Agent for Service of _____ [Insert name of International Firm] under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service.

Dated: _____

_____
(Signature of the Agent for Service or authorized signatory)

_____
(Name of signatory)

_____
(Title of signatory)

This form is to be submitted to the following address:

Ontario Securities Commission
Suite 1903, Box 55
Queen Street West
Toronto, ON M5H 3S8
Attention: Senior Registration Supervisor, Portfolio Manager Team
Telephone: (416) 593-8164
email: amcbain@osc.gov.on.ca

APPENDIX B

NOTICE OF REGULATORY ACTION

1. Has the firm, or any predecessors or specified affiliates[1] of the firm entered into a settlement agreement with any financial services regulator, securities or derivatives exchange, SRO or similar agreement with any financial services regulator, securities or derivatives exchange, SRO or similar organization?

   Yes _____ No _____

   If yes, provide the following information for each settlement agreement:

   Yes _____ No _____

   If yes, provide the following information for each settlement agreement:

   Name of entity: _____

   Regulator/organization _____

   Date of settlement (yyyy/mm/dd) _____

   Details of settlement _____

   Jurisdiction _____

2. Has any financial services regulator ,securities or derivatives exchange, SRO or similar organization:

	Yes	No
Determined that the firm, or any predecessors or specified affiliates of the firm violated any securities regulations or any rules of a securities or derivatives exchange, SRO or similar organization?	____	____
Determined that the firm, or any predecessors or specified affiliates of the firm made a false statement or omission?	____	____
Issued a warning or requested an undertaking by the firm, or any predecessors or specified affiliates of the firm?	____	____
Suspended or terminated any registration, licensing or membership of the firm, or any predecessors or specified affiliates of the firm?	____	____
Imposed terms or conditions on any registration or membership of the firm, or predecessors or specified affiliates of the firm?	____	____
Conducted a proceeding or investigation involving the firm, or any predecessors or specified affiliates of the firm?	____	____
Issued an order (other than en exemption order) or a sanction to the firm, or any predecessors or specified affiliates of the firm for securities or derivatives-related activity (e.g. cease trade order)?	____	____

   If yes, provide the following information for each action:

   Name of Entity

   _____

   Type of Action

   _____

[1] In this Appendix, the term “specified affiliate” has the meaning ascribed to that term in Form 33-109F6 to National Instrument 33-109 *Registration Information*.

Regulator/organization

_____

Date of action (yyyy/mm/dd) Reason for action

_____

Jurisdiction

_____

3. Is the firm aware of any ongoing investigation of which the firm or any of its specified affiliate is the subject?

Yes _____ No _____

If yes, provide the following information for each investigation:

Name of entity: _____

Reason or purpose of investigation: _____

Regulator/organization: _____

Date investigation commenced (yyyy/mm/dd): _____

Jurisdiction: _____

Name of firm: _____

Name of firm's authorized signing officer or partner: _____

Title of firm's authorized signing officer or partner: _____

Signature: _____

Date (yyyy/mm/dd): _____

Witness

The witness must be a lawyer, notary public or commissioner of oaths.

Name of witness: _____

Title of witness: _____

Signature: _____

Date (yyyy/mm/dd): _____

This form is to be submitted to the following address:

Ontario Securities Commission
Suite 1903, Box 55
Queen Street West
Toronto, ON M5H 3S8
Attention: Senior Registration Supervisor, Portfolio Manager Team
Telephone: (416) 593-8164
email: amcbain@osc.gov.on.ca

2.2.7 Bunting & Waddington Inc. et al. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
BUNTING & WADDINGTON INC., ARVIND SANMUGAM and JULIE WINGET

ORDER
(Subsections 127(1) and 127(10) of the Securities Act)

WHEREAS on March 22, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") (the "Notice of Hearing") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on March 22, 2012, to consider whether it is in the public interest to make certain orders against Bunting & Waddington Inc. ("B&W"), Arvind Sanmugam ("Sanmugam"), Julie Winget ("Winget") and Jenifer Brekelmans ("Brekelmans");

AND WHEREAS Staff and Brekelmans entered into a settlement agreement which was approved by the Commission on May 9, 2013;

AND WHEREAS on June 3, 2013, the Commission issued an Amended Notice of Hearing pursuant to sections 127 and 127.1 of the Act in connection with an Amended Statement of Allegations filed by Staff on May 30, 2013 to consider whether it is in the public interest to make certain orders against B&W, Sanmugam and Winget;

AND WHEREAS the Panel accepted the amended style of cause, removing Brekelmans as a respondent;

AND WHEREAS Staff applied to convert the portion of the proceeding respecting the request that the Commission make an order against Sanmugam, pursuant to subsection 127(10) of the Act, from an oral hearing to a written hearing, pursuant to Rule 11.5 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*Rules of Procedure*") (the "Application");

AND WHEREAS on July 16, 2013, the Commission ordered that:

1. Staff's application to convert the portion of this proceeding against Sanmugam from an oral hearing to a written hearing is granted, pursuant to Rule 11 of the *Rules of Procedure* (the "Written Hearing");

2. Staff's submissions in respect of the Written Hearing shall be served and filed no later than July 26, 2013;

3. Sanmugam's responding submissions in respect of the Written Hearing shall be served and filed by August 30, 2013; and

4. the confidential pre-hearing conference shall be adjourned to September 12, 2013 at 11:00 a.m. to provide the panel with a status update;

AND WHEREAS B&W and Winget entered into a settlement agreement which was approved by the Commission on September 3, 2013;

AND WHEREAS Staff filed written materials, a hearing brief, a book of authorities and the Affidavit of Michelle Hammer sworn July 26, 2013;

AND WHEREAS Sanmugam did not provide any materials;

AND WHEREAS Sanmugam was convicted by the Ontario Superior Court of Justice of three counts of fraud, contrary to subsection 380(1)(a) of the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, which the Panel found to fall within the meaning of an offence arising from a transaction, business or course of conduct related to securities, pursuant to clause 1 of subsection 127(10) of the Act;

AND WHEREAS on March 28, 2014, the Commission issued it reasons and decision with respect to Sanmugam;

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

IT IS ORDERED that:

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

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Sanmugam shall be prohibited permanently;

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

(d) pursuant to clause 6 of subsection 127(1) of the Act, Sanmugam is reprimanded;

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

(f) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Sanmugam shall be permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and

(g) pursuant to clause 8.5 of subsection 127(1) of the Act, Sanmugam shall be permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter.

DATED at Toronto this 28th day of March, 2014.

“Edward P. Kerwin”

2.2.8 Global Energy Group, Ltd. et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
GLOBAL ENERGY GROUP, LTD., NEW GOLD LIMITED PARTNERSHIPS, CHRISTINA HARPER, HOWARD RASH, MICHAEL SCHAUMER, ELLIOT FEDER, VADIM TSATSKIN, ODED PASTERNAK, ALAN SILVERSTEIN, HERBERT GROBERMAN, ALLAN WALKER, PETER ROBINSON, VYACHESLAV BRIKMAN, NIKOLA BAJOVSKI, BRUCE COHEN and ANDREW SHIFF

ORDER
(Subsections 127(7) and 127(8) of the Securities Act)

WHEREAS on July 10, 2008, the Ontario Securities Commission (the "Commission") issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), that all trading by Global Energy Group, Ltd. ("Global Energy") and the New Gold Limited Partnerships (the "New Gold Partnerships") (together, the "Corporate Respondents") and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the "First Temporary Order");

AND WHEREAS on July 10, 2008, the Commission ordered that the First Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on July 15, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the First Temporary Order, such hearing to be held on July 23, 2008 at 11:00 a.m.;

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, *inter alia*, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the First Temporary Order until such time as considered necessary by the Commission;

AND WHEREAS a hearing was held on July 23, 2008 at 11:00 a.m. at which Staff and counsel for Global Energy appeared, but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on July 23, 2008, the First Temporary Order was continued until August 6, 2008 and the hearing in this matter was adjourned until August 5, 2008 at 3:00 p.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS a hearing was held on August 5, 2008 at 3:00 p.m. at which Staff and counsel for Global Energy appeared, but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on August 5, 2008, the First Temporary Order was continued until December 4, 2008 and the hearing in this matter was adjourned until December 3, 2008 at 10:00 a.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS on December 3, 2008, on the basis of the record for the written hearing and on consent of Staff and counsel for Global Energy, a Panel of the Commission ordered that the First Temporary Order be extended until June 11, 2009 and that the hearing in this matter be adjourned to June 10, 2009 at 10:00 a.m.;

AND WHEREAS on June 10, 2009, Staff advised the Commission that Victor Tsatskin, a.k.a. Vadim Tsatskin ("Tsatskin"), an agent of Global Energy, would not be attending the hearing and was not opposed to Staff's request for the extension of the First Temporary Order, and no counsel had communicated with Staff on behalf of the New Gold Partnerships;

AND WHEREAS on June 10, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until October 9, 2009 and that the hearing in this matter be adjourned to October 8, 2009 at 10:00 a.m.;

AND WHEREAS on October 8, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until March 11, 2010 and that the hearing in this matter be adjourned to March 10, 2010 at 10:00 a.m.;

AND WHEREAS on March 10, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until July 12, 2010 and that the hearing in this matter be adjourned to July 9, 2010 at 11:30 a.m.;

AND WHEREAS on April 7, 2010, the Commission issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the Act ordering the following (the "Second Temporary Order"):

i) Christina Harper ("Harper"), Howard Rash ("Rash"), Michael Schaumer ("Schaumer"), Elliot Feder ("Feder"), Tsatskin, Oded Pasternak ("Pasternak"), Alan Silverstein ("Silverstein"), Herbert Groberman ("Groberman"), Allan Walker ("Walker"), Peter Robinson ("Robinson"), Vyacheslav Brikman ("Brikman"), Nikola Bajovski ("Bajovski"), Bruce Cohen ("Cohen") and Andrew Shiff ("Shiff") (collectively, the "Individual Respondents"), shall cease trading in all securities; and

ii) that any exemptions contained in Ontario securities law do not apply to the Individual Respondents;

AND WHEREAS, on April 7, 2010, the Commission ordered that the Second Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on April 14, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Second Temporary Order, to be held on April 20, 2010 at 3:00 p.m.;

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, amongst other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Second Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS on April 20, 2010, a hearing was held before the Commission and none of the Individual Respondents appeared before the Commission to oppose Staff's request for the extension of the Second Temporary Order;

AND WHEREAS on April 20, 2010, the Commission was satisfied that Staff had served or made reasonable attempts to serve each of the Individual Respondents with copies of the Second Temporary Order, the Notice of Hearing, and the Evidence Brief of Staff as evidenced by the Affidavit of Kathleen McMillan, sworn on April 20, 2010, and filed with the Commission;

AND WHEREAS on April 20, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that: in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest; and, it was in the public interest to extend the Second Temporary Order;

AND WHEREAS on April 20, 2010, pursuant to subsections 127(7) and (8) of the Act, the Second Temporary Order was extended to June 15, 2010 and the hearing in this matter was adjourned to June 14, 2010 at 10:00 a.m.;

AND WHEREAS on June 14, 2010, a hearing was held before the Commission and the Commission ordered that the Second Temporary Order be extended until September 1, 2010 and the hearing be adjourned to September 1, 2010 at 1:00 p.m.;

AND WHEREAS on June 14, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until September 1, 2010 and that the hearing in this matter be adjourned to September 1, 2010 at 1:00 p.m.;

AND WHEREAS on September 1, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS on September 1, 2010, pursuant to subsections 127(7) and 127(8) of the Act, the First Temporary Order and the Second Temporary Order were extended to November 9, 2010 and the hearing in this matter was adjourned to November 8, 2010 at 10:00 a.m.;

AND WHEREAS on September 1, 2010, it was further ordered pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Second Temporary Order, Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he has the sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) which is a reporting issuer; and

(ii) he carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in his name only (the "Amended Second Temporary Order");

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on November 8, 2010, Staff, Schaumer, Shiff, Silverstein, counsel for Rash, and counsel for Pasternak, Walker and Brikman attended the hearing, Harper and Groberman had each advised Staff that they would not be attending the hearing, no person attended on behalf of the Corporate Respondents and Tsatskin, Bajovski and Cohen did not appear;

AND WHEREAS on November 8, 2010, counsel for Feder removed himself from the record due to a conflict of interest, and new counsel for Feder advised the Commission that he would need to satisfy himself that he was able to represent Feder, and would advise Staff accordingly as soon as possible;

AND WHEREAS on November 8, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that the First Temporary Order and the Amended Second Temporary Order be extended to December 8, 2010 and the hearing in this matter be adjourned to December 7, 2010 at 2:30 p.m.;

AND WHEREAS on December 7, 2010, Staff, Schaumer, Silverstein, counsel for Pasternak, Walker and Brikman, and an agent for new counsel for Feder attended the hearing, no person appeared on behalf of the Corporate Respondents and Harper, Rash, Tsatskin, Groberman, Bajovski, Cohen and Shiff did not appear;

AND WHEREAS on December 7, 2010, the Commission was satisfied that all of the Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 7, 2010, Staff requested the extension of the First Temporary Order against the Corporate Respondents and the Amended Second Temporary Order against the Individual Respondents, and Schaumer, Silverstein, and counsel for Pasternak, Walker and Brikman consented to the extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, an agent for new counsel for Feder informed the Commission that he did not have instructions as to whether Feder consented to an extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, Staff informed the Commission that depending on settlement efforts, Staff might seek to bring an application to hold the next hearing in this matter in writing;

AND WHEREAS on December 7, 2010, the Commission directed that the First Temporary Order against the Corporate Respondents, and the Amended Second Temporary Order against the Individual Respondents, be consolidated into a single temporary order (the "Temporary Order");

AND WHEREAS on December 7, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that pursuant to subsections 127(7) and 127(8) of the Act, the Temporary Order be extended to March 3, 2011, without prejudice to Feder to bring a motion if he opposes the extension and that the hearing in this matter be adjourned to February 16, 2011 at 2:00 p.m.;

AND WHEREAS on February 16, 2011, Staff, Schaumer, Shiff and counsel for Feder attended the hearing, no person appeared on behalf of the Corporate Respondents, counsel for Pasternak, Walker and Brikman did not appear and Harper, Rash, Tsatskin, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on February 16, 2011, Staff requested the extension of the Temporary Order against the Individual Respondents and the Corporate Respondents; and Schaumer and Shiff consented to the extension of the Temporary Order;

AND WHEREAS on February 16, 2011, counsel for Feder consented to the extension of the Temporary Order of December 7, 2010, save and except for the exceptions outlined in this order;

AND WHEREAS on February 16, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to adjourn the hearing to May 3, 2011 at 10:00 a.m. and to further extend the Temporary Order until May 4, 2011;

AND WHEREAS on February 16, 2011, it was further ordered pursuant to subsections 127(7) and (8) of the Act, that the Temporary Order be extended to May 4, 2011, save and except that:

(a) Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which Feder has the sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges) which is a reporting issuer; and

(ii) Feder carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in Feder's name only; and

(b) Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation and (iii) their subsidiaries, none of which is a reporting issuer, or their counsel and to discuss/explore the potential for the sale of Feder's shares in those corporations to any or all of their existing shareholders and/or the purchase of Feder's shares in those corporations by the respective corporations for cancellation, provided that Feder's shares are not actually sold and/or purchased without Feder first obtaining a further exemption/order from the Commission that permits such sale(s) and/or purchase(s);

AND WHEREAS on May 3, 2011, Staff, Schaumer, Shiff and Silverstein attended the hearing, no one appeared on behalf of the Corporate Respondents, counsel for Pasternak, Walker and Brikman did not appear, counsel for Rash did not appear and Tsatskin, Harper, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on May 3, 2011, Staff requested an extension of the Temporary Order against the Individual Respondents and the Corporate Respondents and Schaumer, Shiff and Silverstein did not object to an extension of the Temporary Order;

AND WHEREAS on May 3, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against all named Respondents, except Rash, to the conclusion of the hearing on the merits; to extend the Temporary Order against Rash until July 12, 2011, and to adjourn the hearing to July 11, 2011 at 10:00 a.m., at which time Rash will have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on July 11, 2011, Staff, Harper and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Pasternak, Walker, Brikman, Feder, Tsatskin, Schaumer, Silverstein, Groberman, Bajovski or Cohen;

AND WHEREAS on July 11, 2011, Staff informed the Commission that Rash had recently retained new counsel in a related matter, and that Rash's new counsel had advised Staff that he would not be attending the hearing;

AND WHEREAS on July 11, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on July 11, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to September 27, 2011, and to adjourn the hearing to September 26, 2011 at 10:00 a.m. at which time Rash would have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on September 1, 2011, the Commission approved settlement agreements between Staff and each of Pasternak, Walker and Brikman;

AND WHEREAS on September 26, 2011, Staff, Harper, Schaumer, Silverstein and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Feder, Rash, Tsatskin, Groberman, Bajovski or Cohen;

AND WHEREAS on September 26, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on September 26, 2011, the Commission ordered that the Temporary Order be extended against Rash until November 29, 2011, and that the hearing be adjourned to November 28, 2011 at 10:00 a.m.;

AND WHEREAS on November 28, 2011, Staff and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents or any of the other Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on November 28, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on November 28, 2011, the Commission ordered that the Temporary Order be extended against Rash until December 16, 2011, and that the hearing be adjourned to December 15, 2011 at 9:30 a.m.;

AND WHEREAS on November 29, 2011, the Commission approved settlement agreements between Staff and each of Silverstein and Schaumer;

AND WHEREAS on December 15, 2011, Staff attended the hearing and no one appeared on behalf of the Corporate Respondents or the Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 15, 2011 Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on December 15, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to October 22, 2012, and to adjourn the hearing to October 19, 2012 at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act;

AND WHEREAS on January 20, 2011, the Commission approved a settlement agreement between Staff and Feder;

AND WHEREAS on October 19, 2012, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS on October 19, 2012, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on October 19, 2012, the Commission ordered that the Temporary Order be extended against Rash until February 28, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing be adjourned to February 27, 2013 at 10:00 a.m.;

AND WHEREAS on February 27, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Peaches A. Barnaby sworn February 27, 2013 (the "February 27th Affidavit") outlining service on Rash of the Commission's Order dated October 19, 2012;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS Staff informed the Commission that Rash pleaded guilty to breaching Ontario securities law in connection with his activities as a salesperson at Global Energy in proceedings before the Ontario Court of Justice and that a hearing was scheduled for March 20, 2013, at which the parties to that proceeding may make submissions on sentence;

AND WHEREAS Staff requested a further extension of the Temporary Order to a date following the sentencing hearing;

AND WHEREAS the February 27th Affidavit set out Rash's consent, through his counsel, to the extension of the Temporary Order;

AND WHEREAS on February 27, 2013, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash until April 29, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and to adjourn the hearing to April 26, 2013 at 11:00 a.m.;

AND WHEREAS a letter from Staff to the Secretary of the Commission, dated April 24, 2013 (the "April 24 Letter"), accompanied an Affidavit of Peaches A. Barnaby of Staff, sworn April 24, 2013 (the "April 24 Affidavit"), which outlined service on Rash of the Commission's Order dated February 27, 2013;

AND WHEREAS in the April 24 Affidavit, it is stated that the sentencing hearing in respect of Rash commenced on March 20, 2013 and is scheduled to continue on July 17, 2013, and that counsel for Rash consents to a further extension of the Temporary Order against Rash to a date following the sentencing hearing on July 17, 2013;

AND WHEREAS in the April 24 Letter, Staff requests that:

(i) the oral hearing scheduled for April 26, 2013 proceed in writing and that the date for the oral hearing be vacated;

(ii) the Temporary Order be extended to a date following the sentencing hearing on July 17, 2013; and

(iii) the hearing be adjourned to the business day immediately preceding that date;

AND WHEREAS the Commission considered the April 24 Letter and the April 24 Affidavit and was of the opinion that it was in the public interest to order that:

(i) the oral hearing scheduled for April 26, 2013 proceed in writing and the hearing date scheduled for April 26, 2013 be vacated;

(ii) the Temporary Order be extended against Rash until September 5, 2013; and

(iii) the hearing be adjourned to September 4, 2013 at 11:00 a.m.

AND WHEREAS on September 4, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Tia Faerber sworn August 28, 2013 (the "August 28 Affidavit") outlining service of the Commission's Order dated April 26, 2013 on Rash;

AND WHEREAS Staff advised the Panel that a pre-sentence report ("PSR") has been ordered in connection with Rash's sentencing hearing before the Ontario Court of Justice and the parties are scheduled to attend before Justice Gorewich in connection with the PSR on November 7, 2013 (the "PSR Hearing");

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned to a date following the PSR Hearing;

AND WHEREAS the August 28 Affidavit attached correspondence from Rash's lawyer's office confirming that Rash consents to an extension of the Temporary Order to a date following the PSR Hearing;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until December 19, 2013 and the hearing to consider a further extension of the Temporary Order be adjourned to December 17, 2013 at 3:30 p.m;

AND WHEREAS on December 17, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff advised the Panel that the parties attended before Justice Gorewich on November 7, 2013 for the PSR Hearing and that, at the conclusion of that hearing, Rash was sentenced to nine months incarceration;

AND WHEREAS Staff advised the Panel that Staff has been in contact with Rash's counsel in the proceedings before the Ontario Court of Justice and Rash's counsel in those proceedings has advised Staff that he is seeking instructions from Rash as to his continued representation of Rash in connection with the proceedings before the Commission;

AND WHEREAS Staff further advised the Panel that Staff is awaiting the release of the transcript and the final reasons for judgment in connection with Rash's sentencing in the Ontario Court of Justice;

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned for approximately six weeks;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until January 31, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to January 29, 2014 at 10:30 a.m.;

AND WHEREAS on January 29, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Tia Faerber sworn January 28, 2014 outlining service of the Commission's Order dated December 17, 2013 on Moishe Reiter, Rash's counsel in the proceedings before the Ontario Court of Justice;

AND WHEREAS Staff advised the Panel that Staff has obtained the final reasons for judgment in connection with Rash's sentencing in the Ontario Court of Justice and that Staff has been in contact with Mr. Reiter in connection with this matter;

AND WHEREAS Staff requested that the Temporary Order be extended and that the hearing to consider a further extension be adjourned for approximately two months;

AND WHEREAS the Commission ordered that the Temporary Order be extended against Rash until April 1, 2014 and the hearing to consider a further extension of the Temporary Order be adjourned to March 28, 2014 at 10:00 a.m.;

AND WHEREAS on March 7, 2014, the Commission commenced proceedings against Rash pursuant to subsections 127(1) and 127(10) of the Act on the basis of a Statement of Allegations filed by Staff;

AND WHEREAS on March 28, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Panel was satisfied that Rash had notice of the hearing and consented to an extension of the Temporary Order;

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

IT IS ORDERED THAT the Temporary Order is extended against Rash until May 30, 2014 and the hearing to consider a further extension of the Temporary Order is adjourned to May 27, 2014 at 10:00 a.m.

