The Ontario Securities Commission

OSC Bulletin

August 21, 2014

Volume 37, Issue 34

(2014), 37 OSCB

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

The Ontario Securities Commission
Cadillac Fairview Tower
22nd Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Published under the authority of the Commission by:
Carswell, a Thomson Reuters business
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:
Fax: 416-593-8122
TTY: 1-866-827-1295

Office of the Secretary:
Fax: 416-593-2318

THOMSON REUTERS

The OSC Bulletin is published weekly by Carswell, a Thomson Reuters business, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of $773 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on S*ecuritiesSource*™, Canada's pre-eminent web-based securities resource. *SecuritiesSource*™ also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*™, as well as ordering information, please go to:

http://www.westlawecarswell.com/SecuritiesSource/News/default.htm

or call Carswell Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Carswell up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

ISSN 0226-9325
Except Chapter 7 ©CDS INC.

THOMSON REUTERS

One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
Fax 1-416-298-5082
www.carswell.com
Email www.carswell.com/email

Table of Contents

Chapter 1

Notices / News Releases

1.2 Notices of Hearing

1.2.1 Marc McQuillen – ss. 8 and 21.7

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

AND

IN THE MATTER OF
MARC MCQUILLEN

AND

IN THE MATTER OF
A HEARING AND REVIEW OF
THE DECISION OF
MARKET REGULATION SERVICES INC.,
DATED FEBRUARY 28, 2007

NOTICE OF HEARING
(Sections 21.7 and 8 of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 21.7 and section 8 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended, at the offices of the Commission, at 20 Queen Street West, 17th Floor, Toronto, Ontario, M5H 3S8, commencing on August 21, 2014 at 10:00 a.m. or as soon thereafter as the Hearing can be held;

TO CONSIDER an application made by Marc McQuillen for a Hearing and Review of the decision of the Hearing Panel of IIROC dated February 28, 2007 (*In the Matter of Marc McQuillen* ("*McQuillen*") (February 28, 2007) DN 2007-002) and order the requested relief pursuant to sections 21.1(4), 3.2(2), 21.7 and 8(3) of the *Securities Act*.

DATED at Toronto this 18th day of August, 2014.

"Josée Turcotte"
Acting Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 Tuckamore Capital Management Inc.

FOR IMMEDIATE RELEASE
August 12, 2014

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

AND

IN THE MATTER OF
TUCKAMORE CAPITAL MANAGEMENT INC.

AND

IN THE MATTER OF
A DECISION OF THE TORONTO STOCK EXCHANGE

TORONTO – TAKE NOTICE THAT Access Holdings Management Company LLC has withdrawn its Application to the Commission dated August 4, 2014. Accordingly, the hearing dates set to consider the Application have been vacated.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.2 Conrad M. Black et al.

FOR IMMEDIATE RELEASE
August 12, 2014

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the motion by Boultbee for the severance of the allegations against him is dismissed.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.3 Newer Technologies Limited et al.

FOR IMMEDIATE RELEASE
August 12, 2014

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

AND

IN THE MATTER OF
NEWER TECHNOLOGIES LIMITED,
RYAN PICKERING AND RODGER FREY

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

1. The pre-hearing conference scheduled for August 13, 2014 is vacated; and

2. this matter shall be continued to the Merits Hearing, which is scheduled to commence on September 8, 2014, and will continue thereafter on September 10, 11, 12, and 15, 2014.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.4 Thirdcoast Limited and Parrish & Heimbecker, Limited

FOR IMMEDIATE RELEASE
August 13, 2014

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

AND

IN THE MATTER OF
THIRDCOAST LIMITED AND
PARRISH & HEIMBECKER, LIMITED

TORONTO – The Commission issued its Reasons for Decision in the above noted matter.

A copy of the Reasons for Decision dated August 11, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.5 Issam El-Bouji et al.

FOR IMMEDIATE RELEASE
August 13, 2014

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

AND

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

TORONTO – The Commission issued an Order in the above named matter which provides that the time for complying with sections 1(d)(i), 1(e)(i) and 1(f) of the Order dated April 16, 2014 which was extended to August 14, 2014 by the Order dated June 12, 2014 is further extended to September 30, 2014.

