The Ontario Securities Commission

OSC Bulletin

May 29, 2014

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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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CSA/ACVM Canadian Securities Administrators Autorités canadiennes en valeurs mobilières

CSA Staff Notice 31-339
Omnibus/Blanket Orders Exempting IIROC and MFDA Registrants from Certain Provisions of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations

May 29, 2014

Introduction

All CSA members have issued parallel orders that provide Investment Industry Regulatory Organization of Canada (**IIROC**) member firms with relief from certain provisions of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which form part of the Client Relationship Model Phase 2 (**CRM2**). All CSA members except Québec have issued parallel orders that provide Mutual Fund Dealers Association of Canada (**MFDA**) member firms with relief from certain CRM2 provisions of NI 31-103. Those CRM2 provisions of NI 31-103 do not apply to IIROC and MFDA member firms, provided they comply with the corresponding requirements of IIROC and the MFDA, respectively.

Background

On July 15, 2014, the following provisions of NI 31-103, which form part of CRM2, will come into effect:

(a) paragraph 14.2(2)(m) [*relationship disclosure information*];

(b) section 14.2.1 [*pre-trade disclosure of charges*]; and

(c) paragraphs 14.12(1)(b.1) and (c.1) [*content and delivery of trade confirmation*].

IIROC and the MFDA (together, these self-regulatory organizations are referred to as the **SROs**) have published amendments to their respective member rules that will have materially the same effect as the amendments to NI 31-103 and will also come into effect on July 15, 2014.

Relief

All CSA members have issued parallel orders that provide IIROC member firms with relief from the relevant provisions of NI 31-103, provided they comply with the corresponding requirements of IIROC.

All CSA members except Québec have issued parallel orders that provide MFDA member firms with relief from the relevant provisions of NI 31-103, provided they comply with the corresponding requirements of the MFDA.

The orders will expire on the date on which amendments to Part 9 of NI 31-103 and Appendices G and H of NI 31-103 come into force providing equivalent exemptions for IIROC and MFDA members. We will take the appropriate steps to make the necessary amendments to Part 9 of NI 31-103 in due course.

Questions

If you have questions regarding this Notice, please refer them to any of the following:

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1.1.2 Microsourceonline Inc. et al.

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

AND

IN THE MATTER OF
MICROSOURCEONLINE INC., MICHAEL PETER ANZELMO,
VITO CURALLI JAIME S. LOBO, SUMIT MAJUMDAR
and JEFFREY DAVID MANDELL

NOTICE OF WITHDRAWAL

WHEREAS on July 26, 2006, 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, to consider whether it is in the public interest to make certain orders against Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell (collectively, the "Respondents") by reason of the allegations set out in the Statement of Allegations filed by Staff of the Commission ("Staff") dated July 26, 2006;

AND WHEREAS the Notice of Hearing gave notice to the Respondents that a hearing would be held on a date and at a time to be scheduled;

AND WHEREAS this matter was not brought back on for a hearing;

TAKE NOTICE that Staff withdraw the Statement of Allegations against the Respondents.

May 21, 2014

Staff of the Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

1.1.3 Notice of Ministerial Approval of the Memorandum of Understanding with the United States Commodity Futures Trading Commission

NOTICE OF MINSTERIAL APPROVAL OF
THE MEMORANDUM OF UNDERSTANDING WITH
THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION

On May 26, 2014, the Minister of Finance approved, pursuant to section 143.10 of the *Securities Act* (Ontario), the memorandum of understanding entered into between the Ontario Securities Commission and the United States Commodity Futures Trading Commission (the "MoU").

The MoU provides a comprehensive framework for consultation, cooperation and information-sharing related to the day-to-day supervision and oversight of cross-border regulated entities and enhances the OSC's ability to supervise these entities.

The MoU came into effect on March 25, 2014. The MoUs were published in the Bulletin on March 27, 2014 at (2014), 37 OSCB 3034.

Questions may be referred to:

Jean-Paul Bureaud
Director (Acting)
Office of Domestic and International Affairs
Tel: 416-593-8131
Email: bureaud@osc.gov.on.ca

1.2 Notices of Hearing

1.2.1 Powerwater Systems, 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
POWERWATER SYSTEMS, INC., DUNCAN CLEWORTH
and POWERWATER USA LTD.

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

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on June 26, 2014 at 11:00 a.m.;

TO CONSIDER whether, pursuant to paragraph 4 of subsection 127(10) of the Act, it is in the public interest for the Commission to make an order:

1. against Powerwater Systems, Inc. ("PSI") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of PSI cease permanently or for such period as is specified by the Commission;

    b. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by PSI cease permanently or for such period as is specified by the Commission;

2. against Duncan Cleworth ("Cleworth") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Cleworth cease permanently or for such period as is specified by the Commission;

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

    c. pursuant to paragraph 7 of subsection 127(1) of the Act, Cleworth resign any positions that he holds as director or officer of an issuer;

    d. pursuant to paragraph 8 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an issuer permanently or for such period as is specified by the Commission;

    e. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Cleworth resign any positions that he holds as director or officer of a registrant;

    f. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as an officer or director of a registrant permanently or for such period as is specified by the Commission;

    g. pursuant to paragraph 8.3 of subsection 127(1) of the Act, Cleworth resign any positions that he holds as director or officer of an investment fund manager;

    h. pursuant to paragraph 8.4 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as an officer or director of an investment fund manager permanently or for such period as is specified by the Commission; and

    i. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Cleworth be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently or for such period as is specified by the Commission;

3. against Powerwater USA Ltd. ("PUL") that:

    a. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by PUL cease permanently or for such period as is specified by the Commission; and

4. To make such other order or orders as the Commission considers appropriate.

BY REASON of the allegations set out in the Statement of Allegations of Staff of the Commission dated May 14, 2014 and by reason of an order of the Banking Commissioner of the Connecticut Department of Banking, State of Connecticut dated October 21, 2013, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that at the hearing on June 26, 2014 at 11:00 a.m., Staff will bring an application to proceed with the matter by written hearing, in accordance with Rule 11 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4095 and section 5.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, and any party to the proceeding may make submissions in respect of the application to proceed by written hearing;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

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

DATED at Toronto this 14th day of May, 2014.

"Josee 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
POWERWATER SYSTEMS, INC., DUNCAN CLEWORTH
and POWERWATER USA LTD.

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. Powerwater Systems Inc., ("PSI"), Duncan Cleworth ("Cleworth") and Powerwater USA Ltd. ("PUL") (together, the "Respondents") are subject to an order made by the Banking Commissioner of the Connecticut Department of Banking, State of Connecticut ("CDB") dated October 21, 2013 (the "CDB Order") that imposes sanctions, conditions, restrictions or requirements on them.

2. In its Findings of Fact, Conclusions of Law and Order dated October 21, 2013 (the "CDB Findings"), the CDB found that PSI and Cleworth engaged in the offering and selling of unregistered securities, and that PUL materially aided them in doing so. The CDB further found that the Respondents' conduct constituted a fraud, and that Cleworth engaged in activities related to the purchase or sale of securities while unregistered to do so.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the CDB Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

4. The conduct for which the Respondents were sanctioned took place from September 17, 2004 to on or about January 11, 2013 (the "Material Time").

5. During the Material Time, PSI was an issuer of common stock. Cleworth, individually and jointly with PUL, offered and sold PSI securities from Connecticut to investors. At Cleworth's direction, investors deposited payments into a bank account controlled by Cleworth. Cleworth subsequently withdrew and used a portion of the investor funds for his personal use.

6. PSI is an Ontario corporation, whose securities were never registered, or exempt from registration, in Connecticut under the *Connecticut Uniform Securities Act* (the "Connecticut Act").

7. PUL is a Connecticut corporation, which has never been registered in any capacity under the Connecticut Act.

8. Cleworth is an Ontario resident, who has never been registered in any capacity under the Connecticut Act. Cleworth was the president of PUL, and the president and chief executive officer of PSI.

II. THE CDB PROCEEDINGS

9. On January 11, 2013, the CDB issued an Order to Cease and Desist, Notice of Intent to Fine and Notice of Right to Hearing ("Notice") against the Respondents.

10. On June 26, 2013 the matter was ultimately heard at a hearing before the CDB, following a previous adjournment requested by the Respondents through their counsel. The Respondents failed to appear at the hearing. As a result, pursuant to Section 36a-1-31(b) of the Connecticut Act, the allegations against the Respondents contained within the Notice were deemed admitted.

The CDB Findings

11. The CDB found the following:

    a. pursuant to 36a-1-31(b) of the Connecticut Act, the allegations made in the Notice against Respondents are deemed admitted;

b. the Respondents offered and sold unregistered securities in or from Connecticut, in violation of Section 36b-16 of the Connecticut Act;

c. PUL materially aided PSI and Cleworth's violation of Section 36b-16 of the Connecticut Act;

d. the conduct of Respondents constitutes, in connection with the offer, sale or purchase of any security, directly or indirectly employing a device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates as a fraud or deceit upon any person, in violation of Section 36b-4(a) of the Connecticut Act;

e. Cleworth received compensation directly or indirectly related to the purchase or sale of securities and transacted business as an agent of issuer in this state absent registration, in violation of Section 36b-6(a) of the Connecticut Act; and

f. PSI employed Cleworth as an unregistered agent of issuer in Connecticut, in violation of Section 36b-6(b) of the Connecticut Act.

The CDB Order

12. The CDB Order imposed the following sanctions, conditions, restrictions or requirements pursuant to Section 36b-27(a) of the Connecticut Act:

a. upon PSI:

i. that PSI cease and desist permanently from: (1) offering and selling unregistered securities; (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and (3) employing agents of issuer in [the State of Connecticut] absent registration;

b. upon Cleworth:

i. that Cleworth cease and desist permanently from: (1) offering and selling unregistered securities; (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and (3) acting as an agent of issuer in [the State of Connecticut] absent registration;

c. upon PUL:

i. that PUL cease and desist permanently from: (1) offering and selling unregistered securities; (2) in connection with the offer, sale or purchase of any security, directly or indirectly employing any device, scheme or artifice to defraud, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, or engaging in an act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and (3) materially aiding violations of the Connecticut Act, including without limitation Section 36b-16 of the Connecticut Act;

d. pursuant to Section 36b-27(d) of the Connecticut Act, a fine of Two Hundred Twenty-Five Thousand Dollars ($225,000) be imposed against PSI;

e. pursuant to Section 36b-27(d) of the Connecticut Act, a fine of Two Hundred Twenty-Five Thousand Dollars ($225,000) be imposed against Cleworth; and

f. pursuant to Section 36b-27(d) of the Connecticut Act, a fine of Two Hundred Thousand Dollars ($200,000) be imposed against PUL.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

13. The Respondents are subject to an order of the CDB imposing sanctions, conditions, restrictions or requirements on them.

14. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.

15. Staff allege that it is in the public interest to make an order against the Respondents.

16. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

17. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the Ontario Securities Commission *Rules of Procedure*.

DATED at Toronto, this 14th day of May, 2014.

1.2.2 B&A Fertilizers Limited – 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
B&A FERTILIZERS LIMITED

NOTICE OF HEARING
(Sections 127(7) and 127(8))

WHEREAS the Director of the Corporate Finance Branch of the Ontario Securities Commission (the "Commission") issued a Temporary Order on May 7, 2014, pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that, effective immediately, all trading in the securities of B&A Fertilizers Limited (the "Reporting Issuer"), whether direct or indirect, shall cease for a period of 15 days from the date of the Temporary Order;

AND WHEREAS pursuant to subsection 127(7) of the Act the Commission extended the Temporary Order on May 21, 2014, ordering the following:

1. Pursuant to subsection 127(7) the Temporary Order be extended until June 9, 2014 and that effective immediately, all trading in the securities of the Reporting Issuer, whether direct or indirect, shall cease until June 9, 2014.

2. The hearing in this matter be adjourned until June 9, 2014;

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on Monday, June 9, 2014, at 9:00 a.m., or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest for the Commission:

1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

2) to make such further orders as the Commission considers appropriate;

BY REASON OF the facts as set out in the Temporary Order and such further additional allegations and evidence 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 further notice of the proceeding.

DATED at Toronto this 22nd day of May, 2014.

"Josée Turcotte"
Acting Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 Powerwater Systems, Inc. et al.

FOR IMMEDIATE RELEASE
May 21, 2014

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

AND

IN THE MATTER OF
POWERWATER SYSTEMS, INC., DUNCAN CLEWORTH
and POWERWATER USA LTD.

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the Act on May 14, 2014, setting the matter down to be heard on June 26, 2014 at 11:00 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, 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated May 14, 2014 and Statement of Allegations of Staff of the Ontario Securities Commission dated May 14, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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1.4.2 Microsourceonline Inc. et al.

FOR IMMEDIATE RELEASE
May 21, 2014

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

AND

IN THE MATTER OF
MICROSOURCEONLINE INC.,
MICHAEL PETER ANZELMO,
VITO CURALLI JAIME S. LOBO,
SUMIT MAJUMDAR
and JEFFREY DAVID MANDELL

TORONTO – Staff of the Ontario Securities Commission filed a Notice of Withdrawal against the Respondents, Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell as of May 21, 2014 in the above noted matter.

A copy of the Notice of Withdrawal dated May 21, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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1.4.3 B&A Fertilizers Limited

FOR IMMEDIATE RELEASE
May 22, 2014

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

AND

IN THE MATTER OF
B&A FERTILIZERS LIMITED

TORONTO – The Office of the Secretary issued a Notice of Hearing on May 22, 2014 setting the matter down to be heard on June 9, 2014 at 9:00 a.m. to consider whether it is in the public interest for the Commission:

(1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated May 22, 2014 and Temporary Order dated May 21, 2014 are 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 Americas Bullion Royalty 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).

May 20, 2014

McCullough O'Connor Irwin LLP
2600, Oceanic Plaza
1066 West Hastings Street
Vancouver, BC V6E 3X1

Attention: Lisa Stewart

Dear Madam:

Re: Americas Bullion Royalty Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (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.

"Denise Weeres"
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.1.2 Granite Real Estate Investment Trust and Granite REIT Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Variation of existing decision – Filers request to have condition in existing decision replaced with revised condition – Prior relief restricted the ability of the Filer to issue subscription receipts, warrants, rights or other convertible securities – Variation of prior relief to permit the Filer to issue subscription receipts, warrants, rights or other securities that are convertible into or exercisable or exchangeable for Stapled Units in accordance with the Support Agreement between the Filers – Requested relief granted.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 58-101 Corporate Governance, s. 3.1.
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.

May 16, 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
GRANITE REAL ESTATE INVESTMENT TRUST AND GRANITE REIT INC.