DATED at Toronto this 28th day of March, 2014.

"Edward P. Kerwin"

2.2.9 Howard Rash

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

AND

IN THE MATTER OF
HOWARD RASH

ORDER

WHEREAS on March 7, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990 c. S.5 as amended (the "Act") accompanied by a Statement of Allegations of Staff of the Commission dated March 7, 2014 with respect to Howard Rash ("Rash");

AND WHEREAS the Notice of Hearing announced that a hearing would be held at the offices of the Commission on March 28, 2014;

AND WHEREAS on March 28, 2014, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Rash had notice of the hearing and consented to an adjournment;

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

IT IS HEREBY ORDERED that the hearing is adjourned to May 27, 2014 at 10:00 a.m. or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary.

DATED at Toronto this 28th day of March, 2014.

"Edward P. Kerwin"

2.2.10 Tim Hortons Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,465,000 of its common shares from one of its shareholders – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the issuer not purchase, in the aggregate, more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
TIM HORTONS INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Tim Hortons Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the "**Act**") exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and 97 to 98.7, inclusive, of the Act (the "**Issuer Bid Requirements**") in connection with the proposed purchases (the "**Proposed Purchases**") by the Issuer of up to 1,465,000 common shares of the Issuer (the "**Subject Shares**") in one or more tranches, from Royal Bank of Canada (the "**Selling Shareholder**");

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 12, 23 and 24 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The registered and principal business office of the Issuer is 874 Sinclair Road, Oakville, Ontario, L6K 2Y1.

3. The Issuer is a reporting issuer in each of the provinces and territories of Canada and its common shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the New York Stock Exchange (the "**NYSE**") under the symbol "THI". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The Issuer's authorized share capital consists of an unlimited number of common shares (each, a "**Common Share**") of which 138,165,308 are issued and outstanding as of February 14, 2014.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.

6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly beneficially own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 1,465,000 Common Shares and that the Subject Shares were not acquired by the Selling Shareholder in anticipation of resale pursuant to private agreements under an issuer bid exemption order issued by a securities regulatory authority ("**Off-Exchange Block Purchase**").

8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

9. Pursuant to a Notice of Intention to make the Normal Course Issuer Bid (the "**Notice**") accepted by the TSX on February 19, 2014, the Issuer has a normal course issuer bid effective February 28, 2014 (the "**Normal Course Issuer Bid**") to repurchase its Common Shares, such repurchases not to exceed the regulatory maximum of 13,726,219 Common Shares, representing 10% of the public float as of February 14, 2014, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**").

10. The Normal Course Issuer Bid is being conducted through the facilities of the TSX and purchases may also be made on the NYSE or alternative trading systems, if eligible, or by such other means as may be permitted by the TSX and/or the NYSE, including private agreements under an issuer bid exemption order issued by a securities regulatory authority.

11. The Issuer intends to enter into an automatic repurchase plan agreement with a broker providing for the repurchase of Common Shares to be conducted by the broker on the TSX, NYSE or alternative trading platforms within pre-determined parameters as part of the Normal Course Issuer Bid from February 28, 2014 to February 27, 2015. The Issuer will instruct the broker not to conduct a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that the Issuer completes a Proposed Purchase. The Issuer has a self-imposed trading black-out period with respect to its regularly scheduled quarterly results (the "**Blackout Period**"). No purchases of Subject Shares pursuant to Off-Exchange Block Purchases will be made during the Blackout Period.

12. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), under which the Issuer will agree to acquire some or all of the Subject Shares from the Selling Shareholder by one or more purchases (each such purchase under an Agreement, a "**Proposed Purchase**"). The purchase price (each such price, a "**Purchase Price**") for each Proposed Purchase will be negotiated at arm's length between the Issuer and the Selling Shareholder and specified in the applicable Agreement. The Purchase Price under each Agreement will be at a discount to the prevailing market price on the TSX and below the prevailing bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase under each Agreement. All Agreements in respect of a Proposed Purchase will occur by May 31, 2014.

13. The Subject Shares acquired under each Proposed Purchase will constitute a "block", as that term is defined in section 628 of the TSX NCIB Rules.

14. The purchases of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act, to which the Issuer Bid Requirements would apply.

15. Because the Purchase Price will be at a discount to the prevailing market price on the TSX and below the prevailing bid-ask price for the Issuer's Common Shares, at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from

the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.

16. But for the fact that the Purchase Price will be at a discount to the prevailing market price on the TSX and below the prevailing bid-ask price for the Issuer's Common Shares, at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(1)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to section 101.2(1) of the Act.

17. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

18. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.

19. Management of the Issuer is of the view that the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Subject Shares under the Normal Course Issuer Bid, through the facilities of the TSX, and management is of the view that this is an appropriate use of funds to increase shareholder value.

20. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security-holders of the Issuer to otherwise sell Common Shares in the open market at the prevailing market price. The Proposed Purchases will be carried out with a minimum cost to the Issuer.

21. To the best of the Issuer's knowledge, as of February 14, 2014, the "public float" for the Issuer's Common Shares represented approxi-mately 99.35% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

22. The Common Shares are "highly liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.

23. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.

24. At the time that each Agreement in respect of a Proposed Purchase is entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

25. The Issuer will not purchase, pursuant to private agreements under an issuer bid exemption order by a securities regulatory authority, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer may purchase under its Normal Course Issuer Bid.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under its Normal Course Issuer Bid for the remainder of that calendar day on which it completes each Proposed Purchase;

(c) the Purchase Price for each Proposed Purchase is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Issuer's Normal Course Issuer Bid in accordance with the Notice and TSX NCIB Rules, as applicable;

(e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;

(f) the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and where such

Proposed Purchases are made in tranches, in advance of the first tranche, and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) following the completion of each Proposed Purchase;

(g) the Issuer will report information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;

(h) at the time that each Agreement in respect of a Proposed Purchase is entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed; and

(i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid.

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

"Edward P. Kerwin"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.2.11 Ground Wealth Inc. et al.

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

AND

**IN THE MATTER OF
GROUND WEALTH INC., MICHELLE DUNK,
ADRION SMITH, JOEL WEBSTER, DOUGLAS DEBOER,
ARMADILLO ENERGY INC.,
ARMADILLO ENERGY, INC., and
ARMADILLO ENERGY, LLC
(aka ARMADILLO ENERGY LLC)**

AND

**IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
and GROUND WEALTH INC., MICHELLE DUNK,
DOUGLAS DEBOER and JOEL WEBSTER**

ORDER

WHEREAS on February 1, 2013, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "**Act**"), in respect of Ground Wealth Inc. ("**GWI**"), Michelle Dunk ("**Dunk**"), Adrion Smith ("**Smith**"), Joel Webster ("**Webster**"), Douglas DeBoer ("**DeBoer**"), Armadillo Energy Inc. ("**Armadillo Texas**"), Armadillo Energy, Inc. ("**Armadillo Nevada**") and Armadillo Energy, LLC ("**Armadillo Oklahoma**");

AND WHEREAS on October 31, 2013, the Commission issued an Amended Notice of Hearing and Staff of the Commission ("**Staff**") filed an Amended Statement of Allegations, which amended the title of this proceeding by replacing the name "Armadillo Energy LLC" with "Armadillo Energy, LLC (aka Armadillo Energy LLC)" (collectively, "Armadillo Oklahoma", as defined above);

AND WHEREAS GWI, Dunk, DeBoer and Webster (collectively, the "**Settling Respondents**") entered into a Settlement Agreement dated March 11, 2014 (the "**Settlement Agreement**") in relation to the matters set out in the Amended Statement of Allegations;

AND WHEREAS on March 18, 2014, the Commission issued a Notice of Hearing to convene a hearing on March 24, 2014 at 9:30 am to consider whether it was in the public interest to approve the Settlement Agreement between Staff and GWI, Dunk, DeBoer and Webster (the "**Hearing**");

AND WHEREAS on March 24, 2014, the Commission held the Hearing, and Staff and counsel to GWI, Dunk, DeBoer and Webster appeared and made submissions;

AND WHEREAS on March 24, 2014, the Commission ordered that the Hearing be adjourned and would continue on March 28, 2014 at 9:30 a.m.;

AND WHEREAS on March 28, 2014, the Commission continued the Hearing, and Staff and counsel to GWI, Dunk, DeBoer and Webster appeared and made submissions;

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

IT IS HEREBY ORDERED that the Hearing is adjourned and shall continue on April 7, 2014 at 10:00 a.m.

DATED at Toronto this 28th day of March, 2014.

"Mary G. Condon"

2.2.12 TG Residential Value Properties Ltd. – s. 144

Headnote

Section 144 – Application by an issuer for a full revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.

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

AND

IN THE MATTER OF
TG RESIDENTIAL VALUE PROPERTIES LTD.

ORDER
(Section 144)

WHEREAS the securities of TG Residential Value Properties Ltd. (the "**Company**") are subject to a temporary cease trade order dated November 13, 2013 issued by the Director of the Ontario Securities Commission (the "**Commission**") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further cease trade order dated November 25, 2013 made by the Director, pursuant to paragraph 2 of subsection 127(1) of the Act (collectively, the "**Ontario Cease Trade Order**"), ordering that all trading in the securities of the Company, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Ontario Cease Trade Order was made on the basis that the Company was in default of certain filing requirements under Ontario securities law as described in the Ontario Cease Trade Order;

AND WHEREAS the Company having applied to the Commission for an order pursuant to section 144 of the Act for a revocation of the Ontario Cease Trade Order;

AND UPON the Company having represented to the Commission that:

1. The Company was incorporated on February 8, 2011 pursuant to the *Business Corporations Act* (British Columbia) ("**BCBCA**") under the name TG Residential Value Properties Ltd.

2. The head office of the Company is located at Suite 527 – 510 West Hastings Street, Vancouver, British Columbia, V6B 1L8. The Company's

principal regulator is the British Columbia Securities Commission ("**BCSC**").

3. The Company is a reporting issuer or the equivalent under the securities legislation of the provinces of British Columbia, Alberta, Manitoba, Ontario and Newfoundland (the "**Reporting Jurisdictions**"). The Company is not a reporting issuer or the equivalent in any other jurisdiction in Canada.

4. The Company is authorized to issue an unlimited number of common shares without par value, of which 9,000,000 common shares are issued and outstanding as of the date hereof. Other than the common shares, the Company has no other securities, including debt securities, issued and outstanding.

5. The Company is a capital pool corporation ("**CPC**") and the Company's common shares were listed for trading on the TSX Venture Exchange ("**TSX-V**") by way of an initial public offering ("**IPO**") on November 29, 2011. In connection with the IPO, the Company granted 900,000 stock options to its directors and officers. Each stock option is exercisable into one common share in the capital of the Company at a price of $0.10 per share, for a period of 10 years.

6. The Company has not commenced commercial operations and has no significant assets other than cash. Except as specifically contemplated for CPC's in accordance with TSX-V Policy 2.4, until the completion of a qualifying transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a qualifying transaction.

7. Prior to the issuance of the Ontario Cease Trade Order, on February 1, 2013, the Company announced that it had entered into a purchase and sale agreement to acquire a residential and commercial real estate property located in Winnipeg, Manitoba (the "**Property**") from Taurean Latitude 1 Multifamily LP (the "**Vendor**"). On March 30, 2013, the Vendor sold the Property to Penthouse on Princess Inc. ("**Penthouse**") and the Company subsequently entered into an agreement to purchase all the issued and outstanding common shares of Penthouse for a purchase price of $4,100,100 (the "**Share Purchase**"). The Company intends to finance a portion of the purchase price through a brokered private placement as previously announced by the Company on September 17, 2013.

8. Following the revocation of the Ontario Cease Trade Order, the Share Purchase, if completed, will constitute the Company's "qualifying transaction" under the policies of the TSX-V. The acquisition of Penthouse as the Company's "qualifying transaction" is subject to approval of the TSX-V which approval is evidenced by the publication of the TSX-V bulletin announcing such approval. The purchase of Penthouse is an arm's length transaction and, in accordance with the policies of the TSX-V, is not subject to shareholder approval.

9. The common shares of the Company are listed on the TSX-V under the symbol "TG.P" but are currently suspended from trading. The common shares are not listed or quoted on any other exchange or market in Canada or elsewhere.

10. On February 19, 2014 the Company held its annual general meeting in Vancouver. At that meeting (i) Karampaul Sandhu and Kerry Philpott were elected as directors and Douglas Thiessen was re-elected to the Company's board of directors and (ii) the shareholders voted for the Company to seek a listing on the NEX board of the TSX-V if the Company was unable to complete its "qualifying transaction" in a timely manner.

11. The Ontario Cease Trade Order was issued as a result of the Company's failure to file its audited annual financial statements for the fiscal year ended June 30, 2013 as well as the corresponding management's discussion and analysis and applicable executive officers' certificates required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* for the fiscal year ended June 30, 2013 (collectively, the "**Annual Filings**").

12. The Company was also subject to similar cease trade orders issued by the BCSC on November 7, 2013 (the "**British Columbia Cease Trade Order**") and the Manitoba Securities Commission on November 15, 2013 (the "**Manitoba Cease Trade Order**") as a result of the failure to file the Annual Filings within the time prescribed by the applicable securities legislation. A formal application for the revocation of the British Columbia Cease Trade Order is not required, as the filing of the Annual Filings constitutes such application (which was completed on December 6, 2013). The British Columbia Cease Trade Order was revoked on December 12, 2013 and the Manitoba Cease Trade Order was subsequently revoked on December 18, 2013 and no cease trade order exists in respect of the Company's securities in any jurisdiction other than Ontario.

13. Since the issuance of the Ontario Cease Trade Order, the Company has filed the Annual Filings with the Reporting Jurisdictions on December 6, 2013.

14. As of the date hereof, the Company is up-to-date in its continuous disclosure filings with the Reporting Jurisdictions and has paid all

outstanding activity, participation and late filing fees that are required to be paid.

15. The Company is not in default of any requirements under applicable securities legislation or the rules and regulations made pursuant thereto in any of the Reporting Jurisdictions, except for the existence of the Ontario Cease Trade Order.

16. Since the issuance of the Ontario Cease Trade Order, there have been no material changes in the business, operations or affairs of the Company.

17. The Company's SEDAR profile and SEDI issuer profile supplement are current and accurate.

18. Upon the revocation of the Ontario Cease Trade Order, the Company will issue a news release and concurrently file a material change report on SEDAR announcing the revocation of the Ontario Cease Trade Order and outlining the Company's future plans.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Ontario Cease Trade Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Cease Trade Order be and is hereby revoked.

DATED this 31st day of March, 2014.

"Sonny Randhawa"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.13 York Rio Resources Inc. et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN RESOURCES CORP., VICTOR YORK, ROBERT RUNIC, GEORGE SCHWARTZ, PETER ROBINSON, ADAM SHERMAN, RYAN DEMCHUK, MATTHEW OLIVER, GORDON VALDE AND SCOTT BASSINGDALE

ORDER
(Sections 37, 127 and 127.1 of the Securities Act)

WHEREAS on March 2, 2010, the Commission issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the Act, accompanied by a Statement of Allegations dated March 2, 2010 issued by Staff of the Commission ("**Staff**") with respect to York Rio Resources Inc. ("**York Rio**"), Brilliante Brasilcan Resources Corp. ("**Brilliante**"), Victor York ("**York**"), Robert Runic ("**Runic**"), George Schwartz ("**Schwartz**"), Peter Robinson ("**Robinson**"), Adam Sherman ("**Sherman**"), Ryan Demchuk ("**Demchuk**"), Matthew Oliver ("**Oliver**"), Gordon Valde ("**Valde**") and Scott Bassingdale ("**Bassingdale**");

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on June 6, 2011, the Commission approved a settlement agreement between Staff and Sherman;

AND WHEREAS a hearing on the merits with respect to York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale (together, the "**Respondents**") was held before the Commission on March 21, 22, 23, 24 and 28, 2011, April 5, 2011, May 2 and 3, 2011, June 6, 8, 9, 10, 13, 14, 15, 16 and 17, 2011, July 20, 21, 22, 26 and 27, 2011, August 3, 9, 11, 12, 19 and 22, 2011, September 21 and 28, 2011, November 1, 2011, and December 19 and 21, 2011, and written submissions were filed on December 25 and 27, 2011;

AND WHEREAS following the hearing on the merits, the Commission issued its Reasons and Decision on the merits on March 25, 2013 (the "**Merits Decision**");

AND WHEREAS in the Merits Decision, the Commission found that the Respondents contravened Ontario securities law and acted contrary to the public interest;

AND WHEREAS on March 25, 2013, the Commission ordered that: (i) Staff shall file and serve written submissions on sanctions and costs by April 15, 2013; (ii) each Respondent shall file and serve written submissions on sanctions and costs by April 29, 2013; (iii) Staff shall file and serve reply submissions on sanctions and costs by May 6, 2013; (iv) the hearing to determine sanctions and costs will be held at the offices of the Commission on May 14, 2013 (the "**Sanctions and Costs Hearing**"); and (v) upon failure of any party to attend the Sanctions and Costs Hearing, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding;

AND WHEREAS Staff, York and Schwartz filed written submissions on sanctions and costs in advance of the Sanctions and Costs Hearing;

AND WHEREAS on May 14, 2013, Staff, York, Oliver and Valde attended at the Sanctions and Costs Hearing and made oral submissions as to the appropriate sanctions and costs, and Schwartz stated, in his written submissions on sanctions and costs, that he would not attend the Sanctions and Costs Hearing;

AND WHEREAS the Commission was satisfied that the Respondents had been given notice of the Sanctions and Costs Hearing in accordance with section 6 of the *Statutory Powers Procedure Act*, R.S.O. c. S.22, as amended, and therefore that the Commission was authorized to proceed with the hearing in the absence of Runic, Demchuk and Bassingdale, who did not attend the Sanctions and Costs Hearing or provide written submissions on Sanctions and Costs;

AND WHEREAS, upon considering the submissions of Staff, York, Schwartz, Oliver and Valde on the appropriate sanctions and costs, the Commission is of the opinion that the following orders are in the public interest;

IT IS ORDERED THAT:

1. pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale shall cease permanently;

2. pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently;

3. pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale permanently;

4. pursuant to clause 7 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale shall resign any position he holds as a director or officer of an issuer;

5. pursuant to clause 8 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of any issuer;

6. pursuant to clause 8.2 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of a registrant;

7. pursuant to clause 8.4 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of an investment fund manager;

8. pursuant to clause 8.5 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

9. pursuant to section 37 of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;

10. pursuant to clause 9 of subsection 127(1) of the Act, each of the Respondents shall pay an administrative penalty in the following amounts, which shall be designated for use or allocation by the Commission pursuant to subsection 3.4(2)(b) of the Act:

    (a) York Rio shall pay an administrative penalty of $1 million;

    (b) Brilliante shall pay an administrative penalty of $1 million;

    (c) York shall pay an administrative penalty of $1 million;

    (d) Schwartz shall pay an administrative penalty of $1 million;

    (e) Runic shall pay an administrative penalty of $1 million;

    (f) Demchuk shall pay an administrative penalty of $200,000;

    (g) Oliver shall pay an administrative penalty of $75,000;

    (h) Valde shall pay an administrative penalty of $190,000; and

    (i) Bassingdale shall pay an administrative penalty of $150,000;

11. pursuant to clause 10 of subsection 127(1) of the Act, each of the Respondents shall disgorge to the Commission the following amounts, which shall be designated for use or allocation by the Commission pursuant to subsection 3.4(2)(b) of the Act:

    (a) York shall disgorge to the Commission, on a joint and several basis with York Rio, $4.1 million;

    (b) Schwartz shall disgorge to the Commission, on a joint and several basis with York Rio, $2.75 million;

(c) Runic shall disgorge to the Commission, on a joint and several basis with York Rio, $9.2 million;

(d) Demchuk shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $218,833.74;

(e) Oliver shall disgorge to the Commission, on a joint and several basis with York Rio, $118,615.91;

(f) Valde shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $193,435.26;

(g) Bassingdale shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $155,595.40;

(h) for clarity, Staff or any Respondent may apply to the Commission, pursuant to section 144 of the Act, to vary or revoke clauses 11(a) -(g) of this Order in the event of a change in circumstances; and

12. pursuant to section 127.1 of the Act, the Respondents shall pay the Commission's costs of the investigation and hearing in the following amounts:

(a) York Rio, Brilliante, York and Schwartz shall pay costs of $272,500 on a joint and several basis;

(b) Runic shall pay costs of $40,000;

(c) Demchuk shall pay costs of $8,000;

(d) Oliver shall pay costs of $8,000;

(e) Valde shall pay costs of $8,000; and

(f) Bassingdale shall pay costs of $8,000.