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

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.6 Paul Azeff et al.

FOR IMMEDIATE RELEASE
August 14, 2014

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

AND

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

TORONTO – Staff of the Ontario Securities Commission filed a Fresh as Amended Statement of Allegations of Staff of the Ontario Securities Commission dated August 14, 2014 with the Office of the Secretary in the above noted matter.

A copy of the Fresh as Amended Statement of Allegations of Staff of the Ontario Securities Commission dated August 14, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

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

AND

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

FRESH AS AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

Finkelstein, Azeff and Bobrow

1. The Respondents, Mitchell Finkelstein ("Finkelstein"), Paul Azeff ("Azeff") and Korin Bobrow ("Bobrow") engaged in an illegal insider tipping and trading scheme over the course of a three year period from November 2004 to August 2007 (the "Relevant Period").

2. During the Relevant Period, Finkelstein, who practiced corporate law in Toronto, sought out and acquired material, non-public information concerning pending corporate transactions that he would communicate to Azeff, in breach of section 76(2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

3. Azeff shared the material, non-public information with his co-worker, Bobrow. They would then:

   (a) trade in securities of the reporting issuers with knowledge of material facts with respect to the reporting issuers that had not generally been disclosed, contrary to subsection 76(1) of the Act; and/or

   (b) inform, not in the necessary course of business, other persons of material facts with respect to the reporting issuers before the material facts were generally disclosed, contrary to subsection 76(2) of the Act; and/or

   (c) recommend investing in the reporting issuers to family members, friends and clients, contrary to the public interest.

Miller and Cheng

4. During the Relevant Period, the Respondents, Howard Jeffrey Miller ("Miller") and Man Kin Cheng a.k.a. Francis Cheng ("Cheng") engaged in illegal insider trading and tipping in securities of reporting issuers, in breach of sections 76(1) and (2) of the Act, and recommended investing in securities of reporting issuers in a manner that was contrary to the public interest.

5. Miller learned of material, non-disclosed information from one of Azeff's clients who was tipped by Azeff ("Client A").

II. THE RESPONDENTS

6. Finkelstein is a resident of Toronto, Ontario and during the Relevant Period was a member of the Law Society of Upper Canada and a partner in the Corporate Finance & Securities and Mergers & Acquisitions practice at the Toronto office of Davies Ward Phillips & Vineberg LLP ("Davies"), a law firm with offices in Toronto, Montreal and New York. Finkelstein has never been registered with the Commission in any capacity.

7. Azeff is a resident of Montreal, Quebec. During the Relevant Period, Azeff was employed by CIBC World Markets Inc. ("CIBC") in Quebec. Azeff was registered with the Commission as a trading officer with CIBC from September 18, 2003 to September 28, 2009 and was registered as a dealing representative with CIBC from September 28, 2009 to December 3, 2010. Azeff has been registered with the Commission as a dealing representative with Euro Pacific Canada Inc. from June 28, 2013 to date, subject to terms and conditions.

8. Finkelstein and Azeff met and became friends and fraternity brothers at the University of Western Ontario and remained close personal friends thereafter. Throughout the Relevant Period, Finkelstein and Azeff were in regular and frequent contact.

9. Bobrow is also a resident of Montreal, Quebec and during the Relevant Period, Bobrow was also employed by CIBC in the same Montreal office as Azeff. Bobrow was registered with the Commission as a salesperson with CIBC from May 14, 2003 to September 28, 2009 and was registered as a dealing representative with CIBC from September 28, 2009 to December 3, 2010. Bobrow has been registered with the Commission as a dealing representative with Euro Pacific Canada Inc. from June 28, 2013 to date, subject to terms and conditions.

10. Bobrow and Azeff met in high school and were business partners at CIBC during the Relevant Period. Bobrow worked exclusively with Azeff and all the trading done by Bobrow's clients were processed through Azeff's registered representative code. Azeff and Bobrow had a private compensation arrangement to reflect their respective client split of the group's annual trading activity.

11. Miller is a resident of Toronto, Ontario. During the Relevant Period, from July 1, 2002 until September 22, 2008, Miller was employed by TD Waterhouse Canada Inc. ("TD") and was registered with the Commission as a trading officer under the dealer category of investment dealer. Miller was registered as a dealing representative with Raymond James Ltd., from January 5, 2009 until October 9, 2010. Miller is not currently registered with the Commission.