DECISION

Background

The principal regulator (the **Decision Maker**) in the Jurisdiction has received an application (the **Application**) from Granite Real Estate Investment Trust (**Granite REIT**) and Granite REIT Inc. (**Granite GP**) (Granite REIT and Granite GP each a **Filer** and, collectively, the **Filers**), for a decision by the Decision Maker under the securities legislation of the Jurisdiction (the **Legislation**) varying the decision issued to the Filers on December 21, 2012 *In the Matter of Granite Real Estate Inc., on its own behalf and on behalf of Granite Real Estate Investment Trust and Granite REIT Inc.* (the **Original Decision**). The Original Decision is attached as Schedule "A". The Filers request a variation of the Original Decision by deleting section 2(b)(ii) of the Original Decision and substituting it with the following (added language is noted by underlining) (the **Exemption Sought**):

> "(b) in respect of the Specified Continuous Disclosure Requirements and the Corporate Governance Disclosure Requirements:
>
> (ii) Granite GP does not issue, and has no outstanding, securities other than (A) the Granite GP Common Shares, (B) subscription receipts, warrants, rights or other securities that are convertible into or exercisable or exchangeable for Granite GP Common Shares that will form Stapled Units, (C) debt securities that are stapled to debt securities of Granite REIT, (D) securities issued to or held by directors, trustees, officers, employees or consultants (or former directors, trustees, officers, employees or consultants) of Granite GP, Granite REIT or a related entity (as defined under NI 45-106)) or a permitted assign (as defined under NI 45-106), including options, rights or other securities under equity compensation plans that are convertible into or exercisable or exchangeable for Granite GP Common Shares and/or Granite REIT Units that will form Stapled Units, and (E) the securities listed in sections 13.4(2)(c)(iii) and (iv) of NI 51-102".

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

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut (the **Other Jurisdictions**).

Interpretation

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

Representations

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

1. Granite REIT is a trust formed under the laws of Ontario on September 28, 2012. Granite REIT is a Canadian-based real estate investment trust engaged, directly and through its subsidiaries, primarily in the acquisition, development, construction, leasing, management and ownership of a predominantly industrial rental portfolio of properties in North America and Europe.

2. Granite GP is a corporation formed under the *Business Corporations Act* (British Columbia) on September 28, 2012. Granite GP acts as the general partner of Granite REIT Holdings Limited Partnership (**Granite LP**), a limited partnership formed under the laws of Quebec. Granite REIT is the sole limited partner of Granite LP.

3. Each of Granite REIT and Granite GP is a reporting issuer in the Jurisdiction and the Other Jurisdictions and, to their knowledge, on the date hereof neither of the Filers is in default of applicable securities legislation or the rules and regulations made pursuant thereto in the Jurisdiction or any of the Other Jurisdictions.

4. Each trust unit of Granite REIT (a **Granite REIT Unit**) is stapled to a common share of Granite GP (a **Granite GP Common Share**) to form a "stapled unit" (a **Stapled Unit**), and the two securities trade together as Stapled Units (the **Stapled Structure**). The Stapled Units are currently listed and trade on the Toronto Stock Exchange under the symbol "GRT.UN" and the New York Stock Exchange under the symbol "GRP.U". As at April 30, 2014 there were 47,013,716 Stapled Units issued and outstanding.

5. The Stapled Structure was created on January 3, 2013 under a plan of arrangement by the Filers' corporate predecessor, Granite Real Estate Inc. (**Granite Co.**), to effect its conversion from a corporate structure to a stapled unit real estate investment trust structure. Under the plan of arrangement, through a series of steps, each holder of common shares of Granite Co. exchanged such common shares for Stapled Units. Granite REIT and Granite GP were formed in 2012 to participate in the conversion transaction to form the Stapled Structure.

6. The only material assets of Granite REIT are the limited partnership interests in Granite LP, and the only material asset of Granite GP is its relatively nominal general partner interest in Granite LP. Granite REIT does not own any equity securities of Granite GP, and Granite GP does not own any equity securities of Granite REIT.

7. Granite REIT and Granite GP are parties to a support agreement dated January 3, 2013 (the **Support Agreement**) which facilitates the Stapled Structure. Among other things, the Support Agreement requires each of Granite REIT and Granite GP to issue its component part of a Stapled Unit simultaneously with the other, and to cooperate to facilitate the other in fulfilling its obligations to issue Granite REIT Units or Granite GP Common Shares, as applicable, to form Stapled Units.

8. The Filers have determined that they may in the future wish to issue subscription receipts, warrants, rights or other securities that are convertible into or exercisable or exchangeable for Stapled Units. In accordance with the Support Agreement, if Granite REIT issues subscription receipts, warrants, rights or other convertible securities that give the holder the right to acquire underlying Granite REIT Units, in the Stapled Structure it will be necessary for Granite GP to issue corresponding subscription receipts, warrants, rights or other convertible securities that give the holder the right to acquire underlying Granite GP Common Shares.

9. It is, and will remain, a condition of the Original Decision, under section 2(b)(vii), that each Granite GP Common Share is stapled to a Granite REIT Unit and they trade together as a Stapled Unit so the ownership interest of holders of Stapled Units is the same in both Granite REIT and Granite GP. Subject to this condition, Granite REIT is not restricted

in the type of securities it can issue. However, the Exemption Sought is necessary in the case of Granite GP since section 2(b)(ii) of the Original Decision does not permit Granite GP to issue subscription receipts, warrants, rights or other convertible securities (other than to current or former directors, trustees, officers, employees or consultants). The Exemption Sought will not violate the principles of the Original Decision since Granite GP will be able to issue subscription receipts, warrants, rights or other convertible securities so long as the conversion, exercise or exchange of such securities would result in the issuance of a Granite GP Common Share that will form part of a Stapled Unit.

10. If Granite REIT wishes to raise capital by issuing securities convertible into Stapled Units, each of Granite REIT and Granite GP will issue separate securities convertible into Granite REIT Units and Granite GP Common Shares, respectively, and such convertible securities will be stapled together and traded as a stapled security. The conversion price of each convertible security, as applicable, and the allocation of the net proceeds of such an offering, will be determined pro rata based on the relative values of Granite REIT Units and Granite GP Common Shares at the relevant time. The holder of such stapled convertible securities will not be permitted to convert one component without converting the other for so long as the Stapled Structure exists and, upon conversion of both components, will be entitled to an equal number of Granite REIT Units and Granite GP Common Shares, which will be stapled together and trade as Stapled Units while the Stapled Structure exists.

11. All of the facts and representations provided by the Filers in the Original Decision (other than those in paragraphs 3, 4 and 5, which are superceded by the foregoing paragraphs 1 to 7) remain true and accurate and are incorporated by reference into this decision as representations of the Filers.

Decision

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

2. The decision of the Decision Maker under the Legislation is that the Exemption Sought is granted.

"Sonny Randhawa"
Manager, Corporate Finance
Ontario Securities Commission

Schedule "A"

December 21, 2012

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
GRANITE REAL ESTATE INC. (the Filer)
ON ITS OWN BEHALF AND ON BEHALF OF
GRANITE REAL ESTATE INVESTMENT TRUST (Granite REIT)
AND GRANITE REIT INC. (Granite GP)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on its own behalf and on behalf of Granite REIT, a new real estate investment trust, and Granite GP, a new corporation, each formed in connection with the proposed reorganization of the Filer by way of a plan of arrangement under section 414 of the *Business Corporations Act* (Québec) (the **QBCA**) to form a "stapled unit" real estate investment trust structure (the **Conversion Transaction**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for the following relief (the **Exemption Sought**):

(a) pursuant to section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), that Granite REIT be exempted from the obligations in Parts 4 and 5 of NI 51-102 relating to the filing of annual and interim financial statements, along with the accompanying annual or interim management's discussion and analysis (**MD&A**), on a stand-alone basis, and relating to the delivery of the same to the holders (the **Granite REIT Unitholders**) of trust units (**Granite REIT Units**) of Granite REIT (the **Granite REIT Financial Disclosure Requirements**);

(b) pursuant to section 13.1 of NI 51-102, that Granite GP be exempted from the obligations in Parts 4 and 5 of NI 51-102 relating to the filing of annual and interim financial statements and MD&A, respectively, on a stand-alone basis, and relating to the delivery of the same to the holders (**Granite GP Shareholders**) of common shares (**Granite GP Common Shares**) of Granite GP (the **Granite GP Financial Disclosure Requirements**);

(c) pursuant to section 13.1 of NI 51-102, that Granite GP be exempted from: (i) the disclosure obligations in Parts 6 and 7 of NI 51-102 relating to annual information forms (**AIFs**) and material change reports respectively; and (ii) the disclosure obligations in sections 9.1(2)(a) and 11.6 of NI 51-102 relating to disclosure in management information circulars (collectively, the **Specified Continuous Disclosure Requirements**);

(d) pursuant to section 3.1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (**NI 58-101**), that Granite GP be exempted from the corporate governance disclosure requirements of NI 58-101 (the **Corporate Governance Disclosure Requirements**);

(e) pursuant to section 13.1 of NI 51-102, that Granite REIT and Granite GP be exempted from the requirements of Part 8 of NI 51-102 to (i) determine whether an acquisition or probable acquisition is a significant acquisition with reference to stand-alone financial statements, and (ii) present stand-alone historical and pro forma financial statements in a business acquisition report (the **BAR Requirements**);

(f) pursuant to section 8.6 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**), that Granite REIT and Granite GP be exempted from the requirements of sections 4.2 and 5.2 of NI 52-109 in respect of filing the chief executive officer (**CEO**) and chief financial officer (**CFO**)

certificates that Granite REIT and Granite GP would normally have to file if they prepared annual and interim financial statements and MD&A on a stand-alone basis and if Granite GP prepared its own AIF (the **Certificate Form Requirement**);

(g) pursuant to section 8.1 of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**), that Granite REIT be exempted from certain of the basic qualification criteria contained in sections 2.2(d)(i) and 2.2(e) of NI 44-101 for eligibility to file a short form prospectus, in particular the requirement that Granite REIT have current annual financial statements for any period for which Granite REIT files Combined Financial Statements (as defined below) and that Granite REIT have equity securities listed and posted for trading on a short form eligible exchange (collectively, the **Granite REIT Short Form Criteria**);

(h) pursuant to section 8.1 of NI 44-101, that Granite GP be exempted from certain of the basic qualification criteria contained in sections 2.2(d) and 2.2(e) of NI 44-101 for eligibility to file a short form prospectus, in particular the requirements that Granite GP have current annual financial statements, a current annual information form (**AIF**) and equity securities listed and posted for trading on a short form eligible exchange (the **Granite GP Short Form Criteria**); and

(i) that Granite GP and Granite REIT be exempted from the requirement under the Legislation to file a prospectus in connection with the distribution of Stapled Units (as defined below), and rights, options or other securities that confer the right to acquire Stapled Units or are convertible into or exercisable or exchangeable for Stapled Units, to a director, trustee, officer, employee or consultant (or a former director, trustee, officer, employee or consultant) of Granite GP, Granite REIT or a related entity (as defined under National Instrument 45-106 Prospectus and Registration Exemptions ("**NI 45-106**")) or to a permitted assign (as defined under NI 45-106) thereof (including under the Filer's executive share unit plan, as amended from time to time (which is anticipated to become a plan of Granite GP and/or Granite REIT following completion of the Conversion Transaction)) (the **Prospectus Requirements**).

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of Granite REIT and Granite GP, for a decision under the Legislation that Granite REIT and Granite GP be designated, as of the effective time of the Conversion Transaction, as a reporting issuer in the Jurisdiction (the **Reporting Issuer Designation**).

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

(a) the Ontario Securities Commission is the principal regulator for the 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 each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut.

Interpretation

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

Representations

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

1. The Filer is currently a corporation continued under the laws of the Province of Québec. The head office of the Filer is located in Toronto, Ontario. On June 13, 2012, the Filer changed its name from MI Developments Inc. to Granite Real Estate Inc. following approval of the name change by the holders (**Granite Common Shareholders**) of common shares (**Granite Common Shares**) of the Filer. The Filer has called and held a special meeting of Granite Common Shareholders (the **Granite Special Meeting**) on November 15, 2012 for the purpose of voting on a special resolution to approve the Conversion Transaction. At the Granite Special Meeting, the special resolution to approve the Conversion Transaction was approved by the Granite Common Shareholders.

2. The Filer is a reporting issuer or the equivalent under the securities legislation of each of the provinces and territories of Canada and is not in default of securities legislation of any such jurisdiction.

3. The Filer also has securities registered under section 12 of the U.S. Securities Exchange Act of 1934, as amended (the **1934 Act**). As such, the Filer is an "SEC issuer" as that term is defined under NI 51-102 and National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**).

4. The Granite Common Shares are listed on the Toronto Stock Exchange (**TSX**) under the symbol "GRT" and on the New York Stock Exchange (**NYSE**) under the symbol "GRP".

5. The Filer is a Canadian-based real estate company engaged, directly and through its subsidiaries, primarily in the acquisition, development, construction, leasing, management and ownership of a predominantly industrial rental portfolio of properties in North America and Europe.

6. As at November 7, 2012, there were approximately 46,832,908 Granite Common Shares outstanding.

7. The Filer is also the issuer of $265 million of 6.05% Senior Unsecured Debentures Series 1 due December 22, 2016 (the **Debentures**), which were issued in Canada under a base shelf prospectus dated March 19, 2004 and a prospectus supplement dated December 16, 2004.

The Conversion Transaction

8. On June 30, 2011, the Filer completed a reorganization (the **2011 Reorganization**) pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario) that resulted in (i) the transfer to the Filer's former controlling shareholder (a company controlled by the Stronach Trust) of the horseracing, gaming and certain related assets formerly held by the Filer, in return for the purchase and cancellation of the shares of the Filer held by such shareholder, and (ii) the elimination of the Filer's former dual-class share structure. Following the 2011 Reorganization, an entirely new board of directors took office and new senior management (including the chief executive officer and chief financial officer) was appointed.

9. On October 25, 2011 the Filer announced that, as part of its newly developed strategic plan following the 2011 Reorganization, it intends to convert to a real estate investment trust (a **REIT**). The purpose of the Conversion Transaction is to complete the conversion of the Filer from a corporate structure to a REIT. The Conversion Transaction will adopt the "stapled unit structure" described below in order to avoid an acquisition of control of the Filer for Canadian income tax purposes.

10. In connection with or as part of the Conversion Transaction, the Filer formed Granite GP as a new corporation under the *Business Corporations Act* (British Columbia) and Granite REIT as a new trust under the laws of Ontario, and it is proposed that, among other things, the following transactions will occur:

    (a) Granite GP (as general partner) and the Filer (as initial limited partner) have formed a new limited partnership, Granite REIT Holdings Limited Partnership (**Granite LP**) under the laws of Québec;

    (b) the Filer will transfer the equity of its Canadian and United States subsidiaries, and indebtedness owed to it by one or more United States subsidiaries (the **U.S. Debtor Subsidiaries**) to Granite LP, and will transfer indebtedness owed to it by certain European subsidiaries (the **Euro Debtor Subsidiaries**) to Granite Europe Limited Partnership (**Finance LP**), a limited partnership that will be controlled indirectly by the Filer, in which the Filer will own the general partner (having a 0.01% economic interest) and an approximate 19.99% voting limited partnership interest, and Granite LP will own an approximate 80% non-voting limited partnership interest;

    (c) (i) Granite LP and Finance LP will agree to be bound by the terms of the trust indenture and of the Debentures as co-principal debtors in place of the Filer, and the Filer will guarantee all amounts payable under the Debentures, in accordance with the trust indenture, and Granite LP will (except as otherwise agreed with the Filer) assume substantially all of the other indebtedness and liabilities of the Filer, (ii) the Filer will agree to remain bound by the trust indenture and the Debentures as co-principal debtor, as permitted by the trust indenture, and (iii) each of Granite GP and Granite REIT will provide guarantees of all amounts payable under the Debentures, as permitted by the trust indenture;

    (d) through a series of steps, Granite Common Shareholders will exchange their Granite Common Shares for Granite REIT Units and Granite GP Common Shares on a one-for-one basis;

    (e) all of the Granite Common Shares will become owned by Granite LP; and

    (f) all of the limited partnership units of Granite LP (which will represent approximately 99.99% of the economic entitlement in Granite LP) will become held by Granite REIT, with the general partnership interest (which will represent not more than approximately 0.01% of the economic entitlement in Granite LP) remaining held by Granite GP.