DATED at Toronto this 31st day of March, 2014.

"Vern Krishna"

"Edward P. Kerwin"

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

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

AND

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

ORDER
(Subsection 127(1))

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. For all New Clients who invested on or before November 20, 2013, paragraphs 4, 5.1, 5.2, 5.3, 6.1, 6.2, 7 and 8 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012 continue to apply;

2. For all New Clients who invest after November 20, 2013, the role and activities of the Monitor as set out in paragraphs 4, 5.2, 5.3, 6.2 and 8 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012, and the activity of Global RESP as set out in paragraph 7 of the Terms and Conditions, as amended by the Commission Order dated November 7, 2012 are suspended;

3. Further to paragraph 9 of the Terms and Conditions, the resumption of any future monitoring or any subsequent changes to that monitoring in furtherance of the implementation of the Global RESP Plan, if any, shall take place on the recommendation of the Consultant and with the agreement of the OSC Manager and the parties may seek the direction from the Commission in the event that the parties are unable to agree on any future possible monitoring; and

4. The hearing be adjourned to December 13, 2013 at 2:00 p.m.;

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

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

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

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

1. The following programs which have been completed by the Consultant still need to be rolled out:

    a. Global RESP's new risk assessment system (i.e. the new audit process) for both branches and Dealing Representatives;

    b. Global RESP's new suitability policies and procedures, including the use of a new affordability worksheet;

2. The Consultant needs to provide a letter to Staff that attests that:

    a. Global RESP and GGAI have implemented the procedures and controls recommended by the Consultant that address each of the deficiencies identified in Compliance Report and that strengthen the compliance system, including that each of Global RESP and GGAI have implemented an adequate compliance and supervisory structure tailored to their business;

    b. Global RESP and GGAI are complying with the new procedures and controls;

    c. in his capacity as Consultant, the Consultant has tested the procedures and they are working effectively and are being enforced; and

3. The Consultant needs to provide a final summary report to Staff that provides an overview for each action step listed in the amended compliance plans dated January 28, 2013 and January 30, 2013 submitted on behalf of Global RESP and GGAI of the key controls, policies and procedures in place for the implemented actions that support the conclusions drawn in the above-referenced letter;

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

AND WHEREAS on March 6, 2014, Staff and counsel for the Respondents updated the Commission on the status of the three remaining steps and the Commission ordered the hearing adjourned to March 31, 2014 at 10:00 a.m.;

AND WHEREAS on March 31, 2014, Staff and counsel for the Respondents updated the Commission on the status of the communications between Staff and the Consultant since March 6, 2014 and requested that the matter be adjourned to April 7, 2014 at 2:30 p.m. to allow additional time for the Consultant to respond to the remaining issues raised by Staff and for Staff to consider the Consultant's response;

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

IT IS HEREBY ORDERED pursuant to section 127 of the Act that the hearing is adjourned to April 7, 2014 at 2:30 p.m.

DATED at Toronto this 31st 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 Alka Singh and Mine2Capital Inc.

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

AND

IN THE MATTER OF
ALKA SINGH AND MINE2CAPITAL INC.

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Alka Singh ("Singh") and Mine2Capital Inc. ("Mine2Capital") (collectively the "Respondents").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 24, 2014 (the "Proceeding") against the Respondents according to the terms and conditions set out in Part VI of this Settlement Agreement ("the Settlement Agreement"). The Respondents agree to the making of an order in the form attached as Schedule "A", based on the facts set out below.

3. For the purposes of this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts as set out in Part III and the conclusion in Part IV of this Settlement Agreement ("the Settlement Agreement").

PART III – AGREED FACTS

A. OVERVIEW

4. Between May 2012 and December 2013 (the "Material Time"), the Respondents made available for sale to the public research reports in which they made recommendations to buy certain securities. In doing so, they relied on the exemptions from the requirement to register with the Commission as an advisor; however, during the Material Time, Singh had financial or other interests in the recommended securities which the Respondents failed to disclose thereby failing to comply with the requirements for an exemption set out in s. 34(3) of the Act.

5. The Respondents were not registered as advisors with the Commission during the Material Time and did not otherwise qualify for an exemption from the requirement to register. Accordingly, they engaged in the business of advising and/or held themselves out as such when they were not registered to do so and did not qualify for any exemption contrary to s. 25(3) of the Act.

B. BACKGROUND

6. Mine2Capital Inc. ("Mine2Capital") is a federally incorporated company with offices in Toronto, Ontario which made available for sale research reports and offered other consulting services.

7. Singh is an equity research analyst who resides in Toronto, Ontario. She was one of two directors and principals of Mine2Capital, and its primary directing mind during the Material Time.

8. Neither Singh nor Mine2Capital are, or ever have been, registered with the Ontario Securities Commission (the "Commission") in any capacity.

C. VIOLATION/CONDUCT

9. The Respondents issued approximately 25 research reports on ten mining issuers during the Material Time in which they made recommendations with respect to buying or selling the securities of those issuers.

10. The Respondents initially offered the research reports for sale only on a website of Mine2Capital. Subsequently, the Respondents also offered the reports and some further updates on certain issuers through some research aggregator services, including Bloomberg Professional, where the reports were available to its users for no additional charge in an effort to promote Mine2Capital's research services.

11. The Respondents made a number of recommendations in their reports that securities of certain mining issuers were a "buy" and provided estimated future target prices. The reports included a disclaimer that indicated that neither the author nor anyone directly involved in the preparation of the report, held "a financial interest in the securities of the company in this report". In updates referring to some of the issuers, there were similar statements indicating that the author had no ownership of the securities of the companies discussed and had not received any compensation from those companies.

12. Months before issuing reports which contained "buy" recommendations on the securities of two companies, Singh had acquired some shares in each of the companies. Singh failed to pay attention to the fact that she continued to hold the shares at the time that each of the reports was issued and did not disclose her share ownership in the reports or in two subsequent updates in which the Respondents made further positive statements about each of the companies.

13. Singh also received payments for research, consulting or other services from one of the companies in which she held shares and one other company whose securities the Respondents had recommended as a "buy." The Respondents subsequently made further positive statements about both those companies without disclosing the receipt of any of the payments.

14. Between December 2012 and March 2013, the Respondents notified the research aggregator service Bloomberg Professional, where the reports and updates had been available to its users at no additional charge, that she was dropping coverage on two of the three companies referred to above.

15. In July 2013, the Respondents notified Bloomberg Professional and another research aggregator service that she was dropping coverage on another of the companies. Singh was then hired on contract by that company.

16. The Respondents took no steps during the Material Time to revise or update any of the reports on the Mine2Capital or other websites. While they continued to be made available for sale, none of the reports were sold.

17. The payments that Singh received from the companies and the securities she held in two of them constituted "financial or other interests in a security" as set out in s. 34 of the Act.

D. MITIGATING FACTORS

18. The Respondents did not provide any portfolio management services or tailored investment advice. They offered research reports for sale and other consulting services. They targeted their services to the institutional investor community and corporations in the mining industry.

19. The Respondents' last new report was issued on February 26, 2013; subsequent reports were only to indicate that she was dropping coverage and that no reliance should be placed on any of the earlier recommendations or the price targets for the securities of those companies going forward.

20. The Respondents dropped coverage of the issuer referenced in paragraph 15 above, prior to accepting contract employment with that issuer.

21. The Respondents sold very few research reports and their efforts to market their research services by offering existing reports at no charge through the research aggregator services was not successful.

22. Singh's investment in the securities of two of the companies totalled 16,500 shares in one company and 24,000 shares in the other company, which investment was held in a registered retirement savings plan. The Respondents did not benefit from their failure to disclose Singh's share ownership. The price of those securities, and those of mining issuers generally, went lower during the Material Time and Singh lost money on those investments.

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

23. By engaging in the conduct described above, the Respondent admit and acknowledge that they have breached Ontario securities law by contravening sections s. 25(3) of the Act and acknowledge that they have acted contrary to the public interest in that:

(a) They engaged in the business of advising and held themselves out as such when they were not registered to do so and were seeking to rely on an exemption;

(b) They failed to disclose their financial and other interests in securities with respect to which they had made recommendations contrary to s. 34(3) and therefore failed to qualify for an exemption from the requirement to register as an advisor;

(c) No other exemption from registration was available; and

(d) Singh authorised, permitted or acquiesced in Mine2Capital's breaches of the Act and is responsible for same pursuant to s. 129.2 of the Act.

PART V – RESPONDENTS' POSITION

24. The Respondents request that the settlement hearing panel consider the following mitigating circumstances in addition to those referred to above at paragraphs 18 to 22;

(a) The Respondents are genuinely remorseful for their failure to comply with securities laws;

(b) The Respondents cooperated fully with Staff's investigation and sought settlement with Staff, thereby avoiding the need for a protracted hearing, and the associated time and expense; and

(c) Mine2Capital is not an active company and Singh is not currently working and has limited financial means.

PART VI – TERMS OF SETTLEMENT

25. The Respondents agree to the terms of settlement listed below and to the Order attached hereto, made pursuant to subsection 127(1) and section 127.1 of the Act that:

(a) The settlement agreement is approved;

(b) Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities or derivatives by the Respondents cease for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

(c) Pursuant to clause 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

(d) Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

(e) Pursuant to clause 6 of subsection 127(1) of the Act, Singh is reprimanded;

(f) Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Singh is prohibited from becoming or acting as a director or officer who would constitute a "permitted individual" as defined in National Instrument 33-109 of any issuer, registrant, or investment fund manager for a period of one year commencing on the date of the Commission's order approving this Settlement Agreement;

(g) Pursuant to clause 8.5 of subsection 127(1) of the Act, the Respondents are prohibited from becoming or acting as a "registrant", as an "investment fund manager" or as a "promoter" as defined in the Act for a period of one year commencing on the date of the Commission's order approving this Settlement Agreement;

(h) Pursuant to subsection 127.1(1), the Respondents shall pay the aggregate amount of $5,000, jointly and severally, representing a portion of Staff's costs, within three years of the date of the Commission's order approving this Settlement Agreement; and

(i) Until the entire amount of the payments set out in paragraph 8 is paid in full, the provisions of paragraphs 2, 3 and 4 shall continue in force without any limitation as to time period.

26. The Respondents undertake to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 25(b), (c), (d), (e), (f) and (g) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

27. The Respondents agree to attend in person at the hearing before the Commission to consider the proposed settlement.

PART VII – STAFF COMMITMENT

28. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 29 below.

29. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement. In addition, if this Settlement Agreement is approved by the Commission, and the Respondents fail to comply with the terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in paragraphs 25 (h), above.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

30. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for March 27, 2014, or on another date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Procedure.

31. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

32. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

33. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

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

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

35. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

(a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and

(b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

36. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. Any obligations of confidentiality shall terminate upon the commencement of the public settlement hearing. If, for whatever reason, the Commission does not approve the Settlement Agreement, the terms of the Settlement Agreement remain confidential indefinitely, unless Staff and the Respondents otherwise agree or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

37. This agreement may be signed in one or more counterparts which, together, constitute a binding agreement.

38. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated at Toronto this 24th day of March, 2014.

"Alka Singh"
Alka Singh

"Sylvia Schumacher"
Sylvia Schumacher
Witness

Mine2Capital Inc:

"Alka Singh"
Alka Singh
(I have authority to sign on behalf of the company)

"Sylvia Schumacher"
Sylvia Schumacher
Witness

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch

Schedule "A"

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

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION AND
ALKA SINGH AND MINE2CAPITAL INC.

ORDER
(Subsections 127(1) and 127.1)

WHEREAS on [date], the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it is in the public interest to make orders, as specified therein, against and in respect of Alka Singh and Mine2Capital Inc. (the "Respondent(s)"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated [date];

AND WHEREAS the Respondent(s) entered into a Settlement Agreement with Staff dated [date] (the "Settlement Agreement") in which the Respondent(s) agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated [date], subject to the approval of the Commission;

AND WHEREAS on [date], the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and the Respondent(s);

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from counsel for the Respondent(s) and from Staff;

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 Settlement Agreement is approved;

2. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities or derivatives by the Respondents cease for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

3. Pursuant to clause 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

4. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents for a period of three years commencing on the date of the Commission's order approving this Settlement Agreement;

5. Pursuant to clause 6 of subsection 127(1) of the Act, Singh is reprimanded;

6. Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Singh is prohibited from becoming or acting as a director or officer who would constitute a "permitted individual" as defined in National Instrument 33-109 of any issuer, registrant, or investment fund manager for a period of one year commencing on the date of the Commission's order approving this Settlement Agreement;

7. Pursuant to clause 8.5 of subsection 127(1) of the Act, the Respondents are prohibited from becoming or acting as a "registrant", as an "investment fund manager" or as a "promoter" as defined in the Act for a period of one year commencing on the date of the Commission's order approving this Settlement Agreement;

8. Pursuant to subsection 127.1(1), the Respondents shall pay the aggregate amount of $5,000, jointly and severally, representing a portion of Staff's costs, within three years of the date of the Commission's order approving this Settlement Agreement; and

9. Until the entire amount of the payments set out in paragraph 8 is paid in full, the provisions of paragraphs 2, 3 and 4 shall continue in force without any limitation as to time period.

DATED at Toronto, this [day] day of [month], [year].

3.1.2 Bunting & Waddington Inc. et al. – ss. 127(1), 127(10)

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

AND

IN THE MATTER OF
BUNTING & WADDINGTON INC., ARVIND SANMUGAM and JULIE WINGET

REASONS AND DECISION with respect to ARVIND SANMUGAM
(Subsections 127(1) and 127(10) of the Securities Act)

Hearing: In Writing

Decision: March 28, 2014

Panel: Edward P. Kerwin – Commissioner and Chair of the Panel

Counsel: Matthew Britton – For Staff of the Commission

– No one appeared for Arvind Sanmugam

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REASONS AND DECISION with respect to ARVIND SANMUGAM

I. OVERVIEW

A. Background

[1] This was a written hearing before the Ontario Securities Commission (the "**Commission**"), pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), to consider whether it is in the public interest to make an order imposing sanctions against Arvind Sanmugam ("**Sanmugam**" or the "**Respondent**").

[2] A Notice of Hearing was issued by the Commission on March 22, 2012, in connection with a Statement of Allegations that was filed by Staff of the Commission ("**Staff**") on the same day against Bunting & Waddington Inc. ("**Bunting & Waddington**"), Sanmugam, Julie Winget ("**Winget**") and Jenifer Brekelmans ("**Brekelmans**").

[3] Pursuant to an indictment dated February 28, 2012 (the "**Indictment**"), Sanmugam was charged with eight counts of contravening the *Criminal Code*, R.S.C. 1985, c. C-46, as amended (the "**Criminal Code**"). On July 18 and September 5, 2012, Sanmugam appeared before the Ontario Superior Court of Justice (the "**SCJ**" or the "**Court**") and pleaded guilty to three counts of fraud over $5,000, contrary to subsection 380(1)(a) of the Criminal Code (the "**Guilty Pleas**"). The three counts of fraud will be referred to as "**Count 5**", "**Count 6**" and "**Count 7**", as described in the Indictment. On September 12, 2012, the Court

convicted Sanmugam on the three counts of fraud. On November 9, 2012, the Court sentenced Sanmugam to five years total imprisonment on each of the three counts of fraud, to be served concurrently. On November 23, 2012, the SCJ released its Reasons for Sentence against Sanmugam (*R. v. Sanmugam*, [2012] O.J. No. 5647 (the "**Sentencing Decision**")).

[4] On May 9, 2013, the Commission approved a settlement agreement entered into by Brekelmans and Staff (*Re Bunting & Waddington Inc. et al.* (2013), 36 O.S.C.B. 5094).

[5] On June 3, 2013, the Commission issued an Amended Notice of Hearing, in connection with an Amended Statement of Allegations filed by Staff on May 30, 2013 against Bunting & Waddington, Sanmugam and Winget. At that time, the Commission amended the style of cause in this matter by removing Brekelmans as a respondent. The Amended Notice of Hearing includes notice that the Commission would hold a hearing to consider, among other things, whether to make an order against Sanmugam under subsections 127(1) and 127(10) of the Act, given that he has been convicted in Ontario of an offence arising from a transaction, business or course of conduct related to securities.

[6] In the Amended Statement of Allegations, Staff alleges that between approximately February 2006 and June 2010 (the "**Material Time**"), Sanmugam engaged in unregistered trading in securities, without an exemption from the dealer registration requirement, and unregistered advising with respect to investing in, buying or selling securities, without an exemption from the adviser registration requirement, as well as engaging in fraudulent conduct by making misrepresentations to investors to induce them to engage the services of Sanmugam and Bunting & Waddington. Staff alleges that the Respondent breached the following sections of the Act: subsection 25(1)(a) of the Act, as that section existed at the time the conduct at issue commenced in February 2006, and subsection 25(1) of the Act, as subsequently amended on September 28, 2009 (unregistered trading); subsection 25(1)(c) of the Act, as that section existed at the time the conduct at issue commenced in February 2006, and subsection 25(3) of the Act, as subsequently amended on September 28, 2009 (unregistered advising); and subsection 126.1(b) of the Act (fraud).

[7] On July 16, 2013, the Commission made an order converting the portion of the proceeding respecting Sanmugam from an oral to a written hearing, pursuant to Rule 11 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "***Rules of Procedure***") (*Bunting & Waddington Inc. et al.* (2013), 36 O.S.C.B. 7401).

[8] In Staff's written submissions dated July 25, 2013, Staff has requested that the Commission make a protective order in the public interest under subsection 127(1) of the Act respecting Sanmugam, pursuant to clause 1 of subsection 127(10) of the Act, as Sanmugam has been convicted in Ontario of an offence arising from a transaction, business or course of conduct related to securities.

[9] Clause 1 of subsection 127(10) of the Act permits the Commission to make an order under subsection 127(1) or 127(5) of the Act in respect of a person or company who has been "convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives".

[10] On September 3, 2013, the Commission approved a settlement agreement between Staff and Winget and Bunting & Waddington (*Re Bunting & Waddington Inc. et al.* (2013), 36 O.S.C.B. 8972).

[11] The following reasons and decision include my findings with respect to the remaining respondent in this matter, Sanmugam only.

[12] In these reasons and decision, I will refer to investors anonymously by the related criminal count number, rather than using their respective names, in order to protect the privacy of these individuals.

B. The Criminal Proceeding and the Sentencing Decision

[13] On November 9, 2012, the Court sentenced Sanmugam and, on November 23, 2012, the Court released the Sentencing Decision, in which it made the following findings and conclusions:

> Mr. Sanmugam held himself out as a licensed and educated "market commentator" and venture capitalist. He told his victims that he was educated at Cambridge University in England and that he named his securities company "Bunting & Waddington" after his favourite professors. He indicated to his victims that he had staffed his firm with many securities traders and that he was adept at making money for his clients. He targeted people who had no financial knowledge and who were not sophisticated in financial matters. Bunting & Waddington was never properly registered with the Ontario Securities Commission or with any of the other provincial securities commissions in Canada. Mr. Sanmugam was not licensed to trade securities or to offer advice in the trading of securities in any capacity in the Province of Ontario or anywhere else in Canada.