12. Cheng was a resident of Toronto, Ontario during the Relevant Period. During the Relevant Period, Cheng was also employed by TD, and was registered with the Commission as a salesperson under the dealer category of investment dealer. Cheng is not currently registered with the Commission.

13. During the Relevant Period, Cheng and Miller worked from the same office. In early 2007, Miller and Cheng formed the "Miller/Cheng Advisory Group". Miller and Cheng had a private compensation arrangement to reflect their respective client split of the group's annual trading activity and other factors.

III. TIPPING, INSIDER TRADING, AND CONDUCT CONTRARY BY FINKELSTEIN, AZEFF AND BOBROW

Tipping – Finkelstein

14. During the Relevant Period, Finkelstein actively sought out and acquired material, non-public information about potential corporate transactions through his role as a lawyer at Davies either by:

(a) acting as counsel to reporting issuers on pending corporate transactions; and/or

(b) by conducting searches on the documents management system at Davies for material, non-public information related to pending transactions for which he did not personally serve as counsel.

15. For each of the following acquisitions listed below (the "Acquisitions"), Finkelstein informed Azeff of material information related to the Acquisitions prior to that information having been generally disclosed. In particular,

(a) **Kohlberg Kravis Roberts & Co. ("KKR") acquisition of Masonite International Corporation ("Masonite"), announced December 22, 2004 (the "Masonite Transaction")** – Davies acted on behalf of Masonite, and Finkelstein was counsel on the matter. On the evening of November 16, 2004, Davies' lawyers, including Finkelstein, met with management of Masonite to discuss the Masonite Transaction. In the following three days, there were several telephone contacts between Azeff and Finkelstein, the last one occurring approximately two hours before the first buy order was placed on November 19, 2004 by Azeff and/or Bobrow.

On January 26, 2005, Azeff met with Finkelstein in Toronto. In the two days following the meeting, Finkelstein made two cash deposits in $50 and $100 bills to his two bank accounts.

(b) **Vista Equity Partners ("Vista") acquisition of MDSI Mobile Data Solutions Inc. ("MDSI"), announced July 29, 2005 (the "MDSI Transaction")** – Davies acted on behalf of Vista, and Finkelstein accessed documents with material, non disclosed information, notwithstanding that he was not counsel on the matter. Throughout June and July 2005, Finkelstein accessed documents relating to the MDSI Transaction, and had several telephone contacts with Azeff. On July 28, 2005, one day after Finkelstein's accessing of the last MDSI documents, (one of which indicated that the MDSI Transaction would be announced on July 29, 2005), three clients of Azeff commence buying shares of MDSI.

Between September 8 and 9, 2005, Finkelstein and Azeff had several telephone contacts. Finkelstein was in Montreal for part of each of those days, returning to Toronto on September 9, 2005. On that same day, Finkelstein made a cash deposit in $100 bills to his bank account.

(c) **Barrick Gold Corporation ("Barrick") acquisition of Placer Dome Inc. ("Placer Dome"), initial offer announced October 31, 2005 and revised offer announced on December 21, 2005 (the "Placer Dome Transaction")** – Davies acted on behalf of Barrick and Finkelstein accessed documents with material, non disclosed information, notwithstanding that he was not counsel on the matter. Between September 14, 2005 and October 18, 2005, Finkelstein accessed documents relating to the Placer Dome Transaction. Between September 25, 2005 to October 25, 2005, there were several telephone contacts between Finkelstein and Azeff. On October 26, 2005, increased trading occurred in both Barrick and Placer Dome shares by Azeff and/or Bobrow and their clients.

On November 30, 2005, Azeff and Finkelstein met in downtown Toronto. On December 2, 2005, Finkelstein made two cash deposits, in $100 bills, in two of his bank accounts.