11. Subject to required approvals and satisfaction of closing conditions, it is expected that the Conversion Transaction will be completed in late December 2012 or early January 2013.

12. At the conclusion of the Conversion Transaction, each Granite REIT Unit will be stapled to a Granite GP Common Share (together, a **Stapled Unit**) and the two securities will, subject to listing approval, trade together as a Stapled Unit on the TSX and the NYSE (the **Stapled Structure**). Assuming listing approval is granted, it is expected that the Stapled Units will be listed and posted for trading in substitution for the Granite Common Shares, which are currently listed and posted for trading. The Filer anticipates that the Granite REIT Units and Granite GP Common Shares forming the Stapled Units will be separately listed, but not separately posted for trading, on the TSX, as is the case with other stapled unit structures.

13. Upon completion of the Conversion Transaction, Granite REIT and Granite GP will enter into an agreement (the **Support Agreement**) that will facilitate the Stapled Structure, including providing for the simultaneous issue of Granite REIT Units and Granite GP Common Shares, coordination of the declaration and payment of dividends and distributions, and other relevant matters.

14. The Granite REIT Units and the Granite GP Common Shares will only become unstapled (a) in the event that holders of Granite REIT Units vote in favour of the unstapling of Granite REIT Units and Granite GP Common Shares, such that the two securities will trade separately, or (b) at the sole discretion of the trustees of Granite REIT or the directors of Granite GP upon an event of bankruptcy or insolvency of either Granite REIT or Granite GP.

15. Immediately following completion of the Conversion Transaction, the authorized capital of Granite GP will include an unlimited number of Granite GP Common Shares, and all of the issued Granite GP Common Shares will be held by the former Granite Common Shareholders in the form of Stapled Units.

16. Immediately following completion of the Conversion Transaction, the authorized capital of Granite REIT will be an unlimited number of Granite REIT Units, and all of the issued Granite REIT Units will be held by the former Granite Common Shareholders in the form of Stapled Units.

17. Immediately upon completion of the Conversion Transaction, (a) the only material assets of Granite REIT will be the limited partnership interests in Granite LP, (b) the only significant asset of Granite GP will be its relatively nominal general partner interest in Granite LP, and (c) Granite REIT will not own any equity securities of Granite GP and Granite GP will not own any equity securities of Granite REIT.

18. Pursuant to the QBCA, the Granite Common Shareholders are required to approve the Conversion Transaction by at least two-thirds of the votes cast by Granite Common Shareholders at the Granite Special Meeting and such approval was obtained at the Granite Special Meeting held on November 15, 2012.

Governance and Management

19. Immediately upon completion of the Conversion Transaction, the initial directors of Granite GP are expected to be the individuals who are the directors of the Filer at the time of completion of the Conversion Transaction. Immediately upon completion of the Conversion Transaction, the initial trustees of Granite REIT are expected to be the individuals who are the directors of Granite GP or a smaller group of individuals, all of whom will be directors of Granite GP. Thereafter, the directors of Granite GP and the trustees of Granite REIT will be elected or appointed by the holders of Granite GP Common Shares and the holders of Granite REIT Units, respectively. It is expected that the chief executive officer and chief financial officer of Granite REIT will be the same as the chief executive officer and chief financial officer of Granite GP, and will initially be the individuals who are the chief executive officer and chief financial officer of the Filer at the time of completion of the Conversion Transaction.

20. Following the Conversion Transaction, the business and interests of Granite REIT and Granite GP (carried on through Granite LP and its subsidiaries) will effectively be one and the same. The economic interest of a holder of Stapled Units will be in Granite REIT and Granite GP together. Granite GP will have authority to act as the general partner of Granite LP, and Granite REIT and Granite GP will together own all of the partnership interests in Granite LP, which will own, directly and indirectly, all the shares of the (reorganized) Filer and all of the subsidiaries, business and assets previously held by the Filer. The Conversion Transaction does not contemplate the acquisition of any additional operating assets from third parties or the disposition of any existing operating assets to third parties.

Financial Reporting

21. Granite REIT and Granite GP: (i) will become reporting issuers by operation of law in all provinces and territories other than Ontario following the completion of the Conversion Transaction; (ii) have applied to be designated as reporting issuers in Ontario following the completion of the Conversion Transaction; and (ii) expect to register securities under

section 12 of the 1934 Act following the Conversion Transaction and as such will be "SEC issuers" as that term is defined under NI 51-102 and NI 52-107.

22. The Filer has determined, in consultation with its auditors Ernst & Young LLP, that under both United States generally accepted accounting principles and International Financial Reporting Standards (Canadian GAAP applicable to publicly accountable enterprises, as set forth in Part 1 of the Handbook of the Canadian Institute of Chartered Accountants), (a) the financial statements of Granite REIT would consolidate the financial position and results of Granite LP and its subsidiaries, (b) in its own, stand-alone, financial statements, Granite GP would equity account for its relatively nominal general partner interest in Granite LP, and (c) Granite REIT and Granite GP will be able to prepare combined financial statements, so long as the Stapled Structure exists. If the Conversion Transaction is completed, Granite REIT and Granite GP will account for the transaction on a continuity of interests basis from the Filer.

23. Following completion of the Conversion Transaction, so long as the Stapled Units are not unstapled, the financial information most relevant to holders of Stapled Units will be that of Granite REIT and Granite GP together, on a combined basis.

Auditors and Audit Committee

24. It is anticipated that, initially, the auditors of Granite REIT will be the same as the auditors of Granite GP. Thereafter, auditors will be appointed by Granite REIT Unitholders and Granite GP Shareholders, respectively, but it would be expected that the same firm of auditors would be nominated and appointed for both while the Stapled Structure exists. Granite REIT and Granite GP will each appoint an audit committee consisting of at least three independent trustees or directors, as applicable, in compliance with NI 52-110.

Raising of Additional Capital

25. If Granite REIT wishes to raise capital following the Conversion Transaction, including pursuant to a public offering qualified by a short form prospectus or a shelf prospectus, Granite GP will be required, under the Support Agreement, to issue the same number of Granite GP Common Shares as the number of Granite REIT Units issued in connection with such financing concurrently with the issue of such Granite REIT Units. Any such Granite REIT Units and Granite GP Common Shares will trade as Stapled Units except in the circumstances described in paragraph 14. The net proceeds of any offering of Stapled Units will be allocated between Granite REIT and Granite GP pro rata in proportion to the relative values of Granite REIT and Granite GP at the time of the offering.

26. If Granite REIT and Granite GP rely on the requested relief from the Granite REIT Short Form Criteria and the Granite GP Short Form Criteria to distribute Stapled Units, they will file a single short form prospectus qualifying the distribution of securities of each issuer (a **Joint Prospectus**), which will incorporate by reference the following documents:

    (a) Granite REIT's then current AIF (**Granite REIT's Current AIF**);

    (b) the then most recent audited annual Combined Financial Statements (as defined below), together with the related MD&A;

    (c) if, at the date of the Joint Prospectus, Granite REIT or Granite GP have filed or have been required to file interim Combined Financial Statements (as defined below) for a period subsequent to the then most recent financial year-end, such interim financial statements together with the related interim MD&A;

    (d) any applicable segmented financial information referred to in Section 2(a)(iv), below;

    (e) the content of any news release or other public communication that is disseminated by Granite REIT or Granite GP prior to the filing of the Joint Prospectus and that contains historical financial information about one or both of Granite REIT and Granite GP for a period more recent than the end of the most recent period for which financial statements are required under paragraphs (b) and (c) above;

    (f) any material change report of Granite REIT or Granite GP, other than a confidential material change report, filed by Granite REIT under Part 7 of NI 51-102 or by Granite GP in accordance with this decision since the end of the financial year in respect of which Granite REIT's Current AIF is filed;

    (g) any business acquisition report filed by Granite REIT or Granite GP under Part 8 of NI 51-102 and in accordance with this decision for acquisitions completed since the beginning of the financial year in respect of which Granite REIT's Current AIF is filed, unless:

(i) the business acquisition report is incorporated by reference in an AIF that is itself incorporated by reference in the Joint Prospectus; or

(ii) at least nine months of the relevant business operations are reflected in annual financial statements that are incorporated by reference in the Joint Prospectus;

(h) any information circular filed by Granite REIT under Part 9 of NI 51-102, or by Granite GP in accordance with this decision, since the beginning of the financial year in respect of which Granite REIT's Current AIF is filed, other than an information circular prepared in connection with an annual general meeting of either Granite REIT or Granite GP if it has filed and incorporated by reference in the Joint Prospectus an information circular for a later annual general meeting; and

(i) any other disclosure document which Granite REIT or Granite GP has filed pursuant to an undertaking to a provincial and territorial securities regulatory authority, or pursuant to an exemption from any requirement of securities legislation of a Canadian jurisdiction, since the beginning of the financial year in respect of which Granite REIT's Current AIF is filed.

Decision

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

2. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that the Conversion Transaction is implemented in substantially the manner contemplated by the representations set forth above in this Decision, and subject to the further conditions specified below:

(a) in respect of the Granite REIT Financial Disclosure Requirements and the Granite GP Financial Disclosure Requirements:

(i) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (b) of this section 2;

(ii) Granite REIT files, under its profile on the System for Electronic Document Analysis and Retrieval (**SEDAR**), one set of financial statements prepared on a combined basis (**Combined Financial Statements**) using the accounting principles applicable to Granite REIT and Granite GP pursuant to the securities legislation of the Jurisdiction (**Applicable Accounting Principles**) to reflect the financial position and results of Granite REIT and Granite GP on a combined basis;

(iii) any Combined Financial Statements filed by Granite REIT include the components specified in sections 4.1(1) of NI 51-102 (for annual financial reporting periods) and 4.3(2) of NI 51-102 (for interim financial reporting periods);

(iv) the Combined Financial Statements filed by Granite REIT provide in the notes thereto segmented financial information for each of Granite GP and Granite REIT if and to the extent required under Applicable Accounting Principles;

(v) the annual Combined Financial Statements filed by Granite REIT are audited;

(vi) prior to filing its unaudited Combined Financial Statements for each interim period during its financial year ending December 31, 2013 Granite REIT and its auditor have concluded that the preparation of Combined Financial Statements is acceptable under Applicable Accounting Principles;

(vii) the Combined Financial Statements filed by Granite REIT are accompanied by the fee, if any, applicable to filings of annual financial statements;

(viii) the MD&A of Granite REIT is prepared with reference to the Combined Financial Statements;

(ix) Granite GP files a notice under its SEDAR profile indicating that it is relying on the financial statements and related MD&A filed by Granite REIT and directing readers to refer to Granite REIT's SEDAR profile;

(x) Granite REIT and Granite GP continue to satisfy the requirements set out in NI 52-110;

(xi) the audit committee of Granite REIT and Granite GP is responsible for:

(A) overseeing the work of the external auditors engaged for the purposes of auditing the Combined Financial Statements under Applicable Accounting Principles; and

(B) resolving disputes between the external auditors and management of both Granite REIT and Granite GP regarding financial reporting; and

(xii) Granite REIT continues to satisfy the requirements of section 4.6 of NI 51-102, except that for each financial reporting period in respect of which Combined Financial Statements are prepared, Granite REIT shall only be required to send to Granite REIT Unitholders copies of the Combined Financial Statements and related MD&A;

(b) in respect of the Specified Continuous Disclosure Requirements and the Corporate Governance Disclosure Requirements:

(i) Granite REIT is a reporting issuer in a designated Canadian jurisdiction (as defined in section 13.4 of NI 51-102), complies with NI 51-102 or the conditions of any exemptions therefrom and is an electronic filer under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* that has filed all documents it is required to file under NI 51-102 or under the conditions of any exemptions therefrom

(ii) Granite GP does not issue, and has no outstanding, securities other than the Granite GP Common Shares, debt securities that are stapled to debt securities of Granite REIT, securities issued to or held by directors, trustees, officers, employees or consultants (or former directors, trustees, officers, employees or consultants) of Granite GP, Granite REIT or a related entity (as defined under NI 45-106)) or a permitted assign (as defined under NI 45-106), including options, rights or other securities under equity compensation plans that are convertible into or exercisable or exchangeable for Granite GP Common Shares and/or Granite REIT Units that will form Stapled Units, and the securities listed in sections 13.4(2)(c)(iii) and (iv) of NI 51-102;

(iii) an AIF, management information circular or statement of executive compensation filed by Granite REIT contains all information that would be required in an AIF, management information circular or statement of executive compensation, as applicable, filed by Granite GP for the same reporting period;

(iv) Granite GP files a notice under its SEDAR profile indicating that it is relying on the AIF, management information circular, material change reports and statements of executive compensation (if applicable) filed by Granite REIT and directing readers to refer to Granite REIT's SEDAR profile;

(v) Granite GP issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of Granite GP that is not also a material change in the affairs of Granite REIT;

(vi) Granite REIT continues to satisfy the requirements set out in NI 58-101;

(vii) each Granite GP Common Share is stapled to a Granite REIT Unit and they trade together as a Stapled Unit; and

(viii) if the Granite GP Common Shares and the Granite REIT Units become unstapled and trade separately, Granite GP will comply with the requirements of sections 9.1(1) and 9.1(2)(a) of NI 51-102 in respect of any meeting for which it gives notice to any registered holder of securities of Granite GP;

(c) in respect of the Certificate Form Requirement:

(i) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (a) of this section 2;

(ii) the certificates filed by Granite REIT and Granite GP in accordance with section 4.1 of NI 52-109, in connection with the filing of Combined Financial Statements prepared under Applicable Accounting Principles for each annual financial reporting period in respect of which the Granite GP Common Shares are stapled to the Granite REIT Units, are substantially in the form required by section 4.2 of NI 52-109, except that the certificates refer to and certify matters in respect of the filing of Granite REIT's AIF and the Combined Financial Statements and related MD&A; and

(iii) the certificates filed by Granite REIT and Granite GP in accordance with section 5.1 of NI 52-109, in connection with the filing of Combined Financial Statements prepared under Applicable Accounting Principles for each interim financial reporting period in respect of which the Granite GP Common Shares are stapled to the Granite REIT Units, are substantially in the form required by section 5.2 of NI 52-109, except that the certificates refer to and certify matters in respect of the filing of Combined Financial Statements and related MD&A;

(d) in respect of the BAR Requirements:

(i) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (a) of this section 2;

(ii) Granite REIT and Granite GP apply the significance tests under Part 8 of NI 51-102 with reference to the Combined Financial Statements; and

(iii) if a BAR is required to be filed, the BAR includes, with respect to Granite REIT and Granite GP, pro forma combined financial statements, prepared using the Applicable Accounting Principles used in the Combined Financial Statements of Granite REIT and Granite GP;

(e) in respect of the Granite REIT Short Form Criteria:

(i) each Granite GP Common Share is stapled to a Granite REIT Unit and they trade together as a Stapled Unit

(ii) each Stapled Unit is listed and posted for trading on a short form eligible exchange, as defined in NI 44-101 (an **Exchange**);

(iii) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (a) of this section 2; and

(iv) each Joint Prospectus filed by Granite REIT and Granite GP incorporates by reference any applicable documents listed in paragraph 26 above; and

(f) in respect of the Granite GP Short Form Criteria:

(i) each Granite GP Common Share is stapled to a Granite REIT Unit and they trade together as a Stapled Unit;

(ii) each Stapled Unit is listed and posted for trading on an Exchange;

(iii) Granite REIT and Granite GP continue to satisfy the conditions set out in paragraph (a) of this section 2; and

(iv) each Joint Prospectus filed by Granite REIT and Granite GP incorporates by reference any applicable documents listed in paragraph 26 above.