> At the preliminary inquiry, Mr. Douglas Fox, Principal and Chief Compliance Officer of Risk Management Services Inc., was qualified as an expert in the area of securities trading and profit analysis with respect to Mr. Sanmugam's trading for two of the three victims. Mr. Fox noted in his expert report which was filed as an exhibit at the preliminary inquiry that with respect to the trading activity for [the investors referenced in Count 6 and Count 7], there "does not appear to be any method or system for the trading and it does not appear to follow any portfolio strategy."
>
> (Sentencing Decision, *supra* at paras. 12 and 13)

[14] With regards to the investor referenced in Count 5 (the "**Count 5 Investor**"), the Court stated the following:

> [The Count 5 Investor] is an elderly widow who lives in Vancouver, British Columbia. She has no investment knowledge and was always financially provided for by her late husband. She met Mr. Sanmugam in the fall of 2008 while she was on a visit to Toronto … walking her grandchildren to [school] … Mr. Sanmugam told [her] that he was a professional investor and that if she would entrust her money with him, he would ensure that she would eventually have all her bills, credit cards and lines of credit paid off. He also promised her that she would eventually be able to afford a second residence in Toronto so she would have her own residence when she visited her grandchildren. [She] became interested and began to meet regularly with Mr. Sanmugam to discuss the investment plan.
>
> Mr. Sanmugam told [the Count 5 Investor] that he would have to review her finances and tell her how much she should invest with him. He also warned her to keep their plans a secret so that she would not be talked out of the plan by anyone. Over a period of time, and under Mr. Sanmugam's direction, [she] transferred a total of $662,000 to Mr. Sanmugam by liquidating securities portfolios that her deceased husband had left her and by mortgaging her properties. She conveyed to Mr. Sanmugam all of her assets in secret. A production order obtained by the police show the amounts entering Mr. Sanmugam's account and they are then dispersed to other accounts that he controlled for the purposes of trading or for the purposes of supporting his other business ventures. Over time, [the Count 5 Investor] began to hear less and less from Mr. Sanmugam and eventually, her son inquired as to her relationship with Sanmugam and this was when the family discovered that she had lost her life savings to him.
>
> [The Count 5 Investor] initiated civil proceedings against Mr. Sanmugam in April of 2009. Her total loss as a result of Mr. Sanmugam's fraud was $662,000.00.
>
> (Sentencing Decision, **supra** at paras. 16-18)

[15] With regards to the two investors referenced in Count 6 (the "**Count 6 Investors**"), the Court stated the following:

> [They] are an elderly retired couple of frugal means who, at the material time, lived in Barrie, Ontario. They have no investment knowledge and are not sophisticated in financial matters. In early fall of 2007 [they] were told of an amazing investment opportunity when Mr. Sanmugam travelled from Toronto to meet [them] at their home. He told them that if they supplied him with $100,000, they could expect to make $8,000 profit each month. Their monthly fee for having Mr. Sanmugam invest their money was $3,500. [They] mortgaged their house and gave Mr. Sanmugam a total of $118,700 to invest at the beginning of September 2007. Over the course of time, the investment portfolio for the [Count 6 Investors] made no money and the investment statements they received indicated that they were trading heavily in margin. [The Count 6 Investors] mistakenly believed that the margin amount (which was in the hundreds of thousands of dollars) was pure profit so they obligingly paid Mr. Sanmugam his $3,500 each month. They also withdrew from the capital and further contributed to the depletion of their investment account because they thought their portfolio was making the kinds of profits that Mr. Sanmugam promised. Their withdrawals were made in an effort to pay back the mortgage that the bank had granted them.
>
> In November of 2008 [the Count 6 Investors] began to get margin calls from TD Waterhouse Discount Brokerage where they had their investment portfolio account. They were not sure what margin calls were, but they became alarmed and tried to get in touch with Mr. Sanmugam. Mr. Sanmugam would not personally return their phone calls and instructed his assistant to re-assure them that everything would be fine. By this time [the Count 6 Investors] had ceased paying Mr. Sanmugam the $3,500 fee because they could see that their portfolio was drastically reduced in value. The couple lost hope and lodged a complaint with the Investment Industry Regulatory Organization of Ontario ("**IIROC**"), but they received no assistance because Mr. Sanmugam was

> not licensed with this entity. They were told that their matter was being forwarded to the Ontario Securities Commission for review. In September of 2010 they read in the newspaper that Mr. Sanmugam had been arrested by the police in connection with the [Count 5 and Count 7] matters. They immediately filed a complaint with the police but by then there was no money left in their investment account. [They] sold their house to pay off their mortgage and now live in rental accommodation. [Their] loss totalled $118,700.00.
>
> (Sentencing Decision, *supra* at paras. 14 and 15)

[16] The two investors referenced in Count 7 are a mother and a daughter. Given that Sanmugam had more communication with the latter, I will refer to her as the "**Count 7 Investor**". With regards to the Count 7 Investor, the Court stated the following:

> [The Count 7 Investor] met Mr. Sanmugam on the "e-harmony" dating website in October of 2008. Mr. Sanmugam held himself out as a venture capitalist and owner of the securities investment firm Bunting & Waddington … Sanmugam told her that he usually generated $150,000 a month from trading for his clients.
>
> Sanmugam suggested that [the Count 7 Investor] invest with him in an investment plan that would assist her in the financial support of her disabled brother. At the material time, [her mother] and brother lived in the house that her deceased father had provided from his life savings. There was no mortgage on the home prior to [her] involvement with Sanmugam. [Her] brother requires almost $5,000 monthly in special care and medications and Sanmugam assured that his investment skills could easily provide that kind of financial support. In March of 2009, Sanmugam convinced [her] to invest with him and at his urging, she opened an online trading portfolio with TD Waterhouse Brokerage. In order to provide capital for the investment, [the Count 7 Investor and her mother] mortgaged their home and with the proceeds of that mortgage, they gave Mr. Sanmugam $328,705 to invest. [The Count 7 Investor] has no financial background and is an unsophisticated investor. [Her mother] is a retired teacher and has no investment knowledge either.
>
> Mr. Sanmugam continually told [the Count 7 Investor] that her portfolio was profitable and that he was investing in reliable blue chip investments that provided predictable dividends. However, in reality, Sanmugam was trading on margin for the [their] account and like [the Count 6 Investors], [the Count 7 Investor] did not understand trading on margin and thought the sums in her margin account were profits instead of debt … Sanmugam would often move sums of money from the discount brokerage account into [the accounts of the Count 7 Investor and her mother] and tell them these sums were profits that they could withdraw and spend in whichever way they wished. Sanmugam was able to do this because he had the password to [their] account.
>
> At the same time and during the course of her relationship with Sanmugam, [the Count 7 Investor] also lent him money to assist him with his many problems … [She] estimates that she gave Mr. Sanmugam $170,000 in funds over and above the funds from the mortgaged home.
>
> By November of 2009, [her] trading account had been seriously depleted of funds. In June of 2010, [she] learned from a friend that Mr. Sanmugam had approached her friend on the same internet dating website which she found disturbing because in January of 2010, Sanmugam had asked her to marry him. [She] became extremely concerned once Sanmugam was charged in May of 2010 with the fraud against [the Count 5 Investor] and around that same time she learned that Sanmugam was living in a common-law relationship with Julie Winget and that he had two children with her. She filed a report against Sanmugam with the police at the end of July 2010. [Her] loss as a result of Mr. Sanmugam's fraud was $328,705.00.
>
> (Sentencing Decision, *supra* at paras. 19-23)

[17] The Court found that the conduct engaged by Sanmugam constituted a significant financial fraud, which totalled $1,109,405 and involved four investors over three discrete, consecutive periods of time. The Court also made a finding that the fraud was a "crime of greed designed solely for the benefit of Mr. Sanmugam", it was a case "involving a particularly egregious breach of trust" and it was a "particularly calculated and callous fraud" that involved targeting people "who had no financial knowledge and who were not sophisticated in financial matters" (Sentencing Decision, *supra* at paras. 50, 51 and 78).

[18] The Court concluded that the appropriate sentence was five years each for Count 5, Count 6 and Count 7, to be served concurrently. As Sanmugam had been in pre-trial custody for 26 months, the Court credited that time towards Sanmugam's sentence on a one-to-one basis. The Court also made three restitution orders, which totalled $1,109,405 (the "**Restitution**

Orders"): an order to pay the Count 5 Investor $662,000; an order to pay the Count 6 Investors $118,700; and an order to pay the Count 7 Investor $328,705.

II. PRELIMINARY ISSUES

A. The Failure of the Respondent to Participate at the Hearing

[19] Rule 7.1 of the Commission's *Rules of Procedure* permits the Panel to proceed in a party's absence and the party is not entitled to any further notice in the proceeding if a Notice of Hearing was served on the party and the party does not attend the hearing. Moreover, section 7 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**"), authorizes a tribunal to proceed in the absence of a party when that party has been given notice of the hearing and the party does not attend the hearing.

[20] Staff filed the Affidavit of Service of Michelle Hammer sworn July 26, 2013, evidencing service of Staff's written submissions, its book of authorities, its hearing brief, two cases referred to in Staff's written submissions and a website link printout of the Commission's Book of Authorities. The affidavit also includes Staff's letter dated July 26, 2013 that was addressed to Sanmugam and directed his attention to the Commission's Order dated July 16, 2013, which provided that Sanmugam's written submissions were to be served and filed by August 30, 2013.

[21] Sanmugam did not participate in the hearing or provide any submissions. Based on the Affidavit of Service of Michelle Hammer, I am satisfied that the Respondent received notice of this hearing and that I may proceed in the absence of the Respondent, in accordance with section 7 of the SPPA and Rule 7.1 of the Commission's *Rules of Procedure*.

[22] I also note that the Amended Notice of Hearing dated June 3, 2013, the Amended Statement of Allegations dated May 30, 2013 and all subsequent orders in this matter have been posted and made available to the public on the Commission's website.

III. SUBMISSIONS OF THE PARTIES

A. Staff's Submissions

[23] Staff provided written submissions, a book of authorities and a hearing brief, and also filed the Affidavit of Service of Michelle Hammer sworn July 26, 2013.

[24] In its Amended Statement of Allegations, Staff alleges that the Respondent breached: subsection 25(1)(a) of the Act, as that section existed at the time the conduct at issue commenced in February 2006, and subsection 25(1) of the Act, as subsequently amended on September 28, 2009 (unregistered trading); subsection 25(1)(c) of the Act, as that section existed at the time the conduct at issue commenced in February 2006, and subsection 25(3) of the Act, as subsequently amended on September 28, 2009 (unregistered advising); and subsection 126.1(b) of the Act (fraud).

[25] Staff submits that the Commission should exercise its jurisdiction to impose significant protective sanctions upon Sanmugam. Staff submits that the Commission make an order that:

(a) Sanmugam cease trading securities permanently;

(b) Sanmugam cease acquiring securities permanently;

(c) the exemptions contained in Ontario securities law do not apply to Sanmugam permanently;

(d) Sanmugam be reprimanded;

(e) Sanmugam resign all positions that he holds as a director or officer of any issuer, registrant, or investment fund manager permanently;

(f) Sanmugam be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager permanently; and

(g) Sanmugam be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently.

[26] Staff does not seek a disgorgement order in this matter. Staff submits that given the unrealistic likelihood that Sanmugam will satisfy a disgorgement order made by the Commission or the outstanding Restitution Orders made by the SCJ,

Staff has elected to focus the investigation and obtain a non-monetary protective order by reciprocating Sanmugam's convictions from the SCJ.

B. The Respondent's Submissions

[27] The Respondent did not participate or provide any submissions in relation to this hearing.

IV. THE LAW

[28] When exercising the public interest jurisdiction under section 127 of the Act, I must consider the purposes of the Act. These purposes are set out in section 1.1 of the Act and are as follows:

(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.

[29] In pursuing the purposes of the Act, the Commission must have regard to the principles described in section 2.1 of the Act, namely that the primary means for achieving the purposes of the Act are:

i. requirements for timely, accurate and efficient disclosure of information;

ii. restrictions on fraudulent and unfair market practices and procedures; and

iii. requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants.

[30] The Supreme Court of Canada has described the Commission's public interest jurisdiction as follows:

> … the purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.
>
> (*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 at para. 43)

[31] Clause 1 of subsection 127(10) of the Act provides as follows:

> **127(10) Inter-jurisdictional enforcement** – Without limiting the generality of subsections (1) and (5), an order may be made under subsection (1) or (5) in respect of a person or company if any of the following circumstances exist:
>
> 1. The person or company has been convicted in any jurisdiction of an offence arising from a transaction, business or course of conduct related to securities or derivatives.
>
> […]

[32] If I am satisfied that the requirements under clause 1 of subsection 127(10) of the Act are met, I may make a protective order in the public interest under subsection 127(1) of the Act.

[33] Subsection 127(10) of the Act came into force on November 27, 2008, which occurred after the beginning of the Material Time in February 2006. In *Re Euston Capital Corp.* (2009), 32 O.S.C.B. 6313 ("***Re Euston***"), the Commission concluded that a presumption against retrospectivity does not apply to public interest orders made by the Commission in the circumstances contemplated by subsection 127(10) of the Act:

> Based on a plain reading of subsection 127(10) in the context of section 127 as a whole, and after taking into account the Supreme Court of Canada's decisions in *Brosseau* and *Asbestos*, we conclude that the purpose [*sic*] of subsection 127(10) is to protect the public. Hence, the presumption against retrospectivity is not applicable, and subsection 127(10) may operate retrospectively.
>
> (*Re Euston*, *supra* at para. 56)

[34] I therefore find that I have the authority to make a public interest order under subsection 127(1) of the Act in reliance on subsection 127(10) of the Act, based on the Sentencing Decision, which related to events that occurred during the Material Time, being the time period from February 2006 to June 2010.

[35] In determining the nature and duration of the appropriate sanctions to impose on the Respondent, I must consider all the relevant facts and circumstances before me, including:

(a) the seriousness of the allegations proved;

(b) the respondents' experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) the size of any profit (or loss avoided) from the illegal conduct;

(e) the restraint any sanctions may have on the ability of a respondent to participate without check in the capital markets;

(f) the size of any financial sanction or voluntary payment;

(g) the remorse of the respondent; and

(h) any mitigating factors.

(*Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at 7746; *Re M.C.J.C. Holdings Inc.* (2002), 25 O.S.C.B. 1133 at 1134-1136)

V. ANALYSIS

[36] As a result of his Guilty Pleas, Sanmugam pleaded guilty and has been convicted in Ontario of three counts of fraud over $5,000, contrary to subsection 380(1)(a) of the Criminal Code. The SCJ provided its reasons for sanctions in the Sentencing Decision, which was released on November 23, 2012. In imposing sanctions, I rely on the findings set out in the Sentencing Decision.

[37] I find that the Respondent's convictions arose from a transaction, business or course of conduct that related to securities, within the meaning of clause 1 of subsection 127(10) of the Act. I am satisfied that the requirements of clause 1 of subsection 127(10) of the Act have been met. As such, I may make an order under subsection 127(1) of the Act in this matter if I consider it in the public interest to do so.

[38] In my view, the conduct of the Respondent, as described in paragraphs 13 to 17 above, was abusive to Ontario's capital markets and warrants sanctions to be imposed. I therefore find that it is in the public interest to make sanctions orders against the Respondent.

[39] The sanctions imposed against the Respondent in this matter must protect both investors and the capital markets in Ontario. These sanctions must also be fair and proportional to the Respondent's misconduct. Having regard to the factors that are summarized in paragraph 35 above, I consider the following facts and circumstances to be of particular relevance:

(a) the Respondent pleaded guilty to three counts of fraud, contrary to subsection 380(1)(a) of the Criminal Code;

(b) the SCJ made significant findings in the Sentencing Decision;

(c) the SCJ sentenced the Respondent to three five-year terms of imprisonment, to be served concurrently, for each of the three counts of fraud;

(d) through his misconduct, the Respondent raised a total of $1,109,405 in investor funds; and

(e) in my view, the Respondent has not expressed remorse and there are no mitigating factors or circumstances.

[40] Based on the foregoing, I conclude that it is in the public interest to make an order under subsection 127(1) of the Act to prevent the Respondent from accessing the capital markets in Ontario and to protect investors and the capital markets in Ontario.

VI. CONCLUSION

[41] Based on the reasons above, I conclude that it is in the public interest to make an order under subsection 127(1) of the Act. An order will be issued that will impose the following sanctions on the Respondent:

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

(b) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Sanmugam shall be prohibited permanently;

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

(d) pursuant to clause 6 of subsection 127(1) of the Act, Sanmugam is reprimanded;

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

(f) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, Sanmugam shall be permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and

(g) pursuant to clause 8.5 of subsection 127(1) of the Act, Sanmugam shall be permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter.

Dated at Toronto this 28th day of March, 2014.

“Edward P. Kerwin”

3.1.3 York Rio Resources Inc. et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN RESOURCES CORP., VICTOR YORK, ROBERT RUNIC, GEORGE SCHWARTZ, PETER ROBINSON, ADAM SHERMAN, RYAN DEMCHUK, MATTHEW OLIVER, GORDON VALDE AND SCOTT BASSINGDALE

REASONS AND DECISION ON SANCTIONS AND COSTS
(Sections 37, 127 and 127.1 of the Act)

Hearing:	May 14, 2013		
Decision:	March 31, 2014		
Panel:	Vern Krishna, CM, QC	–	Commissioner and Chair of the Panel
	Edward P. Kerwin	–	Commissioner
Appearances:	Hugh Craig Cameron Watson Zyshan Kaba	–	For Staff of the Commission
	Victor York		Self-represented
	Matthew Oliver		Self-represented
	Gordon Valde		Self-represented

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REASONS AND DECISION ON SANCTIONS AND COSTS

I. INTRODUCTION

A. History of the Proceeding

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") to consider whether it is in the public interest to make sanctions and costs orders against York Rio Resources Inc. ("**York Rio**"), Brilliante Brasilcan Resources Corp. ("**Brilliante**"), Victor York ("**York**"), Robert Runic ("**Runic**"), George Schwartz ("**Schwartz**"), Ryan Demchuk ("**Demchuk**"), Matthew Oliver ("**Oliver**"), Gordon Valde ("**Valde**") and Scott Bassingdale ("**Bassingdale**") (together, "the "**Respondents**").

[2] The hearing on the merits in this matter took place over 33 days between March 21, 2011 and December 21, 2011, and additional written submissions were filed on December 25 and 27, 2011 (the "**Merits Hearing**"). On March 25, 2013, the decision on the merits was issued (the "**Merits Decision**"), along with an order setting down the sanctions and costs hearing for May 14, 2013 (the "**Sanctions and Costs Hearing**"), which included notice that "upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding" (the "**Sanctions and Costs Hearing Scheduling Orde**r").

B. The Sanctions and Costs Hearing

[3] On April 15, 2013, Staff of the Commission ("**Staff**") filed written submissions, a brief of authorities, and the affidavit of Laura Fisher, sworn April 12, 2013, in support of Staff's bill of costs (the "**Fisher Affidavit**"). On May 13, 2013, Staff filed the affidavit of service of Peaches Barnaby, sworn May 13, 2013 (the "**Barnaby Affidavit**").

[4] Only two Respondents – York and Schwartz – filed written submissions on sanctions and costs. York filed written submissions on sanctions and costs, with supporting documentation, on April 29, 2012. On March 26, April 9, April 21 and April 28, 2013, Schwartz filed written submissions addressing issues he said he would raise in an appeal of the Merits Decision. He also filed a copy of a Notice of Appeal, which he said would be filed in Divisional Court before the Sanctions and Costs Hearing. On May 4, 2013, Schwartz sent an email with respect to costs.

[5] Staff filed reply submissions on May 6, 2013.

[6] Staff, York, Oliver and Valde appeared at the Sanctions and Costs Hearing and made oral submissions. Schwartz, Runic, Demchuk and Bassingdale did not appear. Although Staff did not provide an affidavit of service evidencing Staff's service of the Merits Decision and the Sanctions and Costs Hearing Scheduling Order, we note that both documents were posted on the Commission's website. We are satisfied, based on the Barnaby Affidavit, that Staff served or made reasonable attempts to serve all of the Respondents with Staff's written sanctions and costs submissions and written reply submissions, along with a covering

letter which, in the subject line, gave notice of the date and time of the Sanctions and Costs Hearing. We also take note of Staff counsel's advice that he had been in contact with counsel for Runic, who was aware of the date of the Sanctions and Costs Hearing and that Staff had not been able to locate Demchuk or Bassingdale at their last known addresses. In the circumstances, we were satisfied that the Respondents were given notice of the Sanctions and Costs Hearing in accordance with section 6 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**") and therefore that we were authorized to proceed in their absence, pursuant to subsection 7(1) of the SPPA and Rule 7.1 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "**Rules**").

C. The Merits Decision

1. The Allegations

[7] Staff alleged that York Rio and the **Individual Respondents** (York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale) (together, the "**York Rio Respondents**") engaged in the illegal distribution of York Rio securities from May 10, 2004 to October 21, 2008 (the "**Material Time**"). In relation to York Rio securities, Staff alleged that the York Rio Respondents contravened subsections 25(1)(a) and 53(1) and section 126.1(b) of the Act, contrary to the public interest. Staff alleged that York, Runic, Demchuk, Oliver, Valde and Bassingdale made prohibited representations that York Rio securities would be listed on an exchange, contrary to subsection 38(3) of the Act and contrary to the public interest. Staff also alleged that York, Runic and Schwartz, being directors and/or officers of York Rio, authorized, permitted or acquiesced in the contraventions of the Act by York Rio or its salespersons, representatives or agents, contrary to section 129.2 of the Act and contrary to the public interest.

[8] Staff alleged that Schwartz, by trading in York Rio securities, breached the Commission's temporary cease trade order made against him on May 1, 2006 in relation to another matter, *Re Euston Capital Corp. and Schwartz* (2006), 29 O.S.C.B. 3920, which was extended from time to time and remained in effect during the latter thirty months of the Material Time ("***Euston***" and the "***Euston* Order**"), contrary to subsection 122(1)(c) of the Act and contrary to the public interest.

[9] Staff alleged that Brilliante, York, Runic, Demchuk, Oliver, Valde and Bassingdale (together, the "**Brilliante Respondents**") engaged in the illegal distribution of Brilliante securities from January 17, 2007 to October 21, 2008. Specifically, Staff alleged that the Brilliante Respondents contravened subsections 25(1)(a) and 53(1) and section 126.1(b) of the Act, contrary to the public interest. Staff alleged that Demchuk, Oliver, Valde and Bassingdale made prohibited representations that Brilliante securities would be listed on an exchange, contrary to subsection 38(3) of the Act and contrary to the public interest. Staff also alleged that York and Runic, being directors and/or officers of Brilliante, authorized, permitted or acquiesced in the contraventions of the Act by Brilliante or its salespersons, representatives or agents, contrary to section 129.2 of the Act and contrary to the public interest.

2. The Merits Hearing

[10] Staff called 20 witnesses at the Merits Hearing: two Staff investigators – Wayne Vanderlaan ("**Vanderlaan**"), a senior investigator with the Commission, who was the primary investigator assigned to the York Rio and Brilliante investigations, and Albert Ciorma ("**Ciorma**"), a Certified Management Accountant, who prepared account profiles and summaries showing the source and use of funds that flowed through York Rio and Brilliante; two former respondents in this matter who settled with Staff before or during the Merits Hearing – Peter Robinson ("**Robinson**") and Adam Sherman ("**Sherman**"); eight individuals who were not respondents but had knowledge of York Rio or Brilliante; and eight Investor Witnesses.