(d) **Sherritt International Corporation acquisition of Dynatec Corporation ("Dynatec") announced April 20, 2007 (the "Dynatec Transaction")** – Davies acted on behalf of Dynatec, and Finkelstein accessed documents with material, non disclosed information, notwithstanding that he was not counsel on the matter. On April 18, 2007, Finkelstein accessed documents relating to the Dynatec Transaction, initially while Finkelstein was on the phone to Azeff. Trading occurred in Dynatec shares by Azeff and/or Bobrow clients within minutes of that contact. Between April 20 and April 27, 2007, there were several telephone contacts between Finkelstein and Azeff.

Between April 29 and April 30, 2007, Finkelstein was in Montreal and Sherbrooke, Quebec. Between May 1 and 5, 2007, Finkelstein made a series of cash deposits to his two bank accounts consisting primarily of $100 bills.

(e) **Cadbridge and InnVest REIT joint negotiated takeover bid of Legacy Hotels REIT ("Legacy") announced July 12, 2007 (the "Legacy Transaction")** – Davies acted on behalf of Cadbridge and InnVest REIT, and Finkelstein was counsel on the matter. On July 4, 2007, the Legacy Special Committee met and discussed issues relating to the proposed Support Agreement, the Lock-up Agreement and the process for moving forward. Between July 4, 2007, the day of the Special Committee meeting, and throughout the week leading up to the announcement on July 12, 2007, there were several telephone contacts between Finkelstein and Azeff. Increased buying in Legacy by Azeff and Bobrow's families, clients and/or friends began on July 5, 2007, the day following the Special Committee meeting. Further purchases of Legacy units were placed by Azeff and Bobrow's families, clients and/or friends throughout the week leading up to the date of the announcement.

(f) **Behringer Harvard ("Behringer") acquisition of IPC US (the "IPC Transaction") announced August 14, 2007** – Davies acted on behalf of IPC US, and Finkelstein was counsel on the matter. By August 3, 2007, the terms of the acquisition were agreed to by the parties. On August 7, 2007, a conference call was held for the parties and their counsel, to "turn the pages on documents and finalize them". On August 8, 2007, Behringer presented a non-binding offer for IPC US, which included comments on the draft purchase agreement previously provided by IPC US. Between August 7, 2007 (the date of the conference call) and in the days leading up to the date of the announcement on August 14, 2007, there was telephone contact between Finkelstein and Azeff. Increased buying of IPC US units for family members, clients and/or friends of Azeff and Bobrow began on August 8, 2007, the day Behringer presented an offer. Further purchases of IPC US units were placed by family members, clients and/or friends of Azeff and/or Bobrow subsequently on dates leading up to the date of the announcement.

16. Pursuant to subsections 76(5)(b) and (e) of the Act, Finkelstein became a person in a special relationship with the reporting issuers involved in the Acquisitions, including Masonite, MDSI, Barrick, Placer Dome, Dynatec, Legacy and IPC US (the "Reporting Issuers").

17. Finkelstein owed a fiduciary duty and a strict duty of confidentiality and loyalty to the clients of Davies. Pursuant to subsection 76(2) of the Act, Finkelstein was also prohibited from tipping others with material information related to any of the Reporting Issuers prior to that information having been generally disclosed.

Insider Trading, Tipping and Conduct Contrary – Azeff

18. Throughout the Relevant Period, Azeff obtained material information related to the pending Acquisitions from Finkelstein prior to the information having been generally disclosed. Azeff knew or ought to have known that Finkelstein obtained the information in his capacity as a lawyer and that Finkelstein stood in a special relationship to each of the Reporting Issuers.

19. By virtue of subsection 76(5)(e) of the Act, Azeff became a person in a special relationship with each of the Reporting Issuers and was accordingly prohibited from trading securities of the Reporting Issuers while in possession of material non-public information involving those Reporting Issuers.

20. With knowledge of material, non-public information supplied by Finkelstein, Azeff traded securities on behalf of himself and his wife in advance of the following Acquisitions, contrary to subsection 76(1) of the Act as follows:

(a) Masonite Transaction: Between November 19 and December 6, 2004, Azeff purchased 7,550 Masonite shares valued at approximately $255,000 in four of his CIBC accounts. Azeff sold these shares after the Press Release between December 23 and 29, 2004, for a realized profit of approximately $51,500.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, Azeff purchased 2,500 Placer Dome shares valued at approximately $48,800 in two of his CIBC accounts. Azeff sold these shares after the Press Release between October 31, 2005 and January 10, 2006, for a realized profit of approximately $13,800. On October 28, 2005, Azeff purchased 800 Placer Dome shares for his wife's CIBC account valued at approximately $15,400. Azeff sold these shares after the Press Release on October 31, 2005 for a realized profit of approximately $3,100.