As to the Exemption Sought (other than from the Prospectus Requirements):

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

As to the Prospectus Requirements and the Reporting Issuer Designation, provided that, in respect of the Prospectus Requirements:

(i) each Stapled Unit is listed and posted for trading on an Exchange; and

(ii) the first trade of any Granite REIT Unit acquired as a result of any such trade shall be deemed to be a distribution under the securities legislation of the Canadian jurisdictions where the trade takes place unless the conditions in section 2.6(3) of National Instrument 45-102 *Resale of Securities* are satisfied.

"Christopher Portner"
Commissioner
Ontario Securities Commission

"Judith Robertson"
Commissioner
Ontario Securities Commission

2.1.3 Desjardins Securities Inc. and IIROC members firms registered as of July 15, 2014

Headnote

Temporary relief for IIROC member firms from ss. 14.2(2)(m), 14.2.1 and 14.12(1)(b.1) and (c.1) of NI 31-103 provided they comply with the corresponding IIROC requirements – IIROC 2014 CRM2 amendments are material harmonized with the CSA 2014 CRM2 amendments – Fee waiver granted to lead filer – Effective July 15, 2014 and expires upon amendments to Part 9 of NI 31-103 and Appendix G of NI 31-103.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 9.3, 14.2(2), 14.2.1, 14.12(1), 15.1

May 29, 2014

IN THE MATTER OF
NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

AND

IN THE MATTER OF
DESJARDINS SECURITIES INC. (the Lead Filer) AND
IIROC MEMBERS FIRMS REGISTERED AS OF JULY 15, 2014

DECISION

Interpretation

1. Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) or National Instrument 14-101 *Definitions* have the same meaning.

Background

2. Under section 9.3 [*exemptions from certain requirements for IIROC members*] of NI 31-103, a registered firm that is a member of IIROC is exempt from certain requirements in NI 31-103 if the registered firm complies with the corresponding IIROC Provisions that are in effect. The term "IIROC Provision" is defined in section 1.1 of NI 31-103 to mean "a by-law, rule, regulation or policy of IIROC named in Appendix G, as amended from time to time".

3. On July 15, 2014, the following provisions of NI 31-103 will come into effect:

   (a) paragraph 14.2(2)(m) [*relationship disclosure information*];

   (b) section 14.2.1 [*pre-trade disclosure of charges*]; and

   (c) paragraphs 14.12(1)(b.1) and (c.1) [*content and delivery of trade confirmation*] (paragraphs (a) to (c) collectively, the **CSA 2014 CRM2 Amendments**).

4. On July 15, 2014, certain Dealer Member Rules in relation to the implementation of Client Relationship Model – Phase 2 (the **IIROC 2014 CRM2 Amendments**) will come into effect.

5. IIROC Dealer Member Rules affected by the IIROC 2014 CRM2 Amendments are not reflected in Appendix G of NI 31-103.

Application

6. The Lead Filer has applied to the Director, under section 15.1 of NI 31-103, for exemptions for itself and each registered firm that is a member of IIROC as of July 15, 2014 from the CSA 2014 CRM2 Amendments, subject to the conditions and restrictions set out in this decision.

7. The following table sets out the relevant NI 31-103 sections of the CSA 2014 CRM2 Amendments and the corresponding IIROC Dealer Member Rules affected by the IIROC 2014 CRM2 Amendments:

NI 31-103 section	IIROC Dealer Member Rule
Paragraph 14.2(2)(m)	Dealer Member Rule 3500.5(2)(j)
Section 14.2.1	Dealer Member Rule 29.9
Paragraphs 14.12(1)(b.1) and (c.1)	Dealer Member Rule 200.2(l)(v)

8. The IIROC 2014 CRM2 Amendments are materially harmonized with the CSA 2014 CRM2 Amendments.

9. Additionally, the Lead Filer has applied to the Director, under section 6.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Fee Rule**), for an exemption from the requirement in section 4.1 to pay a fee for its filing of this exemption application on behalf of other IIROC members firms.

Decision

10. The following sections of NI 31-103 do not apply to the Lead Filer or any registered firm that is a member of IIROC as of July 15, 2014 if the registered firm complies with the corresponding IIROC 2014 CRM2 Amendments:

    (a) paragraph 14.2(2)(m);

    (b) section 14.2.1; and

    (c) paragraphs 14.12(1)(b.1) and (c.1).

11. Pursuant to section 6.1 of the Fee Rule, the Lead Filer is exempt from the requirement in section 4.1 of the Fee Rule to pay an activity fee for its filing of this exemption application.

12. This decision comes into effect on July 15, 2014 and expires on the date on which amendments to Part 9 of NI 31-103 and Appendix G of NI 31-103 come into force providing an equivalent exemption for IIROC members.

May 29, 2014

"Debra Foubert"
Director, Compliance and Registrant Regulation

2.1.4 TD Investment Services Inc. and MFDA members firms registered as of July 15, 2014

Headnote

Temporary relief for MFDA member firms from ss. 14.2(2)(m) and 14.2.1 of NI 31-103 provided they comply with the corresponding MFDA requirements – MFDA 2014 CRM2 amendments are material harmonized with the CSA 2014 CRM2 amendments – Fee waiver granted to lead filer – Effective July 15, 2014 and expires upon amendments to Part 9 of NI 31-103 and Appendix H of NI 31-103.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 9.4, 14.2(2), 14.2.1, 15.1

May 29, 2014

IN THE MATTER OF
NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

AND

IN THE MATTER OF
TD INVESTMENT SERVICES INC. (the Lead Filer)
AND MFDA MEMBERS FIRMS REGISTERED AS OF JULY 15, 2014

DECISION

Interpretation

1. Unless otherwise defined in this decision or the context otherwise requires, terms used in this decision that are defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) or National Instrument 14-101 *Definitions* have the same meaning.

Background

2. Under section 9.4 [*exemptions from certain requirements for MFDA members*] of NI 31-103, a registered firm that is a member of MFDA is exempt from certain requirements in NI 31-103 if the registered firm complies with the corresponding MFDA Provisions that are in effect. The term "MFDA Provision" is defined in section 1.1 of NI 31-103 to mean "a by-law, rule, regulation or policy of MFDA named in Appendix H, as amended from time to time".

3. On July 15, 2014, the following provisions of NI 31-103 will come into effect:

   (a) paragraph 14.2(2)(m) [*relationship disclosure information*]; and

   (b) section 14.2.1 [*pre-trade disclosure of charges*] (paragraphs (a) and (b) together, the **CSA 2014 CRM2 Amendments**).

4. On July 15, 2014, certain MFDA Rules in relation to the implementation of Client Relationship Model – Phase 2 (the **MFDA 2014 CRM2 Amendments**) will come into effect.

5. MFDA Rules affected by the MFDA 2014 CRM2 Amendments are not reflected in Appendix H of NI 31-103.

Application

6. The Lead Filer has applied to the Director, under section 15.1 of NI 31-103, for exemptions for itself and each registered firm that is a member of MFDA as of July 15, 2014 from the CSA 2014 CRM2 Amendments, subject to the conditions and restrictions set out in this decision.

7. The following table sets out the relevant NI 31-103 sections of the CSA 2014 CRM2 Amendments and the corresponding MFDA Rules affected by the MFDA CRM2 Amendments:

NI 31-103 section	MFDA Rule
Paragraph 14.2(2)(m)	MFDA Rule 2.2.5(h)
Section 14.2.1	MFDA Rule 2.4.4

8. The MFDA 2014 CRM2 Amendments are materially harmonized with the CSA 2014 CRM2 Amendments.

9. Additionally, the Lead Filer has applied to the Director, under section 6.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Fee Rule**), for an exemption from the requirement in section 4.1 to pay a fee for its filing of this exemption application on behalf of other MFDA members firms.

Decision

10. The following sections of NI 31-103 do not apply to the Lead Filer or any registered firm that is a member of MFDA as of July 15, 2014 if the registered firm complies with the corresponding MFDA 2014 CRM2 Amendments:

    (a) paragraph 14.2(2)(m); and

    (b) section 14.2.1.

11. Pursuant to section 6.1 of the Fee Rule, the Lead Filer is exempt from the requirement in section 4.1 of the Fee Rule to pay an activity fee for its filing of this exemption application.

12. This decision comes into effect on July 15, 2014 and expires on the date on which amendments to Part 9 of NI 31-103 and Appendix H of NI 31-103 come into force providing an equivalent exemption for MFDA members.

May 29, 2014

"Marrianne Bridge "
Deputy Director, Compliance and Registrant Regulation

2.1.5 Caldwell Investment Management Ltd. and Caldwell Securities Ltd.

Headnote

Under paragraph 4.1(1)(b) 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 is registered as a dealing, advising or associate advising representative of another registered firm. The Filers are affiliated entities and have valid business reasons for the individuals to be registered with both firms. The Filers have policies in place to handle potential conflicts of interest. The Filers are exempted from the prohibition for current and future representatives.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 3.11, 3.12, 4.1 and 15.1.

May 22, 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
CALDWELL INVESTMENT MANAGEMENT LTD. (CIM)

AND

CALDWELL SECURITIES LTD. (CSL)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from CIM and CSL (each a **Filer** and, together, the **Filers**) for a decision under the securities legislation of the jurisdiction of the principal regulator (the **Legislation**) for relief, pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), from the requirement in paragraph 4.1(1)(b) of NI 31-103 to permit certain current and future individuals (collectively, the **Representatives**) to each be registered as both a dealing representative of CSL and an advising representative or associate advising representative of CIM (the **Dual Registration**) in order to provide investment management advice to certain clients of CIM (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filers in Alberta, British Columbia, Manitoba and Saskatchewan (the Non-principal Jurisdictions and, together with Ontario, the **Filing Jurisdictions**).

Interpretation

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

Representations

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

1. Each of the Filers is a wholly-owned subsidiary of Caldwell Financial Ltd.

2. CIM is registered in each of the Filing Jurisdictions as an adviser in the category of portfolio manager and as an investment fund manager.

3. CSL is registered in the Filing Jurisdictions, New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island as a dealer in the category of investment dealer and as is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

4. The head office of each of the Filers is located in Ontario.

5. The Filers are not in default of any requirements of securities legislation in any of the Filing Jurisdictions.

6. CIM's main line of business is providing investment fund management and portfolio management services to the following investment funds: Caldwell Balanced Fund, Caldwell Income Fund, Caldwell Growth Opportunities Trust, Caldwell Institutional Equity Pool, Caldwell ICM Market Strategy Pool, Caldwell Canadian Value Momentum Fund and Urbana Corporation (collectively, the **Caldwell Investment Funds**). CIM also provides portfolio management services to other clients that are predominantly high net worth clients (i.e. accredited investors as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**) or permitted clients as defined in NI 31-103).

7. CSL's main line of business is providing investment advice to clients that maintain either brokerage or managed accounts with CSL. Although most clients of CSL are high net worth individuals, there are also some institutional clients. Other than limited participation in the selling group of new issues, CSL does not participate in corporate finance or underwriting activities. CSL is a self-clearing dealer and provides custodial services to many of its clients. CSL does not provide margin loans to its clients.

8. CSL is permitted to provide managed account services to client accounts exempt from the adviser registration requirement under the Legislation on the basis that CSL and its Representatives meet all of the requirements of IIROC, including IIROC Dealer Member Rule 1300, specifically sections 1300.3 through 1300.21, pertaining to discretionary and managed accounts (the **IIROC Supervision Rules**).

9. The Representatives meet the proficiency requirements in (i) section 3.11 of NI 31-103 or section 3.12 of NI 31-103 for advising representatives or associate advising representatives, respectively; and (ii) IIROC Dealer Member Rule 2900 Part I, section A.6 pertaining to the proficiency requirements for individuals that are approved by IIROC as registered representatives (as defined by IIROC) and who provide discretionary portfolio management in respect of managed accounts (the **IIROC Proficiency Rules**, and together with the IIROC Supervision Rules, the **IIROC Rules**).

10. CIM and CSL provide portfolio management services to clients as follows:

    (a) One business line within CIM's operations provides portfolio management services to the Caldwell Investment Funds (the **Fund Management Division**).

    (b) The other business line within each of CIM and CSL provides portfolio management services to high net worth clients (the **HNW Client Division**), as outlined above, predominantly accredited investors as defined in NI 45-106 or permitted clients as defined in NI 31-103.

    (c) CIM's Fund Management Division employs an investment committee that meets regularly to discuss investment ideas for implementation across the Caldwell Investment Funds and some of its other managed accounts. At present, only individuals that are registered with CIM are licensed to contribute to these investment decisions.

    (d) CSL's HNW Client Division operates with individual portfolio managers (as defined in the IIROC Rules and who meet the requirements in the IIROC Proficiency Rules) providing discretionary investment management services to CSL clients subject to CSL's supervision in accordance with the IIROC Rules.

11. In the past, several dealing representatives of CSL have met the requirements of the IIROC Proficiency Rules and have also become dually registered as advising representatives or associate advising representatives of CIM. Six individuals were registered with both CSL and CIM prior to amendments to NI 31-103 that became effective on July 11, 2011. One individual was granted dual registration in a decision of the Jurisdiction dated July 16, 2012.

12. The Filers propose to continue to register Representatives with both CIM and CSL as needed to provide discretionary portfolio management services to the clients of CIM, as outlined in paragraphs 10 and 13.

13. There are valid business reasons for the Representatives to be registered with both Filers, namely:

    (a) to give clients of CIM, predominantly the Caldwell Investment Funds, the benefit of investment management advice from Representatives who are registered with CSL and qualified, in accordance with the IIROC Rules, to provide discretionary portfolio management services; and

    (b) to continue the seamless servicing of clients of each of CIM and CSL through two business lines that have historically coexisted, and that have relied on the dual registration of Representatives in order to provide discretionary portfolio management services to these clients.

14. The Filers' management will ensure that the Representatives will have sufficient time and resources to adequately serve both firms and will limit the number of client relationships of such Representatives, as required.

15. The Filers will disclose the Dual Registration of the Representatives to applicable clients. This disclosure will be made in writing prior to the respective Representative providing portfolio management services to the applicable client.

16. The Filers have policies and procedures addressing any conflicts of interest that may arise as a result of the Dual Registration and the Filers believe that they will be able to appropriately deal with these conflicts, should they arise.

17. There is adequate supervision of the identified conflicts of interest to ensure that Representatives, and each of the Filers, can deal appropriately with any conflict of interest that may arise. The Representatives are currently and will continue to be under the supervision of both Filers and are subject to all policies and procedures addressing conflicts of interest that may arise as a result of the Dual Registration.

18. The Representatives shall act in the best interests of both their Fund Management Division clients and their HNW Client Division clients and will deal fairly, honestly and in good faith with these clients.