[11] Staff presented a great deal of documentary evidence through Vanderlaan and Ciorma, including York Rio and Brilliante documents that were seized as a result of the execution of a search warrant on the York Rio and Brilliante premises on October 21, 2008 (the "**Search**"); print-outs from the York Rio and Brilliante websites; Corporation Profile Reports; exempt distribution reports; and section 139 certificates relating to the Respondents; account profiles and account summaries, prepared by Ciorma, which traced the flow of funds from York Rio and Brilliante investors through a number of accounts held by companies controlled by the Respondents and persons and companies associated with the Respondents; and transcripts of compelled examinations of the Individual Respondents (apart from Bassingdale, who could not be located) and others.

[12] Schwartz was the only Respondent to testify at the Merits Hearing. York did not testify, but called two witnesses: York Rio's accountant (or bookkeeper), and another witness whose evidence we found irrelevant.

[13] Schwartz and York had brought pre-hearing motions for a stay and an adjournment, both of which were dismissed in motion decisions issued prior to the start of the Merits Hearing. During the Merits Hearing, Schwartz brought two motions in relation to the Search (the **Search Warrant Motion** and the **Exclusion of Evidence Motion**). York joined the Search Warrant Motion with Schwartz. The Search Warrant Motion and the Exclusion of Evidence Motion were dismissed by Motions Decisions issued before the end of the Merits Hearing. Schwartz and York argued these issues again in their closing submissions at the Merits Hearing, and we dismissed their submissions at paragraphs 12-17 and 28-49 of the Merits Decision. At the close of the

Merits Hearing, Schwartz brought a bias motion ("**Bias Motion**"), which we dismissed at paragraphs 50-61 of the Merits Decision.

3. The Merits Decision

[14] We made the following findings in the Merits Decision.

(a) The York Rio Investment Scheme and the Brilliante Investment Scheme

[15] There was no evidence that York Rio or Brilliante had any viable business assets or any legitimate business operations. Their only business was to issue worthless securities. York Rio raised approximately $18 million from investors during the Material Time, and Brilliante raised approximately $160,000 from late summer to October 2008. Both the York Rio Investment Scheme and the Brilliante Investment Scheme were a complete sham (paragraphs 234-276 of the Merits Decision).

[16] The money raised from York Rio and Brilliante investors was first deposited into the York Rio and Brilliante bank accounts, and then transferred, on York's authority, through the accounts of companies controlled by York and Schwartz during the Schwartz Period, and by York, Georgiadis (York's nephew) and Runic during the Runic Period.

[17] Of the approximately $18 million raised from York Rio and Brilliante investors, approximately $16 million was used, in part, to pay the overhead expenses of the York Rio and Brilliante sales operation, including salaries for qualifiers and 20% commissions for salespersons, with the remainder being spent for the personal benefit of York, Runic and Schwartz and their families and friends. Only a minimal amount went to York Rio's purported mining activity – at most, approximately 2.7% of the amount raised from York Rio investors (the "**York Rio Proceeds**"), and likely much less. There is no evidence that any of the $160,000 raised from Brilliante investors was spent on Brilliante's purported mining expenses (paragraphs 274, 276 and 297-320 of the Merits Decision).

[18] York Rio and Brilliante securities were sold by unregistered salespersons and no prospectus was filed or receipted. Although the Respondents purported to rely on the accredited investor exemption, they did not satisfy their onus of proving that the exemption was available. At least five of the eight Investor Witnesses were not accredited investors, four of the Investor Witnesses were not asked about their financial circumstances, and at least one of the Investor Witnesses was misled about the qualifications for accredited investor status. None of the Investor Witnesses received any return on their investment or any repayment of their purchase price. The disregard shown by the Respondents, especially Schwartz and York, for their obligations to investors was a significant aggravating factor in the hearing of this case (paragraphs 222-227 and 288 of the Merits Decision).

(b) York Rio

[19] York Rio securities were sold from five sales locations during the Material Time: the Langstaff Location, the Eglinton Location, the Sheppard Location, the Yonge Location and the Finch Location. Brilliante securities were sold from the Finch Location in the last few months before the office was shut down by the Search (paragraphs 277-278 of the Merits Decision).

[20] The sale of York Rio securities had all the characteristics of a fraudulent "boiler room" operation. York Rio and its employees, representatives and agents: used aliases when communicating with investors and prospective investors; used high pressure sales tactics; prepared and used sales scripts that included misrepresentations about York Rio's assets, the status of diamond production, and the qualifications and experience of officers, salespersons and other persons who were represented as having a role in the company; misrepresented the test for qualification as an accredited investor when communicating with prospective investors; posted on the York Rio website many falsehoods and misrepresentations that were intended to effect a sale of securities; made misrepresentations in the York Rio Business Plan that were intended to effect a sale of securities and had no basis in reality; failed to disclose to investors and prospective investors that the salesperson was compensated by a commission of 20%, and in some cases, misrepresented that salespersons were compensated only in securities of York Rio; filed incomplete and misleading Exempt Distribution Reports that relied on the accredited investor exemption, when it was not available, and failed to disclose the 70% fees and commissions paid to Schwartz and Runic; and made prohibited representations about a pending initial public offering and potential merger. (paragraph 342 of the Merits Decision)

(c) Brilliante

[21] The Brilliante Investment Scheme was also fraudulent. The Brilliante website was copied from Wikipedia and from a Brazilian government website about a different mine, and falsely claimed that Brilliante had a 24,000 hectare mining claim in Brazil containing uranium and that US $5 million had been invested in the mine, although there was no evidence that Brilliante engaged in any activity other than the sale and distribution of its own securities. The Brilliante business plan also included many false statements, including expenditure and net income projections that were identical to those given in the York Rio business plan and had no basis in reality. Brilliante securities were sold by the same qualifiers and salespersons who had sold York Rio securities, but using different aliases. The Brilliante sales scripts that were seized from the Finch Location contained numerous misrepresentations that were intended to solicit sales of Brilliante securities. (paragraph 367 of the Merits Decision)

(d) York

[22] York was the President and CEO of York Rio and a director of York Rio throughout the Material Time. He orchestrated the York Rio Investment Scheme and authorized, permitted or acquiesced in the contraventions of the Act by York Rio. York was also the directing mind of Brilliante and controlled the Brilliante account, orchestrated the Brilliante Investment Scheme and authorized, permitted or acquiesced in the contraventions of the Act by Brilliante. York obtained approximately $4.1 million as a result of his non-compliance with Ontario securities law (paragraphs 293, 319 and 373-474 of the Merits Decision).

(e) Schwartz

[23] Schwartz, through his company, Debrebud Capital Corporation ("**Debrebud**"), entered into an agreement with York in March 2005 to provide services for York Rio at the Eglinton Location and the Sheppard Location, in return for 70% of the York Rio Proceeds. At the Merits Hearing, Schwartz claimed that Debrebud was a "paymaster" or "outsourced" agent for York Rio and that neither he nor Debrebud engaged in trades or acts in furtherance of trades. We found that Schwartz acted in the capacity of a director or officer of York Rio and engaged in trades or acts in furtherance of trades of York Rio securities from March 2005 to mid-2007 (the "**Schwartz Period**"). Schwartz obtained approximately $2.75 million as a result of his non-compliance with Ontario securities law (paragraphs 294, 315 and 475-562 of the Merits Decision).

(f) Runic

[24] In January 2007, York entered into an agreement with Runic, who had worked with Schwartz at the Sheppard Location, that Runic would open a new York Rio sales office in return for at least 70% of the York Rio Proceeds. In the summer of 2007, York shifted all sales of York Rio securities to the new office (the Yonge Location), which was controlled by Runic. In August 2008, the York Rio sales office, still run by Runic, was moved to the Finch Location. York Rio securities continued to be sold at the Finch Location, but the focus shifted to the sale of Brilliante securities. We found that Runic acted in the capacity of a director or officer of York Rio and engaged in trades or acts in furtherance of trades of York Rio securities at the Yonge Location and the Finch Location, and that he acted in the capacity of a director or officer of Brilliante and engaged in trades or acts in furtherance of trades of Brilliante securities at the Finch Location from January 2007 to October 2008 (the "**Runic Period**"). Runic obtained approximately $9.2 million as a result of his non-compliance with Ontario securities law (paragraphs 295-296, 318 and 563-628 of the Merits Decision).

(g) Demchuk, Oliver, Valde and Bassingdale

[25] Demchuk, Valde and Bassingdale were salespersons who sold York Rio and Brilliante securities. Oliver was a York Rio salesperson. We found that Demchuk obtained approximately $218,833.74, Oliver obtained approximately $118,615.91, Valde obtained at least $193,435.26 and Bassingdale obtained approximately $155,595.40 as a result of their non-compliance with Ontario securities law (respectively paragraphs 629-653, 654-686, 687-709 and 710-736 of the Merits Decision).

(h) Conclusions

[26] We found that Staff had proven its allegations, with the following exceptions, where we found that Staff's evidence did not satisfy the burden of proof on a balance of probabilities:

- we were not satisfied that Staff had proven its allegations against Oliver with respect to Brilliante securities (paragraphs 674 and 677 of the Merits Decision);
- we were not satisfied that Staff had proven its allegation that Demchuk made prohibited representations that Brilliante securities would be listed on a stock exchange (paragraph 644 of the Merits Decision);
- we were not satisfied that that Staff had proven its allegation that Bassingdale made prohibited representations that York Rio securities would be listed on a stock exchange (paragraph 728 of the Merits Decision); and
- we were not satisfied that that Staff had proven its allegations that Runic made prohibited representations that York Rio or Brilliante securities would be listed on a stock exchange, although we were satisfied that Runic, being a *de facto* officer of York Rio and Brilliante during the Runic Period, had authorized, permitted or acquiesced in prohibited representations made by York Rio and Brilliante salespersons, representatives or agents (paragraphs 611 and 621 of the Merits Decision).

[27] At the conclusion of the Merits Decision, we found that:

- York Rio contravened subsections 25(1)(a) and 53(1) and section 126.1(b) of the Act, contrary to the public interest, in relation to the sale of its own securities;

- Brilliante contravened subsections 25(1)(a) and 53(1) and section 126.1(b) of the Act, contrary to the public interest, in relation to the sale of its own securities;

- York contravened subsections 25(1)(a) and 53(1), subsection 38(3), section 126.1(b) and section 129.2 of the Act, contrary to the public interest, in relation to the sale of York Rio and Brilliante securities;

- Runic contravened subsections 25(1)(a) and 53(1), section 126.1(b) and, during the Runic Period, section 129.2 of the Act, contrary to the public interest, in relation to the sale of York Rio and Brilliante securities;

- Schwartz contravened subsections 25(1)(a) and 53(1), section 126.1(b), and, during the Schwartz Period, section 129.2 of the Act, contrary to the public interest, in relation to the sale of York Rio securities, and contravened Ontario securities law, contrary to subsection 122(1)(c) of the Act and contrary to the public interest, by trading in York Rio securities at a time when the Euston Order prohibited him from trading in any securities;

- Demchuk contravened subsections 25(1)(a) and 53(1) and section 126.1(b) of the Act, contrary to the public interest, in relation to the sale of York Rio and Brilliante securities, and contravened subsection 38(3) of the Act, contrary to the public interest, in relation to the sale of York Rio securities;

- Oliver contravened subsections 25(1)(a) and 53(1), subsection 38(3) and section 126.1(b) of the Act, contrary to the public interest, in relation to the sale of York Rio securities;

- Valde contravened subsections 25(1)(a) and 53(1), subsection 38(3) and section 126.1(b) of the Act, contrary to the public interest, in relation to the sale of York Rio and Brilliante securities; and

- Bassingdale contravened subsections 25(1)(a) and 53(1), section 126.1(b) of the Act, contrary to the public interest, in relation to the sale of York Rio and Brilliante securities, and contravened subsection 38(3) of the Act, contrary to the public interest, in relation to the sale of Brilliante securities.

II. STAFF'S REQUEST FOR SANCTIONS AND COSTS

[28] Staff seeks the following sanctions and costs against the Respondents:

(a) Market Participation Orders

- an order pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by the Respondents cease permanently;

- an order pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by the Respondents be prohibited permanently;

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

- an order pursuant to clause 7 of subsection 127(1) of the Act that each of the Individual Respondents resign any position he holds as a director or officer of an issuer;

- an order pursuant to clause 8 of subsection 127(1) of the Act that each of the Individual Respondents be prohibited permanently from becoming or acting as a director or officer of any issuer;

- an order pursuant to clause 8.2 of subsection 127(1) of the Act that each of the Individual Respondents be prohibited permanently from becoming or acting as a director or officer of a registrant;

- an order pursuant to clause 8.4 of subsection 127(1) of the Act that each of the Individual Respondents be prohibited permanently from becoming or acting as a director or officer of an investment fund manager;

- an order pursuant to clause 8.5 of subsection 127(1) of the Act that each of the Individual Respondents be prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

- an order pursuant to section 37 of the Act that each of the Individual Respondents be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;

(b) Reprimand

- a reprimand pursuant to clause 6 of subsection 127(1) of the Act;

(c) Administrative Penalties

- an order pursuant to clause 9 of subsection 127(1) of the Act that York Rio pay an administrative penalty of $1,000,000 for each of its three failures to comply with Ontario securities law for a total of $3,000,000, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that Brilliante pay an administrative penalty of $1,000,000 for each of its three failures to comply with Ontario securities law for a total of $3,000,000, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that York pay an administrative penalty of $1,000,000 for each of his nine failures to comply with Ontario securities law for a total of $9,000,000, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act

- an order pursuant to clause 9 of subsection 127(1) of the Act that Runic pay an administrative penalty of $750,000 for each of his four failures to comply with Ontario securities law in relation to the trading of York Rio securities for a total of $3,000,000, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that Runic pay an administrative penalty of $400,000.00 for each of his four failures to comply with Ontario securities law in relation to the trading of Brilliante securities for a total of $1,600,000, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that Schwartz pay an administrative penalty of $1,000,000 for each of his five failures to comply with Ontario securities law for a total of $5,000,000, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that Demchuk pay an administrative penalty of $550,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that Oliver pay an administrative penalty of $550,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 9 of subsection 127(1) of the Act that Valde pay an administrative penalty of $500,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and

- an order pursuant to clause 9 of subsection 127(1) of the Act that Bassingdale pay an administrative penalty of $390,000 to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(d) Disgorgement

- an order pursuant to clause 10 of subsection 127(1) of the Act that York Rio and York disgorge to the Commission a total of $18,000,000, less any payments made by Robinson and Sherman to the Commission, in full or partial satisfaction of the disgorgement orders made against them by the Commission, with respect to those violations of Ontario securities law related to the trading of York Rio securities, for which they shall be jointly and severally liable, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Schwartz disgorge to the Commission a total of $4,000,000, less any payments made by Robinson to the Commission in full or partial satisfaction of

the disgorgement order made against him by the Commission, with respect to those violations of Ontario securities law related to the trading of York Rio securities, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Runic disgorge to the Commission a total of $12,000,000, less any payments made by Sherman to the Commission in full or partial satisfaction of the disgorgement order made against him by the Commission with respect to those violations of Ontario securities law related to the trading of York Rio securities, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Brilliante, York, and Runic disgorge to the Commission a total of $160,000 with respect to those violations of Ontario securities law related to the trading of Brilliante securities, for which they shall be jointly and severally liable, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Demchuk disgorge to the Commission a total of $218,833, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Oliver disgorge to the Commission a total of $118,615, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Valde disgorge to the Commission a total of $193,435, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

- an order pursuant to clause 10 of subsection 127(1) of the Act that Bassingdale disgorge to the Commission a total of $155,595, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;

(e) Costs

- an order pursuant to subsection 127.1 of the Act that York Rio, Brilliante, York and Schwartz pay $340,828.75 of the Commission's costs of the investigation and the hearing of this matter for which they shall be jointly and severally liable;

- an order pursuant to subsection 127.1 of the Act that Runic pay $50,000 of the Commission's costs of the investigation and the hearing of this matter, for he shall be severally liable; and

- an order pursuant to subsection 127.1 of the Act that each of Demchuk, Oliver, Valde and Bassingdale pay $10,000 of the Commission's costs of the investigation and the hearing of this matter, for which they shall be severally liable.

[29] Although Staff had, in its written submissions on sanctions and costs, requested an order, pursuant to clause 2 of subsection 127(1) of the Act, that any trading in the securities of York Rio and Brilliante cease permanently, this request was withdrawn during closing argument because such an order had not been requested in the Notice of Hearing (see paragraph 62 below).

III. THE LAW ON SANCTIONS

[30] Pursuant to section 1.1 of the Act, the Commission's mandate is (i) to provide protection to investors from unfair, improper or fraudulent practices; and (ii) to foster fair and efficient capital markets and confidence in capital markets.

[31] In exercising its public interest jurisdiction under section 127 of the Act, the Commission must act in a protective and preventive manner. As stated by the Commission in Re Mithras Management Ltd.:

> ... the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are

> both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all. And in so doing, we may well conclude that a person's past conduct has been so abusive of the capital markets as to warrant our apprehension and intervention, even if no particular breach of the Act has been made out.
>
> (*Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at 1610-1611 ("***Mithras***"))

[32] In *Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132 ("***Asbestos***"), the Supreme Court of Canada described the Commission's public interest jurisdiction in similar terms, stating:

> ... the purpose of an order under s. 127 is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The role of the OSC under s. 127 is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets: *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600.
>
> (*Asbestos*, *supra* at paragraph 43)

[33] In *Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672 ("***Cartaway***"), the Supreme Court of Canada stated that "… it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventative". The Court stated, "[t]he weight given to general deterrence will vary from case to case and is a matter within the discretion of the Commission." (*Cartaway*, *supra*, at paragraphs 60 and 64).

[34] The Commission has previously identified the following as some of the factors that it should consider when imposing sanctions:

(a) the seriousness of the conduct;

(b) the respondent's experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) whether or not there has been a recognition of the seriousness of the improprieties;

(e) the need to deter a respondent and other like-minded individuals from engaging in similar abuses of the capital markets in the future;

(f) whether the violations are isolated or recurrent;

(g) the size of any profit obtained or loss avoided from the illegal conduct;

(h) any mitigating factors, including the remorse of the respondent;

(i) the effect any sanction might have on the livelihood of the respondent;

(j) the effect any sanction might have on the ability of a respondent to participate without check in the capital markets;

(k) in light of the reputation and prestige of the respondent, whether a particular sanction will have an impact on the respondent and be effective;

(l) the size of any financial sanctions or voluntary payment when considering other factors; and

(m) the shame, or financial pain, that any sanction would reasonably cause to the respondent.

(*Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at p. 7746 ("***Belteco***"); *Re M.C.J.C. Holdings Inc. and Michael Cowpland* (2002), 25 O.S.C.B. 1133 ("***M.C.J.C. Holdings***") at p. 1136)

[35] The applicability and importance of each factor will vary according to the circumstances of each case.

[36] The Commission has held that the sanctions imposed must be proportionate to the conduct of the respondent in the circumstances of each case (*M.C.J.C. Holdings*, *supra*, at 1134; *Re Sabourin* (2010), 33 O.S.C.B. 5299 ("***Sabourin Sanctions***"), at paragraph 56). In addition, when imposing administrative penalties and disgorgement orders, the overall financial sanctions imposed on each respondent should be considered (*Sabourin*, *supra*, at paragraph 59). Ability to pay is a relevant, but not a predominant or determinant factor (*Sabourin Sanctions*, *supra*, at paragraph 60).

IV. SUBMISSIONS OF THE PARTIES

A. Staff

[37] Staff submits that significant sanctions are warranted in this matter, commensurate with the Panel's findings as to the seriousness of the Respondents' non-compliance with Ontario securities law and the resulting harm to investors. At the heart of this matter lies "rampant securities fraud contrary to section 126.1(b) of the Act".

[38] Staff submits that there are a number of aggravating factors in this matter, and no mitigating factors.

[39] Staff submits that the following factors are particularly relevant.

The seriousness of the allegations, the level of the Individual Respondents' activity in the marketplace, and whether the violations were isolated or recurrent

[40] Staff submits that each of the Respondents was found to have engaged in serious non-compliance with Ontario securities law, including securities fraud contrary to section 126.1(b) of the Act and contrary to the public interest. Staff describes the unlawful activity as "planned, prolonged and widespread" and submits that the York Rio and Brilliante Investment Schemes were "wholly designed to defraud" and resulted in the loss of approximately $18 million from over 200 investors.

Individual Respondents' recognition of the seriousness of the improprieties

[41] Staff submits that the Individual Respondents engaged in the knowing and persistent deception of investors and "demonstrated an utter contempt for Ontario securities law and investors". Staff submits that York engineered the York Rio and Brilliante Investment Schemes and was the driving force behind them, and used approximately $4.1 million for his benefit or the benefit of his friends and family. Staff submits that Schwartz, in particular, has failed to recognize the seriousness of his illegal actions and shown nothing but disdain for Ontario securities law, particularly considering that his role in the fraudulent York Rio Investment Scheme occurred while he was bound by the *Euston Order*.

Profit made or loss avoided from illegal conduct related to York Rio

[42] As a result of the conduct of the Respondents, approximately $18 million was obtained from investors. Staff submits that the amount of the loss to investors "lays the fraud bare and, respectfully, should shock the conscience of the Commission's stakeholders".

The restraint any sanctions may have on the ability of the Individual Respondents to participate without check in the capital markets

[43] Staff submits that the conduct of the Individual Respondents was so harmful and the risk to the investing public so great that they should be prevented from participating in the capital markets in any capacity. Staff seeks trading and acquisition bans against all the Individual Respondents without any "carve-out" exception.