On October 27, 2005, Azeff purchased 20 call options for Placer Dome for $3,100. Azeff disposed of the call options after the Press Release, for a realized profit of approximately $5,700.

21. In addition, Azeff recommended investing in the securities of the following Reporting Issuers to several of his family members, contrary to the public interest. In particular,

(a) Masonite Transaction: Between November 19 and December 20, 2004, seven of Azeff's relatives' CIBC accounts purchased 10,775 Masonite shares valued at approximately $369,000.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, four of Azeff's relatives' CIBC accounts purchased 5,500 Placer Dome shares valued at approximately $105,000.

(c) Legacy Transaction: Between July 5 and 10, 2007, four of Azeff's relatives' CIBC accounts purchased 8,300 Legacy units valued at approximately $100,000.

(d) IPC Transaction: Between August 8 and 14, 2007, four of Azeff's relatives' CIBC accounts purchased 9,000 IPC US units valued at approximately $87,000.

22. Azeff also informed Bobrow of the material, non-public information relating to the Masonite Transaction, Placer Dome Transaction, Dynatec Transaction, Legacy Transaction and IPC Transaction prior to the information having been generally disclosed.

23. In addition, Azeff informed at least Client A of material, non-public information relating to the Masonite Transaction, Dynatec Transaction, Legacy Transaction and IPC Transaction, prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act.

Insider Trading, Tipping and Conduct Contrary – Bobrow

24. Throughout the Relevant Period, Bobrow obtained material information related to one or more of the pending Acquisitions from Azeff prior to the information having been generally disclosed.

25. By virtue of subsection 76(5)(e) of the Act, Bobrow became a person in a special relationship with one or more of the Reporting Issuers when he learned of material non-public information with respect to the Reporting Issuers from Azeff, who was a person who he knew or ought reasonably to have known was a person in such a relationship. Bobrow was accordingly prohibited from trading securities of the Reporting Issuers while in possession of material non-public information involving those Reporting Issuers.

26. With knowledge of material, non-public information supplied by Azeff (who obtained it from Finkelstein), Bobrow traded securities in advance of the following Acquisitions, contrary to subsection 76(1) of the Act as follows:

(a) Masonite Transaction: Between November 19 and December 6, 2004, Bobrow purchased 2,900 Masonite shares valued at approximately $99,000 in three of his CIBC accounts. Bobrow sold these shares after the Press Release between December 23 and 29, 2004, for a realized profit of approximately $18,000.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, Bobrow purchased 2,800 Placer Dome shares valued at approximately $54,600 in two of his CIBC accounts. Bobrow sold these shares after the Press Release between October 31 and November 22, 2005, for a realized profit of approximately $12,400.

On October 28, 2005, Bobrow purchased 25 call options for Placer Dome for $4,475. Bobrow disposed of the call options after the Press Release, for a realized profit of approximately $11,100.

27. In addition, Bobrow recommended investing in securities of the Reporting Issuers to several of his family members, contrary to the public interest. In particular,

(a) Masonite Transaction: Between November 19 and December 21, 2004, three of Bobrow's relatives' CIBC accounts purchased 1,950 Masonite shares valued at approximately $66,500.

(b) Placer Dome Transaction: Between October 26 and 28, 2005, two of Bobrow's relatives' CIBC accounts purchased 3,500 Placer Dome shares valued at approximately $68,000.

(c) Legacy Transaction: Between July 5 and 10, 2007, two of Bobrow's relatives' CIBC accounts purchased 6,500 Legacy units valued at approximately $78,900.

(d) IPC Transaction: Between August 8 and 10, 2007, two of Bobrow's relatives' CIBC accounts purchased 5,500 IPC US units valued at approximately $52,000.

28. Bobrow also informed at least one client ("Client B") of the material, non-public information relating to the Masonite Transaction prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act. Client B advised Bobrow by e-mail not to tell his girlfriend the name of the stock being purchased for her as it is "confidential", and "We don't want this info in the public domain."