19. The Filers are affiliates and their interests are aligned.

20. In the absence of the Exemption Sought, the Filers would be prohibited from permitting a Representative to act as an advising representative or an associate advising representative of CIM while the individual is a dealing representative of CSL, even though CIM is an affiliate of CSL. This restriction would impede the delivery of portfolio management services between the two affiliates.

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:

i. the circumstances described above in paragraphs 14, 15, 16, 17 and 18 remain in place;

ii. the Representatives are registered as advising representatives or associate advising representatives under the Legislation;

iii. the Representatives are registered as dealing representatives under the Legislation and are approved by IIROC as registered representatives (as defined by IIROC) that provide discretionary portfolio management in respect of managed accounts; and

iv. the Filers only register Representatives with both CIM and CSL as needed to provide investment management advice to the clients of CIM, as outlined in paragraphs 10 and 13.

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

2.1.6 Redtail Metals Corp. – 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).

Citation: Re Redtail Metals Corp., 2014 ABASC 194

May 23, 2014

McCullough O'Connor Irwin LLP
2600, Oceanic Plaza
1066 West Hastings Street
Vancouver, BC V6E 3X1

Attention: Lisa Stewart

Dear Madam:

Re: Redtail Metals Corp. (the Applicant) – Application for a decision under the securities legislation of Alberta and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

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

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

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

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

"Denise Weeres"
Manager, Legal
Corporate Finance

2.1.7 NexGen Financial Limited Partnership et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because mergers do not meet the criteria for pre-approval – The continuing funds do not have substantially similar fundamental investment objectives as those of the terminating funds, the terminating funds' portfolio assets are not acceptable to the continuing funds' portfolio advisor, the materials mailed to securityholders did not contain the continuing funds' fund facts, and the merger was not conducted on a tax-deferred basis – Terminating funds' unitholders provided with timely and adequate disclosure regarding the merger and prospectus-level disclosure regarding the continuing fund.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6(1)(a)(ii), 5.6(1)(d)(ii), 5.6(1)(f)(ii), 5.6(1)(b).

May 26, 2014

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

AND

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

AND

IN THE MATTER OF
NEXGEN FINANCIAL LIMITED PARTNERSHIP
(the "Filer")

AND

NEXGEN NORTH AMERICAN SMALL/MID CAP REGISTERED FUND,
NEXGEN NORTH AMERICAN SMALL/MID CAP TAX MANAGED FUND,
NEXGEN NORTH AMERICAN GROWTH REGISTERED FUND,
NEXGEN NORTH AMERICAN GROWTH TAX MANAGED FUND
(each a "Terminating Fund" and collectively the "Terminating Funds")

AND

NEXGEN U.S. GROWTH REGISTERED FUND,
NEXGEN U.S. GROWTH TAX MANAGED FUND
(each a "Continuing Fund" and collectively the "Continuing Funds",
and together with the Terminating Funds, the "Funds")

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the "**Application**") from the Filer on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for approval of the mergers (the "**Mergers**") of NexGen North American Small/Mid Cap Registered Fund and NexGen North American Growth Registered Fund into NexGen U.S. Growth Registered Fund (each, a "**Registered Merger**" and collectively, the "**Registered Mergers**") and the merger of NexGen North American Small/Mid Cap Tax Managed Fund and NexGen North American Growth Tax Managed Fund into NexGen U.S. Growth Tax Managed Fund (each, a "**Tax Managed Merger**" and collectively, the "**Tax Managed Mergers**") under paragraph 5.5(1)(b) of National Instrument 81-102 ("**NI 81-102**") (the "**Exemption Sought**").

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

(a) the Ontario Securities Commission is the principal regulator for this Application (the "**Principal Regulator**"), and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Quebec, Newfoundland and Labrador and Northwest Territories (including Ontario, the "**Jurisdictions**").

Interpretation

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

"Continuing Registered Fund" means NexGen U.S. Growth Registered Fund.

"Continuing Tax Managed Fund" means NexGen U.S. Growth Tax Managed Fund

"Terminating Registered Funds" means NexGen North American Growth Registered Fund and NexGen North American Small/Mid Cap Registered Fund.

"Terminating Tax Managed Funds" means NexGen North American Growth Tax Managed Fund and NexGen North American Small/Mid Cap Tax Managed Fund.

Representations

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

1. The Filer is a limited partnership established under the laws of the Province of Ontario and its head office is located in Toronto, Ontario. The Filer is registered as a dealer in the category of mutual fund dealer, an adviser in the category of portfolio manager and an investment fund manager under the *Securities Act* (Ontario) and as an adviser in the category of commodity trading manager under the *Commodity Futures Act* (Ontario).

2. The Filer is the manager and portfolio manager of the Terminating Funds and will be the manager and portfolio manager of the Continuing Funds.

3. The Terminating Funds are not in default of securities legislation in any of the Jurisdictions.

4. The four Terminating Funds are open-end mutual funds. The two Terminating Tax Managed Funds consist of classes of NexGen Investment Corporation (the "**Corporation**"), a mutual fund corporation incorporated under the laws of the Province of Ontario, and the two Terminating Registered Funds are trusts governed under the laws of Ontario.

5. The Terminating Funds are reporting issuers under the applicable securities legislation of the Jurisdictions.

6. Securities of the Terminating Funds are currently offered for sale under a simplified prospectus and annual information form dated May 31, 2013 (the "**Prospectus**") in each of the Jurisdictions. Each of the Terminating Funds follows the standard investment restrictions and practices established under the Legislation, except as otherwise noted in the Prospectus.

7. The two Continuing Funds will be open-end mutual funds. The Continuing Tax Managed Fund is comprised of classes of the Corporation and the Continuing Registered Fund is a trust governed under the laws of Ontario.

8. Securities of the Continuing Funds will be offered for sale under a simplified prospectus and annual information form dated on or about May 30, 2014 (the "**Renewal Prospectus**") in each of the Jurisdictions. Each of the Continuing Funds will follow the standard investment restrictions and practices established under the Legislation, except as otherwise noted in the Renewal Prospectus.

9. A preliminary and pro-forma simplified prospectus and annual information form dated March 31, 2014 (the "**Preliminary Prospectus**") was filed on April 2, 2014 and a preliminary receipt dated April 4, 2014 was issued respecting the securities of the mutual funds managed by the Filer (the "**NexGen Funds**"), including the Continuing Funds and the Terminating Funds. On or about May 30, 2014, a final prospectus respecting the NexGen Funds (not including the Terminating Funds if all securityholder and regulatory approvals are received) will be filed. The Continuing

Funds will be reporting issuers under applicable securities legislation of each of the Jurisdictions upon filing the Renewal Prospectus.

10. The board of directors of the Filer approved and ratified the Mergers and a press release and material change report in respect of the Mergers was filed on SEDAR on April 11, 2014 and April 15, 2014, respectively. In addition, amendments to the simplified prospectus, annual information form and fund facts of the Terminating Funds, which gave notice of the proposed Mergers, were filed on SEDAR on April 14, 2014.

11. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**"), the Filer presented the terms of the Mergers to the Independent Review Committee ("**IRC**") of the Terminating Funds for its review and recommendation. The IRC reviewed the potential conflict of interest matters related to the proposed Mergers and on February 13, 2014 determined that the proposed Mergers, if implemented, would achieve a fair and reasonable result for each of the Terminating Funds.

12. Securityholders of the Terminating Funds will continue to have the right to redeem or transfer their securities of a Terminating Fund at any time up to the close of business on the business day prior to the effective date of the Mergers.

13. A meeting (the "**Meeting**") of the securityholders of each Terminating Fund was held on May 9, 2014 to approve the Mergers. In connection with each Meeting, the Filer, as manager of the Terminating Funds, sent to securityholders of each Terminating Fund a notice of the meeting of securityholders and a management information circular (the "**Information Circular**") dated April 4, 2014 and a related form of proxy. The Information Circular provided sufficient information to securityholders to permit them to make an informed decision about the Mergers.

14. It is proposed that the Mergers take place on or about May 30, 2014 (the "**Merger Date**"). The Filer will be the sole securityholder of each Continuing Fund on the Merger Date.

15. The Filer will pay all costs and expenses relating to the solicitation of proxies and holding the Meetings as well as the costs of implementing the Mergers, including any brokerage fees.

16. Upon the Merger, securityholders of each Terminating Fund will receive the equivalent value of the identical series of securities of the applicable Continuing Fund with the identical rights and privileges as the series of securities of the Terminating Fund they previously held. Management fees for each series of each Continuing Fund are equal to the management fees for the equivalent series of the applicable Terminating Fund.

17. Following the Mergers, the Continuing Funds will exist as publicly offered open-end mutual funds and the Terminating Funds will be wound up.

18. Securityholders of each Terminating Fund approved the relevant Merger at the Meeting held on May 9, 2014.

19. Upon receipt of this approval, the following steps will be carried out to effect the Mergers:

    a. In respect of the Tax Managed Mergers:

        i. Portfolio securities held by the Tax Managed Terminating Funds will be liquidated on or before the effective date of the Merger Date.

        ii. Each outstanding share of a Tax Managed Terminating Fund will be exchanged for share(s) of an equivalent class and series of the Tax Managed Continuing Fund. The share exchange will be effected on the basis of the relative net asset values of the applicable shares at the close of business on the Merger Date.

        iii. The assets and liabilities of the Corporation attributable to the Tax Managed Terminating Funds will be transferred to the Tax Managed Continuing Fund.

        iv. The Tax Managed Terminating Funds will then be wound up.

    b. In respect of the Registered Mergers:

        i. The master declaration of trust of the Registered Terminating Funds will be amended to facilitate the Mergers. In particular, the investment objectives of each Registered Terminating Fund will be amended to permit each Registered Terminating Fund to be invested solely in cash immediately prior to the Merger Date, to reflect the fact that the portfolios of each Registered Terminating Fund will be liquidated to effect the Merger.

ii. Each of the Registered Terminating Funds will transfer all of its assets which will consist of cash, less an amount required to satisfy the liabilities of the Registered Terminating Fund to the Registered Continuing Fund in exchange for units of the Registered Continuing Fund. The unit exchange will be effected on the basis of the relative net asset values of the applicable units at the close of business on the Merger Date.

iii. Each unitholder of a Registered Terminating Fund will receive the corresponding units of the Registered Continuing Fund.

iv. Each Registered Terminating Fund will distribute to its unitholders sufficient net income and net realized capital gains so that it will not be subject to tax under the *Income Tax Act* (Canada) ("**Tax Act**") for its current taxation year.

v. Each Registered Terminating Fund will distribute to its unitholders the units of the Registered Continuing Fund received by it in exchange for all of the unitholders' existing units of the Registered Terminating Fund on a series-by-series basis so that following the distribution the unitholders of the Registered Terminating Fund will become direct unitholders of the Registered Continuing Fund.

vi. The Registered Terminating Funds will be wound up.

20. Approval of the Mergers is required because each Merger does not satisfy the following criteria for pre-approved reorganizations and transfers as set out in section 5.6 of NI 81-102:

a. The investment objectives of each Terminating Fund are not substantially similar to the investment objectives of its corresponding Continuing Fund, as required by subsection 5.6(1)(a)(ii);

b. The Mergers will not be effected under one of the sections of the Tax Act enumerated in subsection 5.6(1)(b);

c. The portfolio assets of each Terminating Fund are not acceptable to the portfolio advisor of its respective Continuing Fund, as required by subsection 5.6(1)(d)(ii); and

d. The materials sent to securityholders of each Terminating Fund did not include the most recently filed fund facts of its corresponding Continuing Fund as required by paragraph 5.6(1)(f)(ii).

21. The investment objectives of each Terminating Fund are not substantially similar to the investment objectives of its corresponding Continuing Fund, as required by subsection 5.6(1)(a)(ii), because (a) each Continuing Fund's investments are restricted primarily to U.S. equity securities while each Terminating Fund's investments are restricted to North American equity securities and (b) for the North American Small/Mid Cap Merger, each Terminating Fund's investments are restricted primarily to small/mid-capitalization issuers while each Continuing Funds' investments do not have a restriction on the capitalization of the issuers.

22. The Registered Mergers will be completed on a taxable basis and so will not satisfy the requirement under subsection 5.6(1)(b). However, as all investors in the Terminating Registered Funds, other than the Filer, hold such funds within registered plans, no investor will be impacted by effecting the Registered Mergers on a taxable basis.

23. The Tax Managed Mergers will be effected on a tax-deferred basis through the exchange of shares within the Corporation but not pursuant to one of the sections of the Tax Act enumerated in subsection 5.6(1)(b). As the Corporation is expected to have sufficent losses to offset any gains realized on the sale of portfolio securities as a result of these Mergers, no investor in the Terminating Tax Managed Funds is expected to be impacted by the Tax Managed Mergers.

24. The portfolio sub-advisor of the Continuing Funds has been provided with a copy of the current investment portfolios of the Terminating Funds and has determined that substantially all of the portfolio securities of the Terminating Funds are not acceptable to it if such securities were to be transferred to the Continuing Funds.

25. As the Continuing Funds are new, they do not yet have a current prospectus or fund facts in the Jurisdictions. As a result, the materials required to be sent to securityholders of the Terminating Funds did not contain the fund facts for the applicable Continuing Fund. Instead of sending the fund facts as required by paragraph 5.6(1)(f)(ii), the Filer sent the Preliminary Prospectus.

26. In the opinion of the Filer, the Mergers will be beneficial to securityholders of the Terminating Funds and those in the Continuing Funds for the following reasons:

a. Securityholders in the Terminating Funds will enjoy potential improved economies of scale and potentially lower proportionate fund operating expenses (which are borne indirectly by securityholders) as part of a larger combined Continuing Fund;

b. Due to the smaller size and historic growth profile of the Terminating Funds, the administrative and regulatory costs of operating the Terminating Funds as stand-alone mutual funds would be higher per securityholder and could potentially increase if the Terminating Funds decrease further in asset size; and

c. The Mergers transition securityholders in the Terminating Funds to growing and more viable Continuing Funds.

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.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.8 Vitran Corporation Inc. – 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).

May 26, 2014

Vitran Corporation Inc.
c/o Fasken Martineau DuMoulin LLP
Stock Exchange Tower
P.O. Box 242, Suite 3700
800 Square Victoria
Montreal, Québec
H4Z 1E9

Dear Sirs/Mesdames:

Re: Vitran Corporation Inc. (the "Applicant") – Application for a Decision under the Securities Legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland (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

2.1.9 Baring North America LLC

Headnote

MI 11-102 – relief granted from margin rate applicable to U.S. money market mutual funds in calculation of market risk in Form 31-103F1 – margin rate for funds qualified for distribution in Canada is 5%, while funds qualified for distribution in U.S. is 100% – similar regulation of money market funds – NI 31-103.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.1, 15.

May 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
BARING NORTH AMERICA LLC
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for relief, pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), from the requirement in section 12.1 of NI 31-103 that the Filer calculate its excess working capital using Form 31-103F1 (the **Form**) to allow the Filer to use the same margin rate for investments in money market mutual funds qualified for sale by prospectus in the United States as is the case for money market mutual funds qualified for sale by prospectus in a province or territory of Canada when calculating market risk pursuant to Line 9 of the Form (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 (the principal regulator) for this application, and

b. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in Québec (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 31-103 have the same meanings 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 limited liability company incorporated under the *Massachusetts Business Corporations Act* and has its head office at 470 Atlantic Avenue, Boston, Massachusetts, 02210.