Specific and general deterrence

[44] Staff submits that there is a need in this matter "to send a strong message to the Individual Respondents and the public at large. Orders removing the Individual Respondents permanently from the capital markets, significant administrative penalties and disgorgement of all funds obtained from the fraudulent investment schemes are proportionate to the Individual Respondents' misconduct, and will send a message to the Individual Respondents and to like-minded individuals that involvement in these types of schemes will result in severe sanctions."

[45] Staff relies on the following precedents for appropriate sanctions in cases involving fraudulent conduct: *Re Ochnik* (2006), 29 O.S.C.B. 3929 ("***Ochnik***"); *Re Limelight* (2008), 31 O.S.C.B. 12030 ("***Limelight Sanctions***"); *Sabourin Sanctions*, *supra*; *Re Al-tar Energy Corp.* (2011), 34 O.S.C.B. 447 ("***Al-tar Sanctions***"); *Re Richvale Resource Corp.* (2012), 35 O.S.C.B. 10699 ("***Richvale Sanctions***"); *Re Lyndz Pharmaceuticals Inc.* (2012), 35 O.S.C.B. 7357 ("***Lyndz Sanctions***"); and *Re Goldpoint Resources Corp.* (2013), 36 O.S.C.B. 1464 ("***Goldpoint Sanctions***").

B. The Respondents

1. York

[46] York's written submissions begin with the following statement:

> First and foremost I am genuinely remorseful for having contributed to the financial loss to all and any investors in this matter. I have brought shame and humiliation upon myself and my family as a result and take full responsibility for my actions.

[47] York submits that he has separated himself from social or community activities out of shame and to spare his family the humiliation of his actions. He submits that he has been prescribed anti-anxiety medication since 2008 and as a result of other health problems, "[t]he quality and length of my remaining lifespan in many regards is neither high nor long."

[48] York identifies several mitigating factors, and distinguishes his conduct from that of Schwartz and Runic. York submits that:

- he is an unrepresented respondent;
- he cooperated with the Commission during the investigation;
- he did not attempt to hide his gains from his activities, unlike Runic;
- he has advised Staff that he will give up any claim to monies held by Munket Capital Holdings Inc. ("**Munket**");
- he has never echoed Schwartz's disparaging sentiments or lack of respect for the Commission and was respectful to all parties during the Merits Hearing, unlike Schwartz;
- he has not joined Schwartz in appealing the Merits Decision; and
- he has not been the subject of any prior regulatory findings or criminal conviction.

[49] York submits, considering these factors, and particularly considering the roles played by Schwartz and Runic, that the administrative penalty sought by Staff against him is excessive and disproportionate, compared to previous decisions – *Lyndz Sanctions*, *supra*, *Goldpoint Sanctions*, *supra*, *Re Pogachar* (2012), 35 O.S.C.B. 6479 ("***Pogachar Sanctions***"), *Re Hibbert* (2012), 35 O.S.C.B. 8583 ("***Hibbert Sanctions***") and *Richvale Sacntions*, *supra*.

[50] In any event, York submits that he is unable to pay the amounts requested, given his current and future financial circumstances.

2. Schwartz

[51] Schwartz, in his "Reply to the Panel's Order of March 25, 2013", stated that he would appeal the Merits Decision by April 25, 2013 and "cannot and should not" give submissions on sanctions and costs. Schwartz also filed several documents called "Notice of Appeal". In his documents filed with the Commission, Schwartz:

- restated his submissions on institutional bias, which were dismissed by Commissioner Carnwath in December 2010 (the Stay Motion and the Stay Decision are described at paragraphs 12-14 of the Merits Decision);
- restated his submissions on attitudinal bias, which we dismissed during the Merits Hearing (the Bias Motion is described at paragraphs 50-61 of the Merits Decision);
- restated his submission, which we rejected in the Merits Decision, that the *Euston Order* expired at the beginning of the June 9, 2006 temporary order hearing, or alternatively, at the end of that hearing, and was not continued after June 9, 2006 (see paragraphs 545-557 of the Merits Decision); and
- submitted that the Commission's findings that he contravened sections 25(1)(a) and 53(1), 126.1(b), 129.2 and 122(1)(c) of the Act were unfounded and unreasonable, amongst other grounds.

[52] We have disregarded these submissions, which relate to matters to be decided by the Divisional Court on any appeal or judicial review, and have no bearing on the sanctions and costs issues before us in this proceeding.

[53] In his May 4, 2013 email with respect to costs, Schwartz submitted that section 17.1 of the SPPA allows costs awards only where "the conduct or course of conduct of a party has been unreasonable, frivolous or vexatious or a party has acted in bad faith."

3. Oliver

[54] At the Sanctions and Costs Hearing, Oliver read a statement in which he acknowledged the seriousness of the allegations and took no issue with our findings. He noted that in the Merits Decision we found him to have been a salesman only, and not a directing mind of York Rio. He submitted that he has taken steps to address the substance abuse issues that clouded his judgement during the Material Time, and that he is trying to obtain gainful employment. Oliver took no issue with Staff's request that he be ordered to disgorge the approximately $118,000 he earned in commissions, but submitted that the administrative penalty of $550,000 that was requested by Staff is harsh and excessive, and that he is unable to pay it.

4. Valde

[55] Valde submitted that when he started working for York Rio in 2007, he relied on what other people told him about York Rio and York, and was shown on a computer that the shares of York Rio were registered with the appropriate securities commission. He was given a sales script, and worked at York Rio for a little over a year. He believed that the investors he called had been qualified as accredited investors before he called them, and said he had the same information that was given to the investors. Valde also submitted that he was 70 years old at the time of the Sanctions and Costs Hearing, and could not afford to pay the sanctions requested by Staff.

C. Staff Reply Submissions

[56] Staff accepts York's statement that he is genuinely remorseful, but submits that York, by stating that he takes no issue with our findings in the Merits Decision, is admitting that he engaged in fraud. Staff submits that despite York's attempt to distance himself from Schwartz and Runic, York played a key role in York Rio, including directing the flow of funds from one fraudulent entity to another and receiving $4.1 million, which was used, ultimately, for his benefit or the benefit of his friends and family.

[57] In brief reply to York's submissions with respect to Munket, Staff states that on October 21, 2008, Staff froze assets in the Munket account at Toronto Dominion Canada Trust (the "**Munket Account**") and that the funds, which currently total $43,133.25, remain frozen pursuant to orders of the Ontario Superior Court of Justice. Staff confirms that on April 28, 2013, York, who was the sole director of Munket and the sole signatory on the Munket Account, sent an email to Staff, abandoning any claim to the monies held in the Munket Account. Staff submits that this email can be considered in some mitigation of any sanctions or costs, but asks us to keep in mind that the email was sent after the Merits Decision was issued.

[58] In reply to Schwartz's correspondence, Staff submits that it does not assist the Commission in respect of sanctions or costs.

[59] In reply to Oliver's submissions, Staff acknowledges Oliver's substance abuse problems and accepts that Oliver's statement "is a heartfelt expression of remorse", but points out that securities worth approximately $1.1 million were distributed through Oliver's illegal efforts.

[60] Staff also submits, in reply to the submissions of Oliver and Valde, that ability to pay is a factor to be considered with respect to administrative penalties, but not with respect to disgorgement orders.

V. APPROPRIATE SANCTIONS IN THIS MATTER

A. Market Participation Orders

[61] The Individual Respondents' conduct is deserving of the most serious condemnation. They knowingly engaged in a prolonged fraudulent scheme, for their personal benefit, that was designed to deceive investors and regulators. Their disregard for investors and contempt for Ontario securities law warrants market participation orders that permanently ban them from any position of trust, authority or direction in Ontario capital markets, prohibit them from trading or acquiring securities on any basis, without any exception or carve-out, and prohibit them from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.

[62] Accordingly, the market participation orders requested by Staff pursuant to clauses 2, 2.1, 3, 7, 8, 8.2, 8.4 and 8.5 of subsection 127(1) of the Act and pursuant to section 37 of the Act will be granted, except for the request for an order prohibiting the trading of York Rio or Brilliante securities, which was not requested in the Notice of Hearing (*Re Rex Diamond Mining Corp.* (2009), 32 O.S.C.B. 6467, *Lyndz Sanctions*, *supra* and *Re FactorCorp Inc. et al.* (2013), 36 O.S.C.B. 9361) and was withdrawn by Staff at the Sanctions and Costs Hearing (see paragraph 29 above). With respect to the latter point, we note Staff's

submission that York Rio and Brilliante securities are not currently trading, and that our orders will permanently ban York Rio and Brilliante and each of the Individual Respondents in this matter from trading or acquiring any securities, including York Rio or Brilliante securities.

B. Disgorgement

[63] Pursuant to clause 10 of subsection 127(1) of the Act, if a person or company has not complied with Ontario securities law, the Commission has power to order the person or company to disgorge to the Commission any amounts obtained as a result of the non-compliance. Disgorgement is intended to ensure that a person or company does not retain any financial benefit from non-compliance with the Act and to provide specific and general deterrence (*Limelight Sanctions*, *supra*, at paragraph 47, *Sabourin Sanctions*, *supra*, at paragraph 65).

[64] The Commission has held that all amounts obtained from investors as a result of non-compliance with Ontario securities law can be ordered disgorged, not just the profits (*Limelight Sanctions*, *supra*, at paragraph 49). Staff bears the onus of proving what amounts were obtained as a result of non-compliance with Ontario securities law (*Sabourin Sanctions*, *supra*, at paragraph 67).

[65] In *Limelight Sanctions*, the Commission set out a non-exhaustive list of the factors to be considered when contemplating a disgorgement order, in addition to the general sanctioning factors listed at paragraphs 30-36 above:

(a) whether an amount was obtained by a respondent as a result of non-compliance with the Act;

(b) the seriousness of the misconduct and the breaches of the Act and whether investors were seriously harmed;

(c) whether the amount that a respondent obtained as a result of non-compliance with the Act is reasonably ascertainable;

(d) whether the individuals who suffered losses are likely to be able to obtain redress; and

(e) the deterrent effect of a disgorgement order on the respondents and other market participants.

(*Limelight Sanctions*, *supra*, at paragraph 52)

[66] We agree with the principle, set out in *Limelight Sanctions*, that all amounts obtained by a respondent from illegal activity are disgorgeable, not just the profits. We also accept that, as established in *Re Xi Biofuels Sanctions and Costs* (2010), 33 O.S.C.B. 10917, at paragraph 73, the Commission's authority to order disgorgement of "amounts obtained" includes amounts received or disposed of by a respondent.

[67] We find it appropriate, in this matter, to order full disgorgement from the Respondents to ensure that no Respondent benefits from non-compliance with Ontario securities law. However, although Staff's request for disgorgement orders against York Rio and its directing minds – York, Schwartz (during the Schwartz Period) and Runic (during the Runic Period) – is net of any amounts that may be paid by Robinson or Sherman in full or partial satisfaction of the disgorgement orders made against them, it fails to recognize that the York Rio Proceeds were initially deposited into the York Rio Account, then flowed through a number of accounts controlled by York, Schwartz and Runic before their ultimate disbursement to the Individual Respondents (paragraphs 297-320 of the Merits Decision). As a result, the disgorgement orders requested by Staff, if paid in full by the Respondents, would result in disgorgement of approximately $34.8 million, almost twice the approximately $18 million obtained as result of the Respondents' non-compliance with Ontario securities law. The Commission's authority under paragraph 10 of subsection 127(1) of the Act is limited to ordering disgorgement of "any amounts obtained as a result of non-compliance with Ontario securities law".

[68] We are also concerned that the disgorgement orders requested by Staff may be unenforceable because the amount owing by any Respondent cannot be determined with certainty at any given time. Pursuant to section 19 of the SPPA, an order of the Commission may be filed in the Ontario Superior Court of Justice, and, on filing, is deemed to be an order of that Court and enforceable as such. To that end, subsection 17(2) of the SPPA says, "A tribunal that makes an order for the payment of money shall set out in the order the principal sum, and if interest is payable, the rate of interest and the date from which it is to be calculated." We are unable to order the payment of a principal sum based on the form of orders requested by Staff.

[69] Finally, we accept York's submission that it would be unfair to make him jointly and severally liable, with York Rio, for the total amount obtained as a result of the York Rio Respondents' non-compliance with Ontario securities law, without also imposing the same joint and several responsibility on Schwartz and Runic for the amounts obtained by York Rio during, respectively, the Schwartz Period and the Runic Period. We note that it would be very difficult to determine the basis for joint and several disgorgement orders against the three directing minds in this case because of the different and overlapping roles

they played throughout the Material Time and because of the commingling of funds, which flowed through a number of accounts controlled by or associated with the Respondents before their ultimate disposition by the Individual Respondents.

[70] In these circumstances, we will order each of the Individual Respondents to disgorge to the Commission the amount that he obtained as a result of his non-compliance with the Act, in relation to the York Rio Investment Scheme, on a joint and several basis with York Rio, and in relation to the Brilliante Investment Scheme, on a joint and several basis with Brilliante. This form of order recognizes the different roles played by the Individual Respondents, deprives each Respondent of his ill-gotten gains, and is more readily enforceable against each Respondent.

[71] Accordingly, we will order that the Individual Respondents disgorge the following amounts to the Commission, totalling approximately $16.7 million, all of which payments are to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act:

(a) York shall disgorge to the Commission, on a joint and several basis with York Rio, $4.1 million that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio securities (paragraph 432 of the Merits Decision);

(b) Schwartz shall disgorge to the Commission, on a joint and several basis with York Rio, $2.75 million that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio securities (paragraph 530 of the Merits Decision);

(c) Runic shall disgorge to the Commission, on a joint and several basis with York Rio, $9.2 million that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio securities (paragraph 608 of the Merits Decision);

(d) Demchuk shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $218,833.74 that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio and Brilliante securities (paragraph 647 of the Merits Decision);

(e) Oliver shall disgorge to the Commission, on a joint and several basis with York Rio, $118,615.91 that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio securities (paragraph 680 of the Merits Decision);

(f) Valde shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $193,435.26 that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio and Brilliante securities (paragraph 700 of the Merits Decision); and

(g) Bassingdale shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $155,595.40 that he obtained as a result of his non-compliance with Ontario securities law in relation to the sale of York Rio and Brilliante securities (paragraph 731 of the Merits Decision).

[72] Approximately $5 million worth of assets has been frozen by orders of the Commission and the British Columbia Securities Commission (paragraphs 8-11 of the Merits Decision). As noted at paragraph 48 above, York has stated that he will not claim any of the funds in the Munket Account. Staff notes that Runic, in his compelled examination, admitted that the funds that are frozen in British Columbia as well as the funds that were used to buy the Aurora Property are traceable to York Rio investors (paragraphs 584-588 of the Merits Decision). Staff submits that these admissions may facilitate Staff's attempts to recover the frozen assets, which may affect the disgorgement order. For clarity, we will add a clause to our disgorgement order reflecting section 144 of the Act, which provides that the Commission "may make an order revoking or varying a decision of the Commission on the application of the Executive Director or a person or company affected by the decision, if in the Commission's opinion the order would not be prejudicial in the public interest".

C. Administrative Penalties

[73] Staff seeks administrative penalties from the Respondents totalling approximately $27.1 million, including penalties of $3 million from each of York Rio and Brilliante, and orders of $9 million from York, $5 million from Schwartz and $4.6 million from Runic.

[74] Paragraph 9 of subsection 127(1) of the Act authorizes the Commission to order an administrative penalty of "not more than $1 million for each failure to comply" with Ontario securities law. Staff explains the $3 million administrative penalty requested from each of York Rio and Brilliante, for example, as $1 million for each Respondent's failure to comply with a specific provision of Ontario securities law, on the basis of our finding, in the Merits Decision, that each of York Rio and Brillante contravened three provisions of the Act – subsections 25(1)(a) and 53(1) and section 126.1(b). In addition, the administrative penalties requested from each of the three directing minds are broken down as between the York Rio and Brilliante Investment

Schemes. For example, York's $9 million administrative penalty is explained as $5 million for his contraventions of subsections 25(1)(a) and 53(1), subsection 38(3), section 126.1(b) and section 129.2 in relation to the York Rio Investment Scheme, plus $4 million for his contraventions of subsections 25(1)(a) and 53(1), section 126.1(b) and section 129.2 in relation to the Brilliante Investment Scheme.

[75] We accept Staff's submission that this case involved significant contraventions of the Act, including fraud, that the unlawful activity was planned, prolonged and widespread, and that the York Rio and Brilliante Investment Schemes were fraudulent from the outset. As a result of the Respondents' non-compliance with Ontario securities law, over 200 investors lost approximately $18 million. We accept that the amount of an administrative penalty should be more than the cost of doing business and should properly reflect the Commission's denunciation of the Respondents' wrongdoing and provide specific and general deterrence.

[76] We have considered the Commission's prior case-law in determining the administrative penalties that are proportionate to the circumstances in this matter. Staff relied on *Sabourin Sanctions*, *supra*, which involved investor losses of $33.9 million, in which the highest administrative penalty awarded by the Commission was $1.2 million awarded on a joint and several basis against Peter Sabourin and the five corporate respondents of which he was the directing mind. Staff also relied on *Al-tar Sanctions*, *supra*, *Richvale Sanctions*, *supra*, *Lyndz Sanctions*, *supra*, and *Goldpoint Sanctions*, *supra*, in all of which fraud cases the Commission ordered very substantial administrative penalties of several hundred thousand dollars, but not exceeding $750,000, against each of the individual respondents. In our view, these and other similar Commission decisions provide appropriate precedents for assessing proportionate administrative penalty sanctions in this case.

[77] As stated in paragraph 36 above, the Commission has held that the sanctions imposed must be proportionate to the conduct of the respondent in the circumstances of each case.

[78] In this case, we found, in the Merits Decision, that the three directing minds (York, Schwartz and Runic) knowingly defrauded investors, and benefitted greatly from their knowing participation in the fraudulent schemes. We are not persuaded that there are any mitigating factors with respect to York or Schwartz, and we accept that their conduct calls for the Commission to send the strongest message of specific and general deterrence. Further, we are not persuaded it is appropriate to reduce the award against York based on ability to pay, considering that he orchestrated and was the directing mind of the fraudulent York Rio and Brilliante Investment Schemes that resulted in approximately $18 million of investor losses throughout the Material Time. Schwartz's conduct was especially egregious, considering his breach of the Commission's cease trade order in the Euston matter, his disregard for investors, and his utter lack of remorse. We are prepared to accept Staff's submissions that Runic's admissions to Staff during his compelled examination, his admission that the $5 million frozen funds in British Columbia came from investors and his admitted substance abuse issues at the Material Time are mitigating factors.

[79] Accordingly, we will order that each of York Rio, Brilliante, York, Schwartz and Runic shall pay an administrative penalty of $1 million.

[80] Staff submitted that the administrative penalties requested from the four salesmen (Demchuk, Oliver, Valde and Bassingdale) represent approximately twice the amount each obtained as a result of his non-compliance with Ontario securities law. We accept that the profit obtained or loss avoided as a result of the respondent's non-compliance with Ontario securities law is a relevant factor in determining the amount of an administrative penalty, and we also accept that the sanctions imposed by the Commission must be more than the cost of doing business, if they are to have deterrent effect. However, we do not accept that a mathematical approach is consistent with the principle that the sanctions imposed should be proportionate considering all the circumstances relating to the conduct of the respondent, any aggravating and mitigating circumstances, and the administrative penalties imposed in similar cases, amongst other factors (*M.C.J.C. Holdings*, *supra*, at 1134; *Re Rowan* (2009), 33 O.S.C.B. 91 ("***Rowan Sanctions***"), at paragraphs 157 and 195, *Sabourin Sanctions*, *supra*, at paragraph 56; *Lyndz Sanctions*, *supra*, at paragraph 95; and *Goldpoint Sanctions*, *supra*, at paragraphs 77-80).

[81] Demchuk, Oliver, Valde and Bassingdale engaged in securities fraud, but they were not the directing minds of the schemes and participated and benefitted to a much more limited degree than York, Runic and Schwartz. We find it appropriate to consider their relatively less important roles in the schemes in determining a proportionate administrative penalty to be awarded against them. We also accept that ability to pay is a factor, though not a significant factor, in our assessment of the appropriate administrative penalty to be ordered against them. Considering all the circumstances, we will order Demchuk to pay an administrative penalty of $200,000, Oliver to pay $75,000, Valde to pay $190,000 and Bassingdale to pay $150,000, all of which payments are to be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act.

[82] We have also considered the proportionality of the disgorgement and administrative penalty orders made against each Respondent, and the global sanctions ordered against all of the Respondents. We note that the disgorgement and administrative penalties ordered against the Respondents total approximately $22.3 million, comprised of $1 million ordered against each of York Rio and Brilliante, $5.1 million ordered against York, $3.75 million ordered against Schwartz, $10.2 million ordered against Runic, $418,833.74 ordered against Demchuk, $193,615.91 ordered against Oliver, $383,435.26 ordered

against Valde, and $305,595.40 ordered against Bassingdale. These very substantial orders will send the strongest message of specific and general deterrence to the Respondents and like-minded individuals.

D. Subsection 3.4(2)(b)

[83] Staff requested that amounts received in satisfaction of the disgorgement and administrative penalty orders be "designated for allocation to or for the benefit of third parties pursuant to section 3.4(2)(b) of the Act". Subsection 3.4(2), as amended, provides that money received by the Commission in satisfaction of administrative penalty or disgorgement orders shall be paid into the Consolidated Revenue Fund, other than money:

> (b) that is designated under the terms of the order or settlement,
>
> (i) for allocation to or for the benefit of third parties, or
>
> (ii) for use by the Commission for the purpose of educating investors or promoting or otherwise enhancing knowledge and information of persons regarding the operation of the securities and financial markets.