2. The Filer is registered as an exempt market dealer in each of the Jurisdictions and is also registered as an investment fund manager in Ontario.

3. The Filer is a member of the Barings Group, a global investment management firm with locations, clients, and strategies spanning the world's major markets. The Barings Group consists of Baring Asset Management Limited (**BAML**) and its subsidiaries as well as the Filer. The Barings Group has four principal companies, which are located in London, Boston, Hong Kong, and Tokyo. These entities provide investment management/advisory services for clients. The Barings Group had U.S. $59 billion in asset under management as of March 31, 2014.

4. BAML and the Filer are both wholly owned subsidiaries of Massachusetts Mutual Life Insurance Company (**MassMutual**), which is headquartered in Springfield, Massachusetts. MassMutual is a leading mutual life insurance company run for the benefit of its members and participating policyholders. With whole life insurance as its foundation, MassMutual provides a range of financial products to its clients, such as life insurance, disability income insurance, long-term care insurance, retirement planning, and annuities. MassMutual had U.S. $639 billion in assets under management as of December 31, 2013.

5. The Filer is not in default of the securities legislation in any of the Jurisdictions.

6. The Filer wishes to invest from time to time its cash balances in money market mutual funds (the **U.S. Funds**) that are (a) qualified for sale by prospectus in the U.S. under applicable U.S. securities law, and (b) registered investment companies under the U.S. Investment Company

Act of 1940, as amended, and which comply with Rule 2a-7 thereunder (**Rule 2a-7**).

7. For the purpose of calculating Line 9 (market risk) of the Form, Schedule 1 of the Form states that the margin rate required for a money market mutual fund qualified for sale by prospectus in any jurisdiction of Canada is 5% of the net asset value per security as determined in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, as opposed to 100% of the fair value of investments in U.S. Funds, which constitute "all other securities" for purposes of Schedule 1 of the Form.

8. From a cash management perspective, it would not be prudent for the Filer to invest its cash balances directly in U.S. money market instruments instead of investing in money market mutual funds qualified for sale by prospectus in the U.S. and, therefore, be subject to a lower margin rate because of the following reasons:

    a. the Filer would have to invest in a multitude of money market instruments to achieve the diversity that the U.S. Funds that it wants to invest in would provide;

    b. money market instruments have varying degrees of liquidity and penalties that may be incurred if an instrument is disposed of before it matures; and

    c. directly investing in money market instruments is more time consuming and most likely, more costly, than investing in the U.S. Funds, without any meaningful benefit.

9. It would also not be prudent for the Filer to invest its cash balances in money market mutual funds qualified for sale by prospectus in a province or territory of Canada for the following reasons:

    a. there are only a limited number of U.S. money market mutual funds that are qualified for sale by prospectus in a province or territory of Canada;

    b. the Filer is a U.S. entity and cannot access U.S. money market mutual funds that are qualified for sale by prospectus in a province or territory of Canada as directly and as easily as the U.S. Funds that are qualified for sale by prospectus in the U.S.;

    c. the Filer would need to develop the necessary relationships with Canadian money market fund issuers;

    d. investment in U.S. money market mutual funds that are qualified for sale by prospectus in a province or territory of Canada would be more costly than investing in the U.S. Funds that are qualified for sale by prospectus in the U.S; and

    e. the Filer could be subject to cross-border tax issues if it were to invest in U.S. money market mutual funds that are qualified for sale by prospectus in a province or territory of Canada as a U.S. entity.

10. The regulatory oversight and the quality of investments held by a money market mutual fund qualified for sale by prospectus in each of the U.S. and Canada is similar. In particular, Rule 2a-7 sets out requirements dealing with portfolio maturity, quality, diversification and liquidity, which are similar to requirements under National Instrument 81-102 *Mutual Funds* (**NI 81-102**).

Decision

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

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

    a. any U.S. Fund invested in by the Filer is qualified for sale by prospectus in the U.S. as a result of being a registered investment company under the U.S. *Investment Company Act of 1940*, as amended, and which complies with Rule 2a-7; and

    b. the requirements for money market mutual funds under Rule 2a-7 or any successor rule or legislation are similar to the requirements for Canadian money market funds qualified for sale by prospectus under NI 81-102 or any successor rule or legislation.

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

2.1.10 Pareto Investment Management Limited

Headnote

MI 11-102 – relief granted from margin rate applicable to a U.K. money market mutual fund in calculation of market risk in Form 31-103F1 – margin rate for funds qualified for distribution in Canada is 5%, while funds qualified for distribution in U.K. is 100% – similar regulation of money market funds – NI 31-103.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7.
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.1, 15.

May 26, 2014

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

AND

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

AND

IN THE MATTER OF
PARETO INVESTMENT MANAGEMENT LIMITED
(the "Filer")

DECISION

Background

The Principal Regulator (as defined below) in the Principal Jurisdiction has received an application from the Filer for a decision under section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) for relief from the requirement in section 12.1 of NI 31-103 that the Filer calculate its excess working capital using Form 31-103F1 (the **Form F1**) only to the extent that the Filer be permitted to apply the same margin rate to an investment in the ILF GBP Liquidity Fund (the Fund), a short-term money market fund authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities (**UCITS**)) Regulations 2011 (**UCITS Regulations**) and offered under a prospectus in the United Kingdom, as it would apply to a money market mutual fund qualified for sale by prospectus in a jurisdiction of Canada, when calculating market risk pursuant to Line 9 of Form F1 (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 (the **OSC** or **Principal Regulator**) for this application, and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of Alberta, British Columbia, Saskatchewan, Manitoba, Nova Scotia and Québec (together with Ontario, the **Jurisdictions**).

Interpretation

Defined terms contained in NI 31-103 and MI 11-102 have the same meanings in this decision (the **Decision**) unless they are otherwise defined in this Decision.

Representations

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

1. The Filer is a Limited Company established under the Laws of England and Wales with its head office located in London, United Kingdom.

2. The Filer is registered as an adviser in the category of portfolio manager in each of the Jurisdictions.

3. The Filer is not a reporting issuer in any jurisdiction of Canada.

4. The Filer is registered as an investment management firm in the United Kingdom and is regulated by the Financial Conduct Authority (the **FCA**). It is an institutional investment manager with global clients such as corporate and state pension funds, financial institutions and charities.

5. The Filer offers investment solutions for currency risk, other risk management purposes, fixed income, multi-asset and absolute return strategies.

6. The Filer's immediate parent company is Insight Investment Management Limited and its ultimate parent is The Bank of New York Mellon Corporation (**BNY Mellon**). BNY Mellon is a global investment company.

7. The Filer intends to invest its excess cash in the Fund. The Fund complies with UCITS Regulations applicable to a short-term money market fund, and is also subject to internal investment restrictions. The Fund has also been rated AAAm under Standard & Poors' Money Market Fund rating guidelines.

8. Under Schedule 1 of Form F1 an investment in the Fund would be subject to a margin rate of 100% of the market value of such investment for the purposes of Line 9 of Form FI which could result in

an excess working capital deficit for the Filer, and an inability to meets its capital requirements under NI 31-103.

9. Under Schedule 1 of Form F1 the margin rate for a money market mutual fund qualified for sale by prospectus in a jurisdiction of Canada is 5% of the market value of such investment.

10. From a cash management perspective, it would not be prudent for the Filer to invest its cash balances directly in money market instruments instead of investing in the Fund and, therefore, be subject to a lower margin rate for the following reasons:

    (i) the Filer would have to invest in a multitude of money market instruments to achieve the diversity that the Fund provides;

    (ii) money market instruments have varying degrees of liquidity and penalties may be incurred if an instrument is disposed of before it matures; and

    (iii) directly investing in money market instruments is more time consuming and most likely, more costly, than investing in the Fund without any meaningful benefit.

11. It would also not be practicable for the Filer to invest its cash balances in a money market fund that is qualified for sale by prospectus in a jurisdiction of Canada as such funds are unlikely to be qualified for sale in the United Kingdom. Such funds would also be difficult to use for cash management purposes and would have potential tax implications. The Filer also lacks familiarity with Canadian money market funds and their issuers.

12. The regulatory oversight and the quality of investments held by a money market mutual fund qualified for sale by prospectus in each of the United Kingdom and Canada is similar. In particular, the UCITS Regulations, together with the Fund's internal investment restrictions, set out requirements dealing with portfolio maturity, credit quality and liquidity, which are similar to requirements under National Instrument 81-102 *Mutual Funds* (**NI 81-102**).

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 so long as:

(a) the Fund is qualified for sale by prospectus in the United Kingdom and complies with the UCITS Regulations;

(b) the requirements for money market mutual funds under the UCITS Regulations or any successor rule or legislation, together with the Fund's internal investment restrictions, are similar to the requirements for Canadian money market funds qualified for sale by prospectus under NI 81-102 or any successor rule or legislation; and

(c) the Filer is registered as an investment management firm in the United Kingdom and is regulated by the Financial Conduct Authority or any successor regulator.

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

2.2 Orders

2.2.1 B&A Fertilizers Limited – s. 127(7)

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

AND

IN THE MATTER OF
B&A FERTILIZERS LIMITED

TEMPORARY ORDER
(Subsection 127(7)

WHEREAS B&A Fertilizers Limited (the "Reporting Issuer") is a reporting issuer in Ontario;

AND WHEREAS the Reporting Issuer failed to file the following continuous disclosure materials as required by Ontario securities law (collectively, the "Default"):

a) audited annual financial statements for the year ended December 31, 2013;

b) management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2013;

c) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

AND WHEREAS on May 7, 2014, the Director issued a Temporary Cease Trade Order (the "TCTO") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that, effective immediately, all trading in the securities of the Reporting Issuer, whether direct or indirect, shall cease for a period of 15 days from the date of the TCTO;

AND WHEREAS on May 7, 2014, the Director issued a Notice of Temporary Order and Hearing (the "NTOH");

AND WHEREAS the NTOH gave written notice that, if the Default continues, a hearing will be held pursuant to section 127 of the Act (the "Hearing") to consider whether an order should be made under paragraph 2 of subsection 127(1) of the Act that all trading in the securities of the Reporting Issuer, whether direct or indirect, cease permanently or for such period as is specified in the order by reason of the continued Default;

AND WHEREAS on May 20, 2014, the Reporting Issuer requested the Hearing be adjourned until June 9, 2014;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. the Hearing be adjourned until June 9, 2014 at 9:00 a.m.;

2. the TCTO be extended until June 9, 2014 and that effective immediately, all trading in the securities of the Reporting Issuer, whether direct or indirect, shall cease until June 9, 2014.

DATED at Toronto this 21st day of May, 2014.

"James E. A. Turner"

2.2.2 Moss Lake Gold Mines Ltd. – s. 1(6) of the OBCA

Headnote

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

Statutes Cited

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

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

AND

IN THE MATTER OF
MOSS LAKE GOLD MINES LTD.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

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

AND UPON the Applicant representing to the Commission that:

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

2. The Applicant was formed by Articles of Amalgamation under the OBCA on March 28, 2014.

3. The registered office of the Applicant is located at 8 King Street East, Suite 1305, Toronto, Ontario M5C 1B5.

4. On January 24, 2014, Wesdome Gold Mines Ltd. (**Wesdome**), 2404027 Ontario Inc. (**Subco**), a wholly-owned subsidiary of Wesdome, and Moss Lake Gold Mines Ltd. (the **Target**) entered into a business combination agreement pursuant to which Wesdome agreed, through Subco, to acquire all of the issued and outstanding shares of the Target (the **Target Shares**) not already owned by Wesdome (the **Transaction**).

5. The Transaction was effected by means of a three-cornered amalgamation under the OBCA (the **Amalgamation**) pursuant to which Subco and the Target amalgamated to form the Applicant.

6. Upon the consummation of the Amalgamation:

   (a) the issued and outstanding Target Shares, other than those held by Wesdome, were exchanged for fully-paid and non-assessable common shares in the capital of Wesdome (the **Wesdome Shares**) on the basis of one Wesdome Share for every 3.85 Target Shares (the **Exchange Ratio**);

   (b) each issued and outstanding stock option of the Target (the **Target Options**) was cancelled and in its place, Wesdome granted such number of stock options as determined in accordance with the Exchange Ratio, on the same terms and conditions as the cancelled Target Options, except to the extent their terms were adjusted (in accordance with the terms of such Target Option) to reflect the Amalgamation;

   (c) the promissory note in the principal amount of $2,000,000 issued by the Target in favour of Wesdome has continued in effect, unamended;

   (d) the Target Shares held by Wesdome were cancelled without any repayment therefor; and

   (e) each issued and outstanding common share in the capital of Subco was cancelled and converted into one Common Share and the Applicant became a wholly-owned subsidiary of Wesdome.

7. The Amalgamation was completed on March 28, 2014.

8. As of the date hereof all of the outstanding securities of the Applicant are beneficially owned, directly or indirectly, by Wesdome.

9. Prior to the Amalgamation becoming effective, the Target Shares were listed on the TSX Venture Exchange (the **TSXV**). The Target Shares were delisted from the TSXV effective at the close of business on April 1, 2014.

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

11. On April 2, 2014, the Applicant filed a Notice of Voluntary Surrender of Reporting Issuer Status with the British Columbia Securities Commission (the **BCSC**) under British Columbia Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* to voluntarily surrender its reporting issuer status.

12. The BCSC confirmed the Applicant's non-reporting issuer status in British Columbia effective April 13, 2014.

13. On April 3, 2014, the Applicant applied under the securities legislation of Ontario and Alberta (collectively, the **Jurisdictions**) for a decision that the Applicant is not a reporting issuer in the Jurisdictions in accordance with the simplified procedure set out in CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer* (the **Order**). The Order was granted on April 15, 2014.

14. The Applicant is not a reporting issuer or the equivalent in any other jurisdiction of Canada.

15. The Applicant has no intention of seeking public financing by way of an offering of securities in any jurisdiction of Canada by way of a private placement or public offering.

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

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

DATED at Toronto on this 23rd day of May, 2014.

"Vern Krishna"
Commissioner
Ontario Securities Commission

"Sarah Kavanagh"
Commissioner
Ontario Securities Commission

2.2.3 Purpose Best Ideas Fund and Purpose Duration Hedged Real Estate Fund – s. 1.1

Headnote

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

Rules Cited

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

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

AND

IN THE MATTER OF
PURPOSE BEST IDEAS FUND AND
PURPOSE DURATION HEDGED REAL ESTATE FUND
(the Funds)

DESIGNATION ORDER
(Section 1.1)

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

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

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

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

Dated May 12, 2014

"Susan Greenglass"
Director, Market Regulation

2.2.4 Vitran Corporation Inc. – s. 1(6) of the OBCA

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF VITRAN CORPORATION INC. (the Applicant)

ORDER (Subsection 1(6) of the OBCA)

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares (**Common Shares**), of which 16,465,241 Common Shares were issued and outstanding.

2. The head office of Applicant is located at 185 The West Mall, Suite 701, Toronto, Ontario, M9C 5L5.

3. On March 26, 2014, TransForce Inc. (**TransForce**), through its indirect wholly-owned subsidiary 2400520 Ontario Inc., acquired all of the issued and outstanding Common Shares of the Applicant, other than Common Shares held by TransForce and any of its affiliates, through a plan of arrangement under the OBCA (the Arrangement). Following the Arrangement, the Applicant became an indirect wholly-owned subsidiary of Transforce.

4. Holders of options and deferred stock units of the Applicant also received consideration for such securities and there are therefore no longer options or deferred stock units of the Applicant outstanding.

5. As of the date of this decision, one Common Share of the Applicant is beneficially owned by one sole security holder, TFI Holdings Inc., a wholly-owned subsidiary of TransForce.

6. The Common Shares, which were listed on the Toronto Stock Exchange (**TSX**) and NASDAQ and traded under the symbol "VTN" and "VTNC" respectively, have been delisted from the NASDAQ on March 27, 2014, and from the TSX on March 28, 2014.

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

8. The Applicant is a reporting issuer, or the equivalent, in Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland (the Jurisdictions) and is currently not in default of any of the applicable requirements under any securities legislation of the Jurisdictions. The Applicant has applied for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer (the **Relief Requested**).

9. The voluntary surrender of Reporting Issuer status was issued by the British Columbia Securities Commission effective April 11, 2014 to cease to be a reporting issuer in British Columbia.

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

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

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

DATED at Toronto on this 26th day of May 2014.

"Sarah B. Kavanagh"
Commissioner
Ontario Securities Commission

"Vern Krishna"
Commissioner
Ontario Securities Commission

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
AFG Flameguard Lt.	13 May 14	26 May 14	26 May 14	
American Natural Energy Corporation	22 May 14	3 June 14		
Bactech Environmental Corporation	7 May 14	20 May 14		21 May 14
BNP Resources Inc.	9 May 14	21 May 14	21 May 14	
Brazilian Resources, Inc.	9 May 14	21 May 14	21 May 14	
Capital DGMC Inc.	13 May 14	26 May 14		27 May 14
Caspian Energy Inc.	13 May 14	26 May 14	26 May 14	
CJL Capital Inc.	9 May 14	21 May 14	21 May 14	
Genoil Inc.	9 May 14	21 May 14	21 May 14	
Industrialex Manufacturing Corp.	14 May 14	26 May 14	26 May 14	
Kirkland Precious Metals Corp.	13 May 14	26 May 14		27 May 14
Nord Resources Corporation	21 May 14	2 June 14		
Northcore Technologies Inc.	9 May 14	21 May 14	21 May 14	
One Financial Real Property Development Trust (2008-1)	14 May 14	26 May 14	26 May 14	
One Financial Real Property Income Fund (2008-1)	14 May 14	26 May 14	26 May 14	
Pan American Fertilizer Corp.	14 May 14	26 May 14	26 May 14	
Platmin Limited	9 May 14	21 May 14	21 May 14	
Ponderosa Fund	14 May 14	26 may 14	26 May 14	
Poplar Creek Resources Inc.	9 May 14	21 May 14	21 May 14	
Rodinia Oil Corp.	9 May 14	21 May 14	21 May 14	
Times Three Wireless Inc.	14 May 14	26 May 14	26 May 14	
Transeuro Energy Corp.	13 May 14	26 May 14	26 May 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

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Carpathian Gold Inc.	4 April 14	16 April 14	16 April 14		
Family Memorial Inc.	2 May 14	14 May 14	14 May 14		
Greenstar Agricultural Corporation	5 May 14	16 May 14	16 May 14		
Matica Graphite Inc.	12 May 14	23 May 14	23 May 14		
Pacific Vector Holdings Inc.	8 May 14	20 May 14	20 May 14		
Red Tiger Mining Inc.	2 May 14	14 May 14	14 May 14		
Sendero Mining Corp.	5 May 14	16 May 14	16 May 14		
Sonomax Technologies Inc.	9 May 14	21 May 14	21 May 14		

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORT OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
02/18/2014	3	Creative Wealth Monthly Pay Trust - Trust Units	124,240.00	12,424.00
07/24/2013 to 11/25/2013	2	GMO Benchmark- Free Allocation Fund- III - Units	13,570,033.67	490,356.24
01/31/2014	1	GMO Quality Fund - IV - Units	3,836,055.00	143,212.95
10/15/2010 to 01/31/2013	15	Independent Franchise Partners Variable Capital Company - Common Shares	79,159,885.34	7,643,977.28
04/05/2014 to 04/23/2014	9	MCF Securities Inc. - Common Shares	516,295.54	516,295.54
02/19/2014 to 04/02/2014	24	MCF Securities Inc. - Units	1,180,280.35	1,180,280.35
03/31/2014	18	Morrison Laurier Mortgage Corporation - Preferred Shares	1,073,020.00	N/A
04/30/2014	9	Morrison Laurier Mortgage Corporation - Preferred Shares	266,100.00	N/A
03/05/2014 to 03/26/2014	5	New Haven Mortgage Income Fund (1) Inc. - Common Shares	247,681.00	N/A
03/17/2014	1263	Romspen Mortgage Investment Fund/Romspen Investment Corporation - Units	3,113,460.00	311,346.00
03/01/2013 to 12/02/2013	4	The Alpha Fund L.P. - Units	3,346,367.55	N/A
07/19/2013 to 12/24/2013	151	The Entrepreneur's Fund - Units	13,595,000.00	1,356,843.39
01/28/2014	1	TimePlay Inc. - Units	100,000.00	100.00
01/23/2014	2	U308 Corp. - Units	399,999.93	3,333,333.00
04/30/2014	42	Vertex Arbitrage Fund - Trust Units	7,572,902.58	N/A
03/31/2014	26	Vertex Arbitrage Fund - Trust Units	6,707,116.31	N/A
04/30/2014	60	Vertex Fund - Trust Units	9,292,419.14	N/A
03/31/2014	59	Vertex Fund - Trust Units	6,795,062.18	N/A
04/30/2014	10	Vertex Managed Value Portfolio - Trust Units	3,319,174.04	N/A
03/31/2014	25	Vertex Managed Value Portfolio - Trust Units	6,349,152.08	N/A
04/30/2014	2	Vertex Strategic Income Fund - Trust Units	832,292.93	N/A

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
American Hotel Income Properties REIT LP
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
Cdn$45,001,800.00 - 4,348,000 Units
Price: Cdn$10.35 per Offered Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
HAYWOOD SECURITIES INC.
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.
Promoter(s):
-
Project #2210815

Issuer Name:
Americas Petrogas Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 20, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
$ * - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2211696

Issuer Name:
Americas Petrogas Inc.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Short Form Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
$ *- * Units
Price: $ * per Unit
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #2211696

Issuer Name:
Artek Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 20, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
$33,005,000.00 - 8,050,000 Common Shares
Price: $4.10 per Common Share
$10,014,480 1,987,000 Flow Through Shares
Price: $5.04 per Flow Through Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Cormark Securities Inc.
National Bank Financial Inc.
Clarus Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
FirstEnergy Capital Corp.
Dundee Securities Ltd.
Promoter(s):
-
Project #2208847

Issuer Name:
Black Birch Capital Acquisition III Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 15, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
Maximum offering: $5,000,000.00 or 12,500,00 Units
Minimum offering: $3,000,000.00 or 7,500,000 Units
Price: $0.40 per Unit
Underwriter(s) or Distributor(s):
Richardson GMP Limited
Promoter(s):
Paul Haber
Project #2211193

Issuer Name:
Canexus Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 20, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
$75,000,000.00 - 6.50% Convertible Unsecured Subordinated Series VI Debentures
Price: $1,000 per Series VI Debenture
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
HSBC SECURITIES (CANADA) INC.
RAYMOND JAMES LTD.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
Promoter(s):
-
Project #2208639

Issuer Name:
Exemplar Credit Opportunities Fund
Exemplar Investment Grade Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 16, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
Series A, AI, F, FI, I, L and LI Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Arrow Capital Management Inc.
Project #2211266

Issuer Name:
Franklin Global Small-Mid Cap Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 23, 2014
NP 11-202 Receipt dated May 23, 2014
Offering Price and Description:
Series A, F, I, M and O Units
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
FTC Investor Services Inc.
Promoter(s):
Franklin Templeton Investments Corp.
Project #2213458

Issuer Name:
Harvest Banks & Buildings Income Fund
Harvest Canadian Income & Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 20, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
Series D Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Harvest Portfolios Group Inc.
Project #2211571

Issuer Name:
Horizons Canadian Midstream Oil & Gas Index ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 23, 2014
Offering Price and Description:
Class A Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
HORIZONS ETFs MANAGEMENT (CANADA) INC.
Project #2213397

Issuer Name:
INTELLIPHARMACEUTICS INTERNATIONAL INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated May 20, 2014
NP 11-202 Receipt dated May 21, 2014
Offering Price and Description:
U.S.$100,000,000.00
Common Shares
Preference Shares
Warrants
Subscription Receipts
Units

Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2211935

Issuer Name:
Regal Lifestyle Communities Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
$27,004,500 - 3,530,000 Common Shares
Price: $7.65 per Common Share
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
DUNDEE SECURITIES LTD.
RAYMOND JAMES LTD.
Promoter(s):
SIMON NYILASSY
MORAY TAWSE
Project #2211975

Issuer Name:
Summit Industrial Income REIT
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
$25,056,000.00 - 4,320,000 Units
Price $5.80 per Unit
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
DESJARDINS SECURITIES INC.
DUNDEE SECURITIES LTD.
Promoter(s):
-
Project #2210654

Issuer Name:
Ballard Power Systems Inc.
Principal Regulator - British Columbia
Type and Date:
Final Base Shelf Prospectus dated May 21, 2014
NP 11-202 Receipt dated May 21, 2014
Offering Price and Description:
US$100,000,000
Common Shares
Preferred Shares
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2201523

Issuer Name:
Cluny Capital Corp.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated May 21, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
MINIMUM OFFERING: $425,000.00 or 2,125,000 Common Shares
MAXIMUM OFFERING: $1,200,000.00 or 6,000,000 Common Shares
PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Hampton Securities Limited
Promoter(s):
Simon Yakubowicz
Project #2135897

Issuer Name:
DiaMedica Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 20, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
Minimum Offering: $2,000,040 (2,857,200 Units)
Maximum Offering: $5,000,030 (7,142,900 Units)
Price: $0.70 per Unit
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Promoter(s):
-
Project #2195711

Issuer Name:
Dividend 15 Split Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 22, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
-
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 #2207287

Issuer Name:
LDIC North American Energy Infrastructure Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 12, 2014
NP 11-202 Receipt dated May 20, 2014
Offering Price and Description:
Class A units and Class F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
LDIC Inc.
Promoter(s):
-
Project #2190418

Issuer Name:
Lincluden Balanced Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 16, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
Series A units, Series F units, Series I units and Series O units
Underwriter(s) or Distributor(s):
Lincluden Management Limited
Promoter(s):
Lincluden Investment Management Limited
Project #2191490

Issuer Name:
Mitel Networks Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 21, 2014
NP 11-202 Receipt dated May 22, 2014
Offering Price and Description:
$91,020,000.00
7,400,000 Common Shares
Price: $12.30 per Common Share
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
CORMARK SECURITIES INC.
CANACCORD GENUITY CORP.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2208394

Issuer Name:
Sprott Small Cap Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 5, 2014 to the Simplified Prospectus and Annual Information Form dated May 24, 2013
NP 11-202 Receipt dated May 23, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2045089

Issuer Name:
GC Marathon Financial Corp.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 13, 2014
Withdrawn on May 21, 2014
Offering Price and Description:
Distribution in Kind
Underwriter(s) or Distributor(s):
-
Promoter(s):
GC GLOBAL CAPITAL CORP.
Project #2176042

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Optimize Inc.	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	May 21, 2014
Voluntary Surrender	Ojala Financial Corp.	Exempt Market Dealer	May 23, 2014
Voluntary Surrender	Banack Capital Group Ltd.	Exempt Market Dealer	May 23, 2014
Suspended (Pending Surrender)	Jemekk Capital Management Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	May 26, 2014
Voluntary Surrender	Penbrooke Partners Investment Management Ltd.	Investment Fund Manager and Exempt Market Dealer	May 27, 2014

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.1 SROs

13.1.1 Notice of Commission Approval – Amendments to MFDA Rules to harmonize with Client Relationship Model Phase 2 provisions effective July 15, 2014

MUTUAL FUND DEALERS ASSOCIATION OF CANADA
(MFDA)

AMENDMENTS TO MFDA RULES TO HARMONIZE WITH CLIENT RELATIONSHIP MODEL PHASE 2 PROVISIONS EFFECTIVE JULY 15, 2014

NOTICE OF COMMISSION APPROVAL

The Recognizing Regulators of the Mutual Fund Dealers Association of Canada (**MFDA**) have approved or not objected to amendments to MFDA Rules (the **MFDA 2014 CRM2 Amendments**) harmonizing them with certain requirements in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) that were introduced as part of the Client Relationship Model, Phase 2 (**CRM2**) and which take effect on July 15, 2014 (the **CSA 2014 CRM2 Amendments**).

The following table sets out the relevant provisions of the CSA 2014 CRM2 Amendments and the corresponding MFDA Rules that are amended by the MFDA 2014 CRM2 Amendments:

NI 31-103 section	**MFDA Rule**
Paragraph 14.2(2)(m) [*relationship disclosure information*]	MFDA Rule 2.2.5(h)
Section 14.2.1 [*pre-trade disclosure of charges*]	MFDA Rule 2.4.4

The Ontario Securities Commission approved the MFDA 2014 CRM2 Amendments. The British Columbia Securities Commission, the Alberta Securities Commission, the Financial and Consumer Affairs Authority of Saskatchewan, the Manitoba Securities Commission, the Financial and Consumer Services Commission of New Brunswick, the Nova Scotia Securities Commission, and Prince Edward Island Office of the Superintendent of Securities also approved or did not object to the MFDA 2014 CRM2 Amendments.

The MFDA 2014 CRM2 Amendments were published for public comment on October 10, 2013 at (2013) 36 OSCB 10006 and on the OSC website. No comments were received from the public.

A decision granting MFDA members relief from the CSA 2014 CRM2 Amendments and accompanying CSA Staff Notice 31-339 are published in Chapters 2 and 1 of this Bulletin, respectively.

13.1.2 Notice of Commission Approval – Amendments to IIROC Dealer Member Rules to harmonize with Client Relationship Model Phase 2 provisions effective July 15, 2014

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
(IIROC)

AMENDMENTS TO DEALER MEMBER RULES TO HARMONIZE WITH
CLIENT RELATIONSHIP MODEL PHASE 2 PROVISIONS
EFFECTIVE JULY 15, 2014

NOTICE OF COMMISSION APPROVAL

The Recognizing Regulators of the Investment Industry Regulatory Organization of Canada (**IIROC**) have approved or not objected to amendments to IIROC Dealer Member Rules (the **IIROC 2014 CRM2 Amendments**) harmonizing them with certain requirements in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) that were introduced as part of the Client Relationship Model, Phase 2 (**CRM2**) and which take effect on July 15, 2014 (the **CSA 2014 CRM2 Amendments**).

The following table sets out the relevant provisions of the CSA 2014 CRM2 Amendments and the corresponding IIROC Dealer Member Rules that are amended by the IIROC 2014 CRM2 Amendments:

NI 31-103 section	**IIROC Dealer Member Rule**
Paragraph 14.2(2)(m) [*relationship disclosure information*]	Dealer Member Rule 3500.5(2)(j)
Section 14.2.1 [*pre-trade disclosure of charges*]	Dealer Member Rule 29.9
Paragraphs 14.12(1)(b.1) and (c.1) [*content and delivery of trade confirmation*]	Dealer Member Rule 200.2(l)(v)

The IIROC 2014 CRM2 Amendments are set out in the IIROC Notice, which can be found at www.osc.gov.on.ca, together with IIROC's response to public comments and guidance notes relating to the rule amendments.