[84] In accordance with this provision, monies received in satisfaction of our disgorgment and administrative penalty orders shall be designated for allocation or for use by the Commission, at the discretion of the Commission, pursuant to section 3.4(2)(b) of the Act.

E. Reprimand

[85] For all the reasons stated, the Respondents are reprimanded.

VI. COSTS

A. Staff's Submissions

[86] Staff submits that the Commission should order the Respondents to pay a portion of the Commission's investigation and hearing costs in the amount of $430,828.75. Staff seeks an order that York Rio, Brilliante, York and Schwartz pay costs of $340,828.75, for which they shall be jointly and severally liable, and that Runic pay costs of $50,000, for which he shall be severally liable. Staff also seeks costs orders of $10,000 against each of Demchuk, Oliver, Valde and Bassingdale.

[87] Staff submits that in preparing its Bill of Costs, it:

- employed a conservative approach;
- used only a portion of the hours incurred by the investigators – Vanderlaan and Ciorma, and by the two Senior Litigation Counsel who appeared during the Merits Hearing – Hugh Craig ("**Craig**") and Cameron Watson ("**Watson**");
- claimed no time related to the investigation and hearing in this matter for persons other than Vanderlaan, Ciorma, Craig and Watson;
- claimed no time for Craig prior to January 1, 2011;
- claimed no time for preparing or attending at the Sanctions and Costs Hearing;
- claimed no amounts for disbursements; and
- used the Commission's standard schedule of hourly rates – $185 per hour for investigation employees, and $205 per hour for litigation employees.

[88] Staff provided the Fisher Affidavit in support of its request for costs. Part 1 of the Bill of Costs is a chart showing the breakdown of the total costs requested:

Investigator Costs: Vanderlaan and Ciorma (February 12, 2008 to December 31, 2011)			
Investigator	**Number of Hours**	**Hourly Rate**	**Total Cost**
Vanderlaan	1,035.0	$185	$191,475.00
Ciorma	483.5	$185	$89,447.50
Litigator Costs: Craig and Watson (January 1-December 31, 2011)			
Litigator	**Number of Hours**	**Hourly Rate**	**Total cost**
Craig	343.5	$205	$70,417.50
Watson	387.75	$205	$79,488.75
Total Investigator and Litigator Costs			**$430,828.75**

[89] Staff provided an Appendix for each of the investigators and litigators, breaking down the hours claimed by tasks. For example, Craig's 343.5 hours are broken down into analysis (28.75 hours), attending hearing/court proceeding (88.5 hours), conducting interviews (10 hours), preparing hearing/court proceeding (198.25 hours), and preparing proceeding documents (18 hours). No supporting time-sheets or dockets were provided, although Fisher attests that she relied on a docket summary when preparing the bill of costs.

B. The Respondents' Submissions

[90] As stated at paragraph 53 above, Schwartz submitted that section 17.1(2) of the SPPA allows costs awards only where "the conduct or course of conduct of a party has been unreasonable, frivolous or vexatious or a party has acted in bad faith."

[91] None of the other Respondents made specific submissions on costs, though York, Oliver and Valde made general submissions, as stated above, with respect to their inability to pay the total sanctions and costs amounts requested by Staff.

C. Analysis and Conclusions on Costs

1. Application of the SPPA

[92] Schwartz submits that our power to award costs is limited by subsection 17.1(2) of the SPPA, which states:

> 17.1(2) A tribunal shall not make an order to pay costs under this section unless,
>
> (a) the conduct or course of conduct of a party has been unreasonable, frivolous or vexatious or a party has acted in bad faith; and
>
> (b) the tribunal has made rules under subsection (4).

[93] The Commission's Rules are made under the SPPA and must be consistent with it, and in the case of any conflict between the SPPA and the Rules, the SPPA prevails (SPPA sections 25.1 and 32, Rule 1.2(2)). However, subsection 17.1(6) of the SPPA expressly preserves the authority of a tribunal to order costs in circumstances other than those set out in subsection 17.1(2)(a), if the order is made under the authority of a statutory provision that was already in force on February 14, 2000. Subsection 17.1(6) is as follows:

> Despite section 32, nothing in this section shall prevent a tribunal from ordering a party to pay all or part of another party's costs in a proceeding in circumstances other than those set out in, and without complying with, subsections (1) to (3) if the tribunal makes the order in accordance with the provisions of an Act that are in force on February 14, 2000.

[94] In *Rowan Sanctions*, *supra*, the Commission stated:

> The Commission's jurisdiction to award costs is established by section 127.1 of the Act (enacted in December 1999). The application of that provision is expressly contemplated by subsection 17.1(6) of the SPPA. A costs award by the Commission is not made "under" section 17.1 of the SPPA as argued by the Respondents. This provision does not apply to the present proceeding.

[95] Schwartz has given us no reason to depart from the Commission's reasons in *Rowan*, with which we agree. Our authority to award costs is set out in section 127.1 of the Act and in Rule 18, and is not limited by subsection 17.1(2)(a) of the SPPA.

2. Appropriate Costs in this Proceeding

[96] Pursuant to section 127.1 of the Act, the Commission may order a person or company to pay costs of the investigation and/or the hearing if the Commission is satisfied that the person or company has not complied with the Act or has not acted in the public interest. As we have noted at paragraph 27 above, we found, at the conclusion of the Merits Hearing, that the Respondents have not complied with the Act and have not acted in the public interest.

[97] Rule 18.2 of the Commission's Rules provides that the Commission may consider the following factors in exercising its discretion to order costs against a person or company under section 127.1 of the Act:

(a) whether the respondent failed to comply with a procedural order or direction of the Panel;

(b) the complexity of the proceeding;

(c) the importance of the issues;

(d) the conduct of Staff during the investigation and during the proceeding, and how Staff's conduct contributed to the costs of the investigation and the proceeding;

(e) whether the respondent contributed to a shorter, more efficient, and more effective hearing, or whether the conduct of the respondent unnecessarily lengthened the duration of the proceeding;

(f) whether any step in the proceeding was taken in an improper, vexatious, unreasonable, or negligent fashion or in error;

(g) whether the respondent participated in the proceeding in a way that helped the Commission understand the issues before it;

(h) whether the respondent participated in a responsible, informed and well-prepared manner;

(i) whether the respondent co-operated with Staff and disclosed all relevant information;

(j) whether the respondent denied or refused to admit anything that should have been admitted; or

(k) any other factors the Panel considers relevant.

[98] In this case, we have considered the following factors in awarding costs:

- The York Rio and Brilliante Investment Schemes were related and entirely fraudulent scams, and as a result of the Respondents' non-compliance with Ontario securities law, investors lost approximately $18 million. This proceeding involved the most serious misconduct and caused significant harm to investors.

- To effect the fraudulent scheme, the three directing minds – York, Schwartz (during the Schwartz Period) and Runic (during the Runic Period) – participated in the flow of investor funds through a number of bank accounts in an attempt to hide their fraudulent conduct from investors and regulators and to protect their ill-gotten gains. Tracing the flow of funds from investors through to their ultimate use by or for the benefit of the Respondents and their families and friends added significantly to the factual complexity of the investigation and the hearing.

- Throughout the Merits Hearing, we gave very considerable leeway to Schwartz and York because they were not represented by counsel, for example, by repeatedly waiving the time limits set out in the Rules for filing and serving motion materials. However, their self-represented status does not explain or excuse their conduct. As stated above, Schwartz brought two motions before the start of the Merits Hearing (a Stay Motion and an

Adjournment Motion) and three motions during the Merits Hearing (the Search Warrant Motion, the Exclusion of Evidence Motion and the Bias Motion). York joined with Schwartz in the two pre-hearing motions and the Search Warrant Motion. Although all these motions were dismissed with reasons, Schwartz and York repeated the positions they had taken in these motions in their closing submissions at the Merits Hearing. The conduct of Schwartz and York in pursuing their motions resulted in significant delays in concluding the Merits Hearing and caused the Commission to waste its resources in what were, essentially, attempts to obstruct or delay the proceeding (paragraphs 32-49 of the Merits Decision).

- In cross-examining the investor witnesses called by Staff, Schwartz and York made clear their view that the investors were responsible for their losses. Their callous disregard for their obligations to investors and their obvious lack of concern about the consequences of their actions was a significant aggravating factor in this matter (paragraphs 288 and 489-494 of the Merits Decision).

- Runic was a directing mind of York Rio and Brilliante during the Runic Period, and was a key player in raising approximately $12 million from York Rio and Brilliante investors. He also played a leading role, during the Runic Period, in flowing investor funds through various bank accounts in Ontario and British Columbia, using investor funds to buy the Aurora Property, and attempting to transfer other funds offshore. Runic also evaded the Commission's attempt to serve him with a section 13 summons for some time, but eventually provided compelled evidence to the Commission, and made a number of admissions. He did not attend the Merits Hearing or the Sanctions and Costs Hearing.

- Staff proved its allegations except for its allegations against Oliver with respect to Brilliante and certain of its allegations of prohibited representations against Runic, Demchuk and Bassingdale (see paragraph 26 above).

[99] Considering all these factors, we find it appropriate to award Staff a significant portion of the costs it requested. However, we find it appropriate to discount the amounts requested by 20% because of Staff's non-compliance with the requirements for supporting documentation set out in Rule 18.1(2)(b). Accordingly, we will make the following costs orders against the Respondents:

- an order pursuant to subsection 127.1 of the Act that York Rio, Brilliante, York and Schwartz shall pay $272,500 of the Commission's costs of investigation and the hearing of this matter, for which they shall be jointly and severally liable;

- an order pursuant to subsection 127.1 of the Act that Runic shall pay $40,000 of the Commission's costs of investigation and the hearing of this matter; and

- an order pursuant to subsection 127.1 of the Act that each of Demchuk, Oliver, Valde and Bassingdale shall pay $8,000 of the Commission's costs of investigation and the hearing of this matter.

VII. CONCLUSION

[100] For the reasons given, we find that it is in the public interest to make the following orders:

1. pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale shall cease permanently;

2. pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently;

3. pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to York Rio, Brilliante, York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale permanently;

4. pursuant to clause 7 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale shall resign any position he holds as a director or officer of an issuer;

5. pursuant to clause 8 of subsection 127(1) of the Act each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of any issuer;

6. pursuant to clause 8.2 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of a registrant;

7. pursuant to clause 8.4 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a director or officer of an investment fund manager;

8. pursuant to clause 8.5 of subsection 127(1) of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from becoming or acting as a registrant, as an investment fund manager or as a promoter;

9. pursuant to section 37 of the Act, each of York, Runic, Schwartz, Demchuk, Oliver, Valde and Bassingdale is prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;

10. pursuant to clause 9 of subsection 127(1) of the Act, each of the Respondents shall pay an administrative penalty in the following amounts, which shall be designated for use or allocation by the Commission pursuant to subsection 3.4(2)(b) of the Act:

    (a) York Rio shall pay an administrative penalty of $1 million;

    (b) Brilliante shall pay an administrative penalty of $1 million;

    (c) York shall pay an administrative penalty of $1 million;

    (d) Schwartz shall pay an administrative penalty of $1 million;

    (e) Runic shall pay an administrative penalty of $1 million;

    (f) Demchuk shall pay an administrative penalty of $200,000;

    (g) Oliver shall pay an administrative penalty of $75,000;

    (h) Valde shall pay an administrative penalty of $190,000; and

    (i) Bassingdale shall pay an administrative penalty of $150,000;

11. pursuant to clause 10 of subsection 127(1) of the Act, each of the Respondents shall disgorge to the Commission the following amounts, which shall be designated for use or allocation by the Commission pursuant to subsection 3.4(2)(b) of the Act:

    (a) York shall disgorge to the Commission, on a joint and several basis with York Rio, $4.1 million;

    (b) Schwartz shall disgorge to the Commission, on a joint and several basis with York Rio, $2.75 million;

    (c) Runic shall disgorge to the Commission, on a joint and several basis with York Rio, $9.2 million;

    (d) Demchuk shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $218,833.74;

    (e) Oliver shall disgorge to the Commission, on a joint and several basis with York Rio, $118,615.91;

    (f) Valde shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $193,435.26;

    (g) Bassingdale shall disgorge to the Commission, on a joint and several basis with York Rio and Brilliante, $155,595.40;

    (h) for clarity, Staff or any Respondent may apply to the Commission, pursuant to section 144 of the Act, to vary or revoke clauses 11(a)-(g) of this Order in the event of a change in circumstances; and

12. pursuant to section 127.1 of the Act, the Respondents shall pay the Commission's costs of the investigation and hearing in the following amounts:

    (a) York Rio, Brilliante, York and Schwartz shall pay costs of $272,500 on a joint and several basis;

(b) Runic shall pay costs of $40,000;

(c) Demchuk shall pay costs of $8,000;

(d) Oliver shall pay costs of $8,000;

(e) Valde shall pay costs of $8,000; and

(f) Bassingdale shall pay costs of $8,000.

DATED at Toronto this March 31, 2014.

“Vern Krishna”

“Edward P. Kerwin”

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
TG Residential Value Properties Ltd.	13 Nov 13	25 Nov 13	25 Nov 13	31 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
NTG Clarity Networks Inc.	14 Feb 14	26 Feb 14	26 Feb 14		

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
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	28 Mar 14	

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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
01/22/2014	1	American Capital Senor Floating Ltd. - Common Shares	124,526.25	7,500.00
01/01/2013 to 12/31/2013	1	Baker Gilmore & Associates Bond Fund - Trust Units	2,030,000.00	193,243.15
01/01/2013 to 12/31/2013	1	CC&L American Equity Fund - Trust Units	80,242.97	10,318.25
01/01/2013 to 12/31/2013	9	CC&L Bond Fund - Trust Units	2,339,944.76	221,955.41
01/01/2013 to 12/31/2013	5	CC&L Canadian Equity Fund - Trust Units	358,974.10	37,184.80
01/01/2013 to 12/31/2013	310	CC&L Client Global Equity Portfolio - Trust Units	40,521,339.05	5,544,634.18
01/01/2013 to 12/31/2013	12	CC&L Global Equity Fund (formerly, CC&L Global Fund) - Trust Units	28,883,803.25	1,693,256.05
01/01/2013 to 12/31/2013	1594	CC&L Market Neutral Fund - Trust Units	172,395,109.72	13,089,070.86
01/01/2013 to 12/31/2013	6	CC&L Q International Equity Fund (formerly, CC&L EAFE Equity Fund) - Trust Units	378,423.51	35,914.15
01/01/2013 to 12/31/2013	65	CC&L Select Balanced Growth Portfolio - Trust Units	2,201,779.06	194,634.82
01/01/0013 to 12/31/2013	1	CC&L Select Balanced Growth Portfolio - Trust Units	212,561.78	21,342.31
01/01/2013 to 12/31/2013	11	CC&L Select Balanced Income Portfolio - Trust Units	364,837.04	33,758.61
01/01/2013 to 12/31/2013	90	CC&L Select Balanced Portfolio - Trust Units	4,381,606.59	308,833.67
01/01/2013 to 12/31/2013	56	CC&L Select Diversified Income Portfolio - Trust Units	3,181,750.25	291,102.96
01/01/2013 to 12/31/2013	43	CC&L Select Growth Portfolio - Trust Units	1,217,855.24	103,861.53
01/01/2013 to 12/31/2013	3	CC&L US Equity Fund - Trust Units	189,449.29	18,161.61
02/20/2013	2	IFM Global Infrastructure (Canada) L.P. - Limited Partnership Interest	29,250,000.00	29,250,000.00
01/01/2013 to 12/31/2013	1	PCJ Absolute Return Fund - Trust Units	33.28	0.24

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
01/01/2013 to 12/31/2013	2	PCJ Canadian Equity Fund - Trust Units	186,796.56	17,714.75
11/01/2013	9	Point Harbor Capital LLC - Limited Partnership Units	8,859,611.17	N/A
01/01/2013 to 12/31/2013	454	Private Client Bond Portfolio - Trust Units	43,502,825.89	3,892,599.75
01/01/2013 to 12/31/2013	481	Private Client Canadian Equity Income & Growth Portfolio II - Trust Units	24,022,719.91	1,304,675.60
01/01/2013 to 12/31/2013	312	Private Client Canadian Equity Portfolio - Trust Units	15,625,885.32	858,567.28
01/01/2013 to 12/31/2013	324	Private Client Canadian Value Portfolio - Trust Units	15,622,181.73	940,565.69
01/01/2013 to 12/31/2013	14	Private Client Global Small Cap Portfolio - Trust Units	5,030,601.96	397,908.94
01/01/2013 to 12/31/2013	445	Private Client High Yield Bond Portfolio - Trust Units	30,019,389.62	2,836,452.18
01/01/2013 to 12/31/2013	69	Private Client Infrastructure Portfolio - Trust Units	1,950,721.28	170,629.91
01/01/2013 to 12/31/2013	58	Private Client International Equity Portfolio - Trust Units	2,673,187.07	258,847.67
01/01/2013 to 12/31/2013	118	Private Client Money Market Portfolio - Trust Units	36,849,412.56	3,687,418.13
01/01/2013 to 12/31/2013	176	Private Client Multi-Strategy Portfolio - Trust Units	11,971,324.36	861,516.64
01/01/2013 to 12/31/2013	62	Private Client Real Estate Portfolio - Trust Units	4,086,220.84	32,003.26
01/01/2013 to 12/31/2013	455	Private Client Short Term Bond Portfolio - Trust Units	51,946,122.15	5,121,257.84
01/01/2013 to 12/31/2013	280	Private Client Small Cap Portfolio II - Trust Units	9,322,539.14	552,519.04
01/01/2013 to 12/31/2013	2	Private Client Socially Responsible Canadian Equity Portfolio - Trust Units	2,171,292.43	238,365.51
01/01/2013 to 12/31/2013	28	Private Client US Equity Portfolio - Trust Units	1,291,935.10	197,020.15
01/01/2013 to 12/31/2013	155	Private Client U.S. Equity Income & Growth Portfolio - Trust Units	8,573,138.09	639,644.11
01/01/2013 to 12/31/2013	4	Private Client U.S. Short Term Bond Portfolio - Trust Units	248,623.24	26,492.99
12/06/2013	2	Providence Debt III Private Investors Offshore L.P. - Limited Partnership Interest	2,665,750.00	N/A
01/01/2013 to 12/31/2013	3	Scheer, Rowlett & Associated Canadian Equity Fund - Trust Units	237,620.40	15,884.80
02/28/2014	28	Vertex Arbitrage Fund - Trust Units	6,091,356.63	N/A
01/31/2014	30	Vertex Arbitrage Fund - Trust Units	5,021,111.99	N/A

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
02/28/2014	91	Vertex Fund - Trust Units	15,924,094.35	N/A
01/31/2014	94	Vertex Fund - Trust Units	9,501,736.58	N/A
02/28/2013	20	Vertex Managed Value Portfolio - Trust Units	9,605,235.83	N/A
01/31/2014	21	Vertex Managed Value Portfolio - Trust Units	8,762,923.37	N/A

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Bell Aliant Regional Communications, Limited Partnership
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Base Shelf Prospectus dated March 27, 2014
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
$1,000,000,000
Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
BEACON SECURITIES LIMITED
CIBC WORLD MARKETS INC.
CASGRAIN & COMPANY LIMITED
DESJARDINS SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2182755

Issuer Name:
Big Rock Brewery Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
$11,815,000.00 - 695,000 Common Shares
Price: $17.00 per Common Share
Underwriter(s) or Distributor(s):
Cormack Securities Inc.
Promoter(s):
-
Project #2178907

Issuer Name:
Brookfield Select Opportunities Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Maximum: $* - * Units
Price: $10.00 per Unit
Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
BROOKFIELD FINANCIAL CORP.
DESJARDINS SECURITIES INC.
HAYWOOD SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
Promoter(s):
BROOKFIELD INVESTMENT MANAGEMENT (CANADA) INC.
Project #2186017

Issuer Name:
CWC Well Services Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
$25,032,000.00 - 29,800,000 Subscription Receipts each representing the right to receive one Common Share
Price $0.84 per Subscription Receipt
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Acumen Capital Finance Partners Limited
Promoter(s):
-
Project #2178493

Issuer Name:
Cynapsus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Minimum Offering of $15,000,000.00 - * Units
Maximum Offering of $25,000,000.00 - * Units
Each Unit is comprised of One Common Share and One Common Share Purchase Warrant
Price: $ * per Unit
Underwriter(s) or Distributor(s):
M Partners Inc.
Promoter(s):
-
Project #2185153

Issuer Name:
Dividend 15 Split Corp. II
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
Maximum: $* - * Preferred Shares and * Class A Shares
Prices: $* per Preferred Share and $ * per Class A Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Promoter(s):
-
Project #2181251

Issuer Name:
Dividend 15 Split Corp. II
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated March 27, 2014
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
$35,797,500.00 - 1,935,000 Preferred Shares and 1,935,000 Class A Shares
Prices: $10.00 per Preferred Share and $8.50 per Class A Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Promoter(s):
-
Project #2181251

Issuer Name:
Energy Fuels Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
US$100,000,000.00
Common Shares
Warrants
Subscription Receipts
Preferred Shares
Units
Debt Securities

Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2185754

Issuer Name:
Fidelity American Equity Currency Neutral Class
Fidelity Canadian Focused Equity Investment Trust
Fidelity ClearPath 2050 Portfolio
Fidelity ClearPath 2055 Portfolio
Fidelity Floating Rate High Income Currency Neutral Fund
Fidelity NorthStar Balanced Currency Neutral Fund
Fidelity NorthStar Balanced Fund
Fidelity Small Cap America Currency Neutral Class
Fidelity Tactical High Income Currency Neutral Fund
Fidelity Tactical High Income Fund
Fidelity U.S. All Cap Currency Neutral Class
Fidelity U.S. Focused Stock Currency Neutral Class
Fidelity U.S. Monthly Income Currency Neutral Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 31, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Series A, B, F, O, T5, T8, S5, S8, F5 and F8 Securities
Underwriter(s) or Distributor(s):
Fidelity Investments Canada ULC
Promoter(s):
FIDELITY INVESTMENTS CANADA ULC
Project #2186253

Issuer Name:
Goviex Uranium Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Maximum US$ * - US$1,500,000.00
Maximum * Class A Common Share - Minimum 697,674 Class A Common Shares
Price : US$2.15 per Class A Common Share
Underwriter(s) or Distributor(s):
Salman Partners Inc.
Promoter(s):
Govind Friedland
Project #2184770

Issuer Name:
Lorus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
$ * - * Common Shares
Price:$ * per offered share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2181221

Issuer Name:
Lorus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Short Form Prospectus dated March 27, 2014
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
$25,000,000 - 50,000,000 Common Shares
Price: $0.50 per Offered Share
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2181221

Issuer Name:
Magna International Inc.
Type and Date:
Preliminary Base Shelf Prospectus dated March 28, 2014
Receipted on March 31, 2014
Offering Price and Description:
U.S. $2,000,000,000.00 Senior Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2185349

Issuer Name:
Milestone Apartments Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 28, 2014
Offering Price and Description:
C$60,112,000.00 - 5,780,000 Units
Price: C$10.40 per Unit
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
GMP SECURITIES L.P.
DUNDEE SECURITIES LTD.
LAURENTIAN BANK SECURITIES INC.
Promoter(s):
-
Project #2180099

Issuer Name:
Professionals' Short Term Fixed Income Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Series A Units
Underwriter(s) or Distributor(s):
PROFESSIONALS' FINANCIAL – PRIVATE MANAGEMENT INC.
Professionals' Financial - Mutual Funds Inc.
Promoter(s):
PROFESSIONALS' FINANCIAL – PRIVATE MANAGEMENT INC.
Project #2184270

Issuer Name:
Red Pine Exploration Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Minimum Offering: $1,500,000.00
Maximum Offering: $3,000,000.00
Up to 30,000,000 Units
Up to 27,272,727 Flow-Through Units
Price: $0.05 per Unit and $0.055 per Flow-Through Units

Underwriter(s) or Distributor(s):
SECUTOR CAPITAL MANAGEMENT CORPORATION
Promoter(s):
-
Project #2184674

Issuer Name:
UrtheCast Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
$ 75,000,000
Common Shares
Warrants
Units
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2182170

Issuer Name:
Brookfield Canada Office Properties
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
$750,000,000.00
Trust Units
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2175555

Issuer Name:
CIBC International Small Companies Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 13, 2014 to the Simplified Prospectus and Annual Information dated June 26, 2013
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
Class A Units @ Net Asset Value
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
CANADIAN IMPERIAL BANK OF COMMERCE
Project #2056078

Issuer Name:
Series A, Series B, Series F and Series X shares of:
Front Street Resource Growth and Income Class
Front Street Diversified Income Class
Front Street Growth Class
Front Street Special Opportunities Class
Front Street Global Opportunities Class
Front Street Growth and Income Class
Front Street Money Market Class
Series A, Series B and Series F shares of:
Front Street DCA Special Opportunities Class
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Form dated March 21, 2014 (the amended prospectus), amending and restating the amended and restated Simplified Prospectuses and Annual Information Form dated December 10, 2013, which amended and restated the Simplified Prospectuses and Annual Information Form dated July 8, 2013
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
Series A, Series B, Series F and Series X shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
FRONT STREET CAPITAL 2004
Project #2067903; 2110691 & 2150608

Issuer Name:
Front Street Global Balanced Income Class
(Series A, Series B, Series F and Series X shares)
Front Street Tactical Bond Class
(Series A, Series B, Series F, Series H, Series I and Series X shares)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectuses and Annual Information Form dated March 21, 2014 (the amended prospectus) amending and restating the Simplified Prospectuses and Annual Information Form dated December 10, 2013.
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
Series A, Series B, Series F, Series H, Series I and Series X shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Front Street Capital 2004
Project #2110691; 2067903

Issuer Name:
Front Street Tactical Equity Class
Front Street Value Class
(Series A, Series B, Series F and Series X shares)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 21, 2014
NP 11-202 Receipt dated March 27, 2014
Offering Price and Description:
Series A, Series B, Series F and Series X
Underwriter(s) or Distributor(s):
-
Promoter(s):
Front Street Capital 2004
Project #2150608; 2067903; 2110691

Issuer Name:
Frontiers International Equity Pool
(Class A, C, I and O Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 13, 2014 to the Simplified Prospectus and Annual Information Form dated December 13, 2013
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
Class A, C, I, and O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2121243

Issuer Name:
Imperial International Equity Pool
Imperial Overseas Equity Pool
(Class A Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 13, 2014 to the Simplified Prospectuses and Annual Information Form dated December 13, 2013
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
Class A Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2121273

Issuer Name:
iShares Canadian Growth Index ETF
(formerly iShares Dow Jones Canada Select Growth Index Fund)
iShares S&P/TSX SmallCap Index ETF
(formerly iShares S&P/TSX SmallCap Index Fund)
iShares Canadian Value Index ETF
(formerly iShares Dow Jones Canada Select Value Index Fund)
iShares Canadian Select Dividend Index ETF
(formerly iShares Dow Jones Canada Select Dividend Index Fund)
iShares S&P/TSX Capped Energy Index ETF
(formerly iShares S&P/TSX Capped Energy Index Fund)
iShares S&P/TSX Equity Income Index ETF
(formerly iShares S&P/TSX Equity Income Index Fund)
iShares Jantzi Social Index ETF
(formerly iShares Jantzi Social Index Fund)
iShares S&P/TSX Capped Financials Index ETF
(formerly iShares S&P/TSX Capped Financials Index Fund)
iShares S&P/TSX Capped Composite Index ETF
(formerly iShares S&P/TSX Capped Composite Index Fund)
iShares S&P/TSX Capped Information Technology Index ETF
(formerly iShares S&P/TSX Capped Information Technology Index Fund)
iShares S&P/TSX 60 Index ETF
(formerly iShares S&P/TSX 60 Index Fund)
iShares S&P/TSX Capped Materials Index ETF
(formerly iShares S&P/TSX Capped Materials Index Fund)
iShares S&P/TSX Completion Index ETF
(formerly iShares S&P/TSX Completion Index Fund)
iShares S&P/TSX Capped REIT Index ETF
(formerly iShares S&P/TSX Capped REIT Index Fund)
iShares S&P/TSX Capped Consumer Staples Index ETF
(formerly iShares S&P/TSX Capped Consumer Staples Index Fund)
iShares S&P/TSX Capped Utilities Index ETF
(formerly iShares S&P/TSX Capped Utilities Index Fund)
iShares S&P/TSX Venture Index ETF
(formerly iShares S&P/TSX Venture Index Fund)
iShares Canadian Universe Bond Index ETF
(formerly iShares DEX Universe Bond Index Fund)

iShares Canadian Corporate Bond Index ETF
(formerly iShares DEX All Corporate Bond Index Fund)
iShares Floating Rate Index ETF
(formerly iShares DEX Floating Rate Note Index Fund)
iShares Canadian Government Bond Index ETF
(formerly iShares DEX All Government Bond Index Fund)
iShares Canadian HYBrid Corporate Bond Index ETF
(formerly iShares DEX HYBrid Bond Index Fund)
iShares Canadian Long Term Bond Index ETF
(formerly iShares DEX Long Term Bond Index Fund)
iShares Canadian Real Return Bond Index ETF
(formerly iShares DEX Real Return Bond Index Fund)
iShares Canadian Short Term Bond Index ETF
(formerly iShares DEX Short Term Bond Index Fund)
iShares Canadian Short Term Corporate + Maple Bond Index ETF
(formerly iShares DEX Short Term Corporate Universe + Maple Bond Index Fund)
iShares MSCI Brazil Index ETF
(formerly iShares MSCI Brazil Index Fund)
iShares China Index ETF
(formerly iShares China Index Fund)
iShares MSCI Emerging Markets IMI Index ETF
iShares MSCI EAFE IMI Index ETF
iShares MSCI Emerging Markets Index ETF
(formerly iShares MSCI Emerging Markets Index Fund)
iShares India Index ETF
(formerly iShares CNX Nifty India Index ETF)
iShares Latin America Index ETF
(formerly iShares S&P Latin America 40 Index Fund)
iShares S&P 500 Index ETF
iShares MSCI World Index ETF
(formerly iShares MSCI World Index Fund)
iShares S&P/TSX Global Base Metals Index ETF
(formerly iShares S&P/TSX Global Base Metals Index Fund)
iShares S&P/TSX Global Gold Index ETF
(formerly iShares S&P/TSX Global Gold Index Fund)
iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged)
(formerly iShares S&P Global Consumer Discretionary Index Fund (CAD-Hedged))
iShares S&P Global Industrials Index ETF (CAD-Hedged)
(formerly iShares S&P Global Industrials Index Fund (CAD-Hedged))
iShares Global Healthcare Index ETF (CAD-Hedged)
(formerly iShares S&P Global Healthcare Index Fund (CAD-Hedged))
iShares U.S. High Dividend Equity Index ETF (CAD-Hedged)
(formerly iShares U.S. High Dividend Equity Index Fund (CAD-Hedged))
iShares MSCI EAFE® Index ETF (CAD-Hedged)
(formerly iShares MSCI EAFE® Index Fund (CAD-Hedged))
iShares NASDAQ 100 Index ETF (CAD-Hedged)
(formerly iShares NASDAQ 100 Index Fund (CAD-Hedged))
iShares S&P 500 Index ETF (CAD-Hedged)
(formerly iShares S&P 500 Index Fund (CAD-Hedged))
iShares U.S. Small Cap Index ETF (CAD-Hedged)
(formerly iShares Russell 2000® Index Fund (CAD-Hedged))
iShares S&P/TSX North American Preferred Stock Index ETF (CAD-Hedged)
(formerly iShares S&P/TSX North American Preferred Stock Index Fund (CAD-Hedged))
iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged)
(formerly iShares J.P. Morgan USD Emerging Markets Bond Index Fund (CAD-Hedged))
iShares U.S. High Yield Bond Index ETF (CAD-Hedged)
(formerly iShares U.S. High Yield Bond Index Fund (CAD-Hedged))
iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)
(formerly iShares U.S. IG Corporate Bond Index Fund (CAD-Hedged))
iShares MSCI EAFE Minimum Volatility Index ETF
(formerly iShares MSCI EAFE Minimum Volatility Index Fund)
iShares MSCI Emerging Markets Minimum Volatility Index ETF
(formerly iShares MSCI Emerging Markets Minimum Volatility Index Fund)
iShares MSCI USA Minimum Volatility Index ETF
(formerly iShares MSCI USA Minimum Volatility Index Fund)
iShares MSCI Canada Minimum Volatility Index ETF
(formerly iShares MSCI Canada Minimum Volatility Index Fund)
iShares MSCI All Country World Minimum Volatility Index ETF
(formerly iShares MSCI All Country World Minimum Volatility Index Fund)
(Units)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 24, 2014
NP 11-202 Receipt dated March 25, 2014
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #2162388

Issuer Name:
iShares Diversified Monthly Income Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 24, 2014
NP 11-202 Receipt dated March 25, 2014
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #2162387

Issuer Name:
Pilot Gold Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 26, 2014
Offering Price and Description:
C$20,000,160.00
13,072,000 OFFERED SHARES
Price C$1.53 per Offered Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Haywood Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Genuity Corp.
CIBC World Markets Inc.
Cormark Securities Inc.
Macquaire Capital Markets Canada Ltd.
Promoter(s):
-
Project #2175182

Issuer Name:
Redwood Unconstrained Bond Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 10, 2014 to the Simplified Prospectus and Annual Information Form dated November 27, 2013
NP 11-202 Receipt dated March 25, 2014
Offering Price and Description:
Series A, F and I Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Redwood Asset Management Inc.
Promoter(s):
Redwood Asset Management Inc.
Project #2122406

Issuer Name:
Ridgewood Canadian Bond Fund
Ridgewood Tactical Yield Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 27, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):

Ridgewood Capital Asset Management Inc.
Promoter(s):
Ridgewood Capital Asset Management Inc.
Project #2166631

Issuer Name:
Sherritt International Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
$500,000,000.00
Debt Securities
Common Shares
Subscription Receipts
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2165118

Issuer Name:
Sun Life MFS Global Growth Fund (Series A, D, T5, T8, E, F, I, O)
Sun Life MFS Global Value Fund (Series A, T5, T8, E, F, I, O)
Sun Life MFS U.S. Growth Fund (Series A, AH, T5, T8, E, F, I, O)
Sun Life MFS U.S. Value Fund (Series A, AH, T5, T8, E, F, I, O)
Sun Life MFS International Growth Fund (Series A, D, T5, T8, E, F, I, O)
Sun Life MFS International Value Fund (Series A, T5, T8, E, F, I, O)
Sun Life Schroder Emerging Markets Fund (Series A, E, F, I, O)
Sun Life MFS Global Total Return Fund (Series A, T5, E, F, I, O)
Sun Life Milestone 2020 Fund (Series A, E, O)
Sun Life Milestone 2025 Fund (Series A, E, O)
Sun Life Milestone 2030 Fund (Series A, E, O)
Sun Life Milestone 2035 Fund (Series A, E, O)
Sun Life Beutel Goodman Canadian Bond Fund (Series A, E, F, I, O)
Sun Life MFS Monthly Income Fund (Series A, T5, E, F, I, O)
Sun Life Money Market Fund (Series A, D, E, F, I, O)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 21, 2014 to the Simplified Prospectuses and Annual Information Form dated August 29, 2013
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Series E and O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.
Project #2085712

Issuer Name:
Sun Life BlackRock Canadian Balanced Class* (Series A, AT5, E, F, O)
Sun Life BlackRock Canadian Composite Equity Class* (Series A, AT5, E, F, O)
Sun Life BlackRock Canadian Equity Class* (Series A, AT5, AT8, E, F, O)
Sun Life Money Market Class* (Series A, E, F, O)
Sun Life Dynamic Equity Income Class* (Series A, AT5, E, F, O)
Sun Life Dynamic Strategic Yield Class* (Series A, AT5, E, F, O)
Sun Life MFS Dividend Income Class* (Series A, AT5, E, F, O)
Sun Life Managed Conservative Class* (Series A, AT5, E, F, O)
Sun Life Managed Moderate Class* (Series A, AT5, E, F, O)
Sun Life Managed Balanced Class* (Series A, AT5, E, F, O)
Sun Life Managed Balanced Growth Class* (Series A, AT5, AT8, E, F, O)
Sun Life Managed Growth Class* (Series A, AT5, AT8, E, F, O)
Sun Life MFS Canadian Equity Class* (Series A, AT5, E, F, O)
Sun Life Sentry Value Class* (Series A, AT5, E, F, O)
Sun Life MFS U.S. Growth Class* (Series A, AT5, AT8, E, F, O)
Sun Life MFS Global Growth Class* (Series A, AT5, AT8, E, F, O)
Sun Life MFS International Growth Class* (Series A, AT5, AT8, E, F, O)
(*each a class of shares of Sun Life Global Investments Corporate Class Inc.)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 21, 2014 to the Simplified Prospectuses and Annual Information Form dated July 29, 2013
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Series E and O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sun Life Global Investments (Canada) Inc.
Project #2073754

Issuer Name:
Sun Life BlackRock Canadian Equity Fund (Series A, T5, T8, E, F, I and O units)
Sun Life BlackRock Canadian Balanced Fund (Series A, T5, E, F, I and O units)
Sun Life MFS Canadian Bond Fund (formerly Sun Life MFS McLean Budden Canadian Bond Fund) (Series A, D, E, F, I and O units)
Sun Life MFS Balanced Growth Fund (formerly Sun Life MFS McLean Budden Balanced Growth Fund) (Series A, D, E, F, I and O units)
Sun Life MFS Balanced Value Fund (formerly Sun Life MFS McLean Budden Balanced Value Fund) (Series A, D, E, F, I and O units)
Sun Life MFS Canadian Equity Growth Fund (formerly Sun Life MFSMcLean Budden Canadian Equity Growth Fund) (Series A, D, E, F, I and O units)
Sun Life MFS Canadian Equity Fund (formerly Sun Life MFSMcLean Budden Canadian Equity Fund) (Series A, D, E, F, I and O units)
Sun Life MFS Canadian Equity Value Fund (formerly Sun Life MFSMcLean Budden Canadian Equity Value Fund) (Series A, D, E, F, I and O units)
Sun Life MFS Dividend Income Fund (formerly Sun Life MFSMcLean Budden Dividend Income Fund) (Series A, D, E, F, I and O units)
Sun Life MFS U.S. Equity Fund (formerly Sun LifeMFSMcLean Budden U.S. Equity Fund) (Series A, D, E, F, I and O units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 27, 2014
NP 11-202 Receipt dated March 28, 2014
Offering Price and Description:
Series A, Series T5, Series T8, Series D, Series E, Series F, Series I and Series O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sun Life Global Investments (Canada) Inc.
Project #2166585

Issuer Name:
Sun Life Managed Conservative Portfolio (Series A, T5, E, F, I, O)
Sun Life Managed Moderate Portfolio (Series A, T5, E, F, I, O)
Sun Life Managed Balanced Portfolio (Series A, T5, E, F, I, O)
Sun Life Managed Balanced Growth Portfolio (Series A, T5, T8, E, F, I, O)
Sun Life Managed Growth Portfolio (Series A, T5, T8, E, F, I, O)
Sun Life Managed Income Portfolio (Series A, E, F, I, O)
Sun Life Managed Enhanced Income Portfolio (Series A, E, F, I, O)
Sun Life Dynamic Equity Income Fund (Series A, E, F, I, O)
Sun Life Dynamic Strategic Yield Fund (Series A, E, F, I, O)
Sun Life Sentry Value Fund (Series A, E, F, I, O)
Sun Life NWQ Flexible Income Fund (Series A, E, F, I, O)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 21, 2014 to the Simplified Prospectuses and Annual Information Form dated January 23, 2014
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Series E and O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.
Project #2136831

Issuer Name:
Thomson Reuters Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 26, 2014
NP 11-202 Receipt dated March 28, 2014
Offering Price and Description:
US$3,000,000,000.00
Debt Securities
(unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2173527

Issuer Name:
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated March 25, 2014 to the Long Form Prospectus dated July 24, 2013
NP 11-202 Receipt dated March 31, 2014
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Vanguard Investments Canada Inc.
Project #2076304

Issuer Name:
WPT Industrial Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 28, 2014
NP 11-202 Receipt dated March 28, 2014
Offering Price and Description:
US$29,041,110
3,122,700 Units
The price per Unit is stated in U.S. dollars
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
TD Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Scotia Capital Inc.
Promoter(s):
WELSH PROPERTY TRUST, LLC
Project #2177141

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Registration Category	Shoreline West Asset Management Inc.	From: Exempt Market Dealer and Investment Fund Manager To: Exempt Market Dealer, Investment Fund Manager and Portfolio Manager	March 25, 2014
Change of Registration Category	T. Rowe Price (Canada), Inc.	From: Portfolio Manager To: Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	March 31, 2014

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Greystone Managed Investments Inc. – s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

March 28, 2014

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

Attention: Carol E. Derk/K. Ruth Liu

Dear Sirs/Mesdames:

Re: Greystone Managed Investments Inc. (the "Applicant")

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

Application No. 2013/0115

Further to your application dated February 22, 2013 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of the Funds, as defined and listed on Schedule "A", 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 a qualified 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 Funds and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

"Edward P. Kerwin"
Commissioner

"Vern Krishna"
Commissioner

Schedule "A"

Greystone Global Equity Fund
Greystone EAFE Plus Fund
Greystone U.S. Strategic Growth Equity Fund
Greystone U.S. Strategic Value Equity Fund
Greystone EAFE Growth Fund
Greystone EAFE Quantitative Fund
Greystone U.S. Income and Growth Fund
Greystone North American Equity Growth Fund
Greystone U.S. & Global Fixed Income Fund
Greystone Canadian Equity Small Cap Fund
Greystone Long Bond Fund
Greystone Mortgage Fund
Greystone High Yield Fund
Greystone International Income & Growth Fund
Greystone International Equity Fund
Greystone Real Return Bond Fund
Greystone Three Year Target Duration Fund
Greystone Eight Year Target Duration Fund
Greystone Fifteen Year Target Duration Fund
Greystone Twenty Plus Year Target Duration Fund
Greystone Global Income & Growth Fund
Greystone Corporate Bond Fund
Greystone Money Market Fund
Greystone Canadian Fixed Income Fund
Greystone Canadian Equity Fund
Greystone Canadian Equity Income & Growth Fund
Greystone U.S. Equity Fund
Greystone Balanced Fund
Greystone Non-North American Equity Fund
Greystone Emerging Markets Equity Fund
Greystone Socially Responsible Fixed Income Fund
Greystone Canadian Equity 130/30 Fund
(collectively, the "Funds" and individually, a "Fund")

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