The Ontario Securities Commission approved the IIROC 2014 CRM2 Amendments in its capacity as IIROC's principal regulator. In their capacities as IIROC's other Recognizing Regulators, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the Autorité des marchés financiers, the Financial and Consumer Affairs Authority of Saskatchewan, the Financial Services Regulation Division of the Department of Government Services of Newfoundland and Labrador, the Nova Scotia Securities Commission, the Financial and Consumer Services Commission of New Brunswick, and the Prince Edward Island Office of the Superintendent of Securities approved the IIROC 2014 CRM2 Amendments.

Proposed amendments substantially similar to the IIROC 2014 CRM2 Amendments were published for comment on December 12, 2013, at (2013), 36 OSCB 11973 for a 60-day comment period ending February 10, 2014. In the same publication, IIROC also proposed further amendments that are scheduled to become effective on either July 15, 2015 or July 15, 2016 for a 120-day comment period ending April 10, 2014, the amendments of which are currently under consideration.

The IIROC 2014 CRM2 Amendments include immaterial changes to the proposals published on December 12, 2013, reflecting IIROC's responses to public comments and comments from the Recognizing Regulators.

A decision granting IIROC Dealer Members relief from the CSA 2014 CRM2 Amendments and accompanying CSA Staff Notice 31-339 are published in Chapters 2 and 1 of this Bulletin, respectively.

13.2 Marketplaces

13.2.1 Omega ATS – Notice of Withdrawal – VWAP and Basis Cross Order Types

OMEGA ATS

NOTICE OF WITHDRAWAL

VWAP and BASIS CROSS ORDER TYPES

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto (the "Protocol"), Omega ATS has withdrawn the VWAP cross and Basis cross order types that were reviewed by Commission staff but never implemented by Omega ATS. The notice of completion of staff review of these order types was published on December 3, 2010 on the OSC website.

13.2.2 Lynx ATS – Notice of Commission Approval – Lynx ATS Fee Model Change

LYNX ATS

NOTICE OF COMMISSION APPROVAL OF LYNX ATS FEE MODEL CHANGE

On December 12, 2013 Lynx ATS (Lynx) announced its plans to move to a dynamic fee model. The description of this fee model change was published for comment in accordance with OSC Staff Notice 21-706 – *Marketplaces' Initial Operations and Material Systems Changes*, and pursuant to an order requiring Lynx to comply with the *Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits Thereto* (ATS Protocol). Four comment letters were received. A summary of and response to those comments has been prepared by Lynx and is included at Appendix A to this notice.

The OSC has approved the fee model change pursuant to section 8 of the ATS Protocol applicable to Lynx. Lynx will publish a notice indicating the intended implementation date of the new fee model, which will be no earlier than the later of: (i) 120 days from the publication of this notice and (ii) the launch date of Lynx's price sensitive router that will allow any subscriber to route solely on a cost basis. Lynx has submitted that there are a number of options available to its subscribers in responding to this fee model change including: (i) setting Lynx at the lowest position of a routing table; (ii) using Lynx's price sensitive router; and (iii) developing and using a private smart order router that routes on a cost basis.

Appendix A

Issue	Commenter and comment	OSI Response
Average Daily Volume is Calculated too early/ADV is not calculated often enough.	**True North Vantage:** Average daily volumes across all Canadian marketplaces will be calculated by Lynx ATS on the 15th day of each calendar month. We feel that the ADV should be calculated no more than 3 trading days before the end of the month. We can appreciate that less sophisticated participants will require a longer lead time, but we feel that it takes away from the relevancy of the liquidity tiers. **Cannacord Ganuity:** ADV should include intentional crosses but we feel should be calculated more frequently to reflect deal stocks and sudden and sudden increases in volume for takeovers.	Omega Securities Inc (OSI) recognizes the Average Daily Volume being calculated two weeks before implementation could result in "stale" data. While a firm such as True North Vantage would have no problem changing their routing with three days notice, we believe that two weeks' notice would be enough for all participants to make routing plans for the coming month. Moreover we have found that other than certain anomalies, stocks that achieve an average high daily trading volume over one month will tend to continue to do so.
Lynx Dynamic Pricing should exclude/include intentional crosses.	**True North Vantage:** Inclusion of intentional cross prints in the calculation of ADV? We believe that the ADV calculation should include only exchange/ats trading and not intentional cross prints. The fee being set should be based on actual tradable liquidity. **Canaccord Genuity :** ADV should include intentional crosses.	We understand the logic of the proposal, and an argument can be made that volume that cannot be interacted with should be excluded from the ADV calculation. It is OSI's intention to make the calculation of the ADV as simple and Transparent as possible, allowing any participant to acquire the data and confirm the ADVs and by extension confirm the fee levels provided to them by Lynx ATS.
Lynx Dynamic Pricing lacks sub-dollar tiers.	**True North Vantage:** We feel the strategy by OSI is incomplete without sub-dollar tiers. Those tiers should take into consider the tick sizes of the names. **Canaccord Genuity**: We would feel that sub dollar stocks should be included as well.	While not being averse to the idea of multiple sub-dollar price levels, it is OSI's intent to have every issue have only two possible fee levels. One super-dollar set by the ADV in the previous month, and one possible sub-dollar. It is our intention to review sub-dollar pricing sometime in the future.
Lynx Dynamic Pricing creates unparalleled complexity.	**Certain members of the Trading Issues Committee of the CSTA*:** We believe that varying the fee structure on an individual security basis creates unparalleled complexity to what currently exists. The costs to build and implement the new functionality for both smart order routers and accounting departments (for corporate internal controls and fee reconciliation) will be significant for most of our members, and in particular the smallest members. While it is possible that the benefits of Omega's approach could eventually outweigh the costs (since dealers would potentially save on take fees with the new structure), these benefits are theoretical – they assume significant market share at Lynx ATS.	Most trading active participants that set SOR preferences to take advantage of cost savings will preference one or more of the 'inverted' marketplaces in the top position(s) on their router table. Those trading participants that do not believe that additional savings can be achieved on Lynx without a great deal of development work are free to position Lynx at the absolute bottom of the router table and review this decision as Lynx and Lynx Dynamic pricing evolve (an activity we are more than willing to help with, with the review and modeling of your previous months trading). Lynx will provide monthly a CSV file that divides all securities to four possible commission levels. there should be no fear of each listing being "different". Other markets divide by listing type and price, this information is already being supported and entered already into data base tables.

Issue	Commenter and comment	OSI Response
	Cannacord Genuity: While we feel this is a step in the right direction it will probably not relate to significant savings. **W.D. Latimer Co, Ltd :** We feel that, although the Lynx Dynamic Pricing Model Proposed by OSI is seemingly complex, it addresses many of the issues associated with the classic maker/taker pricing schedules offered by other venues in Canada. *** "It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee." - CSTA Lynx Comment 01 17 2014**	That being said, OSI feels that there is tremendous value in the adaptation of a new model that does not overcompensate liquidity provision. Once the development stage has been embraced by the majority of the trading community, many of our competitors will be able to easily implement similar strategies and compete directly with Lynx ATS, and improve the maker /taker model.
OSI does not have the volume to offer measurable savings.	**Certain members of the Trading Issues Committee of the CSTA*:** Based on the current maker/taker pricing structure in Canada and the parent organization's market penetration to date, we fail to see how the concept of eventual significant benefits could be demonstrated probabilistically. *** "It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee." - CSTA Lynx Comment 01 17 2014**	Omega ATS and its market share has no bearing on the value of the proposed Lynx ATS pricing model. However, Omega's innovations have lead to additional pricing competition in the inverted model space. As a result, many trading participants have enjoyed greatly reduced active trading fees and better overall blended rates by preferencing one or more of the three inverted destinations before the classic maker/taker venues. These savings were not possible prior to Omega's pricing innovations and subsequent competitive pressures. Omega Securities Inc, expects that other marketplaces will follow our lead and help correct the problems in maker/taker.
Comparison of Lynx ATS to already existing fee structure.	**Certain members of the Trading Issues Committee of the CSTA*:** Within the sections of the Proposal that address the estimated time for Subscribers/Vendors to implement the proposed changes and within the section that indicates whether the proposed changes currently exist in other markets, Omega tries to compare the complexity of having (1) a tiered pricing structure based on volume (i.e. a participant getting a discount on its fees if they execute a certain minimum amount of shares) to (2) a pricing structure where single securities all have different fee structures based on overall volume executed in the previous month. In addition, Omega states: "Although this pricing model is slightly	Present market routing structure already asks participants to break down securities into categories (ETF,TSX,TSV,Listed Deb, etc.). Moreover the dynamic price monitoring for above five dollars, above a dollar, bellow a dollar, are all entered in present day router logic. These tables are adjusted daily, modified with new issues and deletions. Lynx ATS will provide a CVS table that will divide all listed shares into four possible fee levels, each level set with a fee and a possible sub dollar level. Adding this extra table is not more difficult than adding a new price level by market or security type.

Issue	Commenter and comment	OSI Response
	more complex than what is currently offered by other Canadian marketplaces, the model does not interfere with current routing structures." In the case of (1), a participant cannot know with absolute certainty the number of shares that will be executed in a given month, thus the "discounts" afforded to those that trade a relatively large amount of volume are only known once a final end of month tally is received. A "volume discount" does not affect the routing schedule that must be considered by all other participants; the new proposed fee structure does. Omega also states: "Smaller less sophisticated participants have stated their intention of using the highest possible Super Dollar/Sub Dollar rate as a baseline for calculation and router arrangement. Treating discounts achieved on Super Dollar equities as rebates for the purpose of reconciliation." We believe it is reasonable to assume that make/take structures and rebate levels influence smart router choices, and thus the level of rebate and take fee will – broadly – influence the probability of a passive fill by influencing smart router activity. In that context, to imply that a participant can simply assume the "worst rate" is short sighted, since the differentials in the proposed tiers range from one end of the pricing structure spectrum to the other, thus implying completely different fee based queue positioning. These comments would suggest that all passive participants that wish to know their fee based queue position within the consolidated book are "sophisticated". Under the assumption that a significant portion of flow is routed based on make/take economics, we would argue that all participants should be able to understand their fee based queue position without having to incorporate security specific logic that isn't directly accessible. *** "It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee." - CSTA Lynx Comment 01 17 2014.**	Despite this Lynx can be approached in either an active or passive manor. An active participant who is either willing or able to preset or alter routing tables to the new pricing structure can and will do so. A passive participant will and should set the smart order router with Lynx at the lowest possible rebate and the highest possible fee for a super dollar securities. **All executions would be at fee level equal to or better than the expected rate, and a rate better than that already approved for Lynx.** It would be simple for any participant to soon ascertain through monthly analysis whether or not Lynx would improve their bottom line for super dollar shares.

Issue	Commenter and comment	OSI Response
Every fill should have the make/take fee attached in a private feed to make it easier for accounting departments	**Certain members of the Trading Issues Committee of the CSTA*:** Every fill should have the make/take fee attached in a private feed to make it easier for accounting departments to consume the data for reconciliation purposes. If tiered volume discounts were to eventually be applicable, the non-discounted tier price could be provided to give the direct ability to categorize the security in its appropriate “Average Daily Volume” price class. ***"It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee. " - CSTA Comment 01 17 2014**	It is Lynx ATS' intention to provide the make take fee on Fix TAG 12 and 13 "commission" and "commission type". Thus providing a per share rate on every execution. This will provide the necessary information to make the tracking and calculation of fees simple for accounting departments. Moreover after discussions with Iress and Fidessa said data would allow for the use of their terminal based live fee monitoring tools. the highest fee, lowest rebate are the non-discounted tier prices enabling anyone who has access to the monthly volume to calculate the adjusted price level.
Fee tag should added to the CSV and the Data Feed. This should be coordinated by all marketplaces.	**Certain members of the Trading Issues Committee of the CSTA*:** The data describing security-specific fee levels should be in both a CSV format as well as a tag on the data feed to allow for easier consumption by smart order routers. This would be a security-level descriptive element. Note: if this approach is adopted, we believe that the dissemination of marketplace fee structures via market data broadcast feeds merits regulatory attention for all marketplaces to ensure consistency and appropriate dissemination. **Certain members of the Trading Issues Committee of the CSTA*:** Omega should demonstrate that they have recruited the cooperation of major data vendors (Bloomberg, Thomson Reuters) to have a new “fee tag” disseminated to users to ensure that participants can easily understand their fee based queue position within the consolidated book. Similarly to above, non-discounted prices could be provided if ever tiered volume discounts became available under this new fee structure. ***" It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee." - CSTA Comment 01 17 2014**	It is Lynx ATS' intention to provide the monthly ADV fee levels with a CSV file. The Fix tag 12 and 13 commission feed will attached each execution providing all the necessary accounting data. OSI has already engaged major vendors including Thomson Reuters, Fidessa, IRESS, ITS, to discuss FIX tag 12 & 13. All vendors express support for this initiative. Following that we are studying a way to add the security-specific fee level to our daily "stock directory messages" in market data . We have avoided this model at first in order to avoid a mandatory market data change for our subscribers. The highest fee, lowest rebate are the non-discounted tier prices enabling anyone who has access to the monthly volume to calculate the adjusted price levels.

Issue	Commenter and comment	OSI Response
There is no use in having this system in isolation.	**Some members of the Trading Issues Committee of the CSTA***: If every marketplace in Canada were to adhere to a classification system based on volume traded, then we could potentially assess a value in such a methodology. In isolation, the benefits of the proposal are limited. *** "It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee. " - CSTA Comment 01 17 2014**	It is unreasonable to ask a firm no matter how small to limit our business plan on the doubtful possibility that all other marketplaces adapt a similar pricing scheme. We have heard so many times from so many participants that maker taker is a problem, Lynx has chosen to lead, and hopefully by leading improve the overall market.
Lynx Dynamic Pricing would take more than 30 days to implement	**Certain members of the Trading Issues Committee of the CSTA*:** we cannot comment specifically on the amount of time to complete the necessary work to integrate the new proposed Fee Model as it would differ greatly from one participant to another. However, we do believe that most of our members would not view a 30 day implementation period as adequate lead time for the added complexity that this Fee Model brings to the current market structure. *** "It is important to note that there was no survey sent to our members to determine popular opinion; the Committee was assigned the responsibility of presenting the opinion of the CSTA as a whole. The opinions and statements provided below do not reflect the opinions of all CSTA members or the opinion of all members of the Trading Issues Committee." - CSTA Comment 01 17 2014**	Following discussion with vendors OSI has streamlined the modifications most people would need to make to adapt to Lynx Dynamic Pricing, despite that OSI is looking for a longer window and intends to not implement Dynamic Pricing before the early Q2 2014.
There are too many markets already.	**Canaccord Genuity:** We do not feel the need for additional markets in Canada at this time with the current volumes but appreciate the innovative approach Omega has taken with Lynx.	This comment is not relevant to the questions put forth by this call for comment, but since the Maple settlement market places have been forced to seek multiple venues in order to maintain competitiveness. We have always desired that Lynx would be innovative, and offer relief to equity market participants who feel that there is something wrong with the present maker/taker system. While we are not a large player it is our hope that for the benefit of all equity market participants that we can lead other markets to follow.

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