Recommendations by Azeff and Bobrow to clients/friends

29. In addition, Azeff and/or Bobrow recommended investing in securities of the Reporting Issuers to several of their clients/friends, contrary to the public interest. In particular,

(a) Masonite Transaction: Between November 19 and December 22, 2004 (prior to the issuance of the Press Release), approximately 150 accounts of Azeff/Bobrow clients and friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 366,320 Masonite shares, valued at approximately $12.4 million.

(b) MDSI Transaction: On July 28, 2005, five accounts of Azeff/Bobrow friends (with accounts at or outside of CIBC) purchased 24,000 MDSI shares, valued at approximately $127,000.

(c) Placer Dome Transaction: Between October 26 and 28, 2005, 29 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 67,700 Placer Dome shares, valued at approximately $1.29 million.

(d) Dynatec Transaction: On April 18 and 19, 2007, 20 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 560,000 Dynatec shares, valued at approximately $2.1 million.

(e) Legacy Transaction: Between July 5 and 12, 2007, 35 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 331,400 Legacy units, valued at approximately $3.98 million.

(f) IPC Transaction: Between August 8 and 14, 2007, 26 accounts of Azeff/Bobrow friends (with accounts at and/or outside of CIBC) and CIBC clients purchased 147,500 IPC US units, valued at approximately $1.44 million.

Summary of Trading – Azeff and Bobrow

30. Following the public announcements, the securities of the Reporting Issuers involved in the Acquisitions increased in value. Shortly thereafter, Azeff and Bobrow sold the securities they had purchased in Masonite and Placer Dome to realize a profit of approximately $74,100 and $41,500, respectively. In addition, Azeff and Bobrow would have earned commission income on the trading conducted by their CIBC clients in Masonite, Placer Dome, Dynatec, IPC US and Legacy.

31. With respect to Masonite, in aggregate, as at December 22, 2004, prior to the Press Release, Azeff and Bobrow, their families and friends (at and/or outside of CIBC), and clients at CIBC owned approximately 389,495 shares of Masonite with a

book value of approximately $13.2 million. Assuming that all shares were sold at the original announcement price of $40.20, these shares would have generated profit of approximately $2.4 million, or 18%.

32. With respect to MDSI, as at July 29, 2005, prior to the Press Release, friends of Azeff and Bobrow owned 24,000 MDSI shares with a book value of approximately $127,000. The shares were subsequently sold on July 29, 2005, after the Press Release, for a realized profit of approximately $69,000, or 56%.

33. With respect to Placer Dome, in aggregate, as at October 31, 2005, prior to the Press Release, Azeff and Bobrow, their families and friends (at and/or outside of CIBC), and clients at CIBC owned 82,800 shares of Placer Dome with a book value of approximately $1.58 million. Assuming that all shares were sold at the October 31, 2005 opening trading price of $22.99, these shares would have generated profit of approximately $311,100, or 20%.

34. With respect to Dynatec, in aggregate, as of April 20, 2007, prior to the Press Release, Azeff and Bobrow friends (at and/or outside of CIBC) and clients owned 560,000 Dynatec shares with a book value of approximately $2.1 million. Assuming that all shares were sold on April 20, 2007, after the Press Release, at an average price of $4.42, these shares would have generated profit of approximately $342,700, or 16%.

35. With respect to Legacy, in aggregate, from trading between July 5 and 12, 2007, prior to the Press Release, Azeff and Bobrow's families, friends (at and/or outside of CIBC) and their CIBC clients owned 346,200 Legacy units with a book value of approximately $4.15 million. Based on the closing trading price for the 10 days following the announcement, the average closing price was $12.41 per unit. Assuming all units were sold at this price, the profit generated would have been approximately $131,900, or 3.2%.

36. With respect to IPC US, in aggregate, from trading between August 8 and 14, 2007, prior to the Press Release, Azeff and Bobrow's families, friends (at and/or outside of CIBC) and their CIBC clients owned 162,000 IPC US units with a book value of approximately $1.58 million. Based on the closing trading price for the 10 days following the announcement, the average closing price was $10.06 per unit. Assuming all units were sold at this price, the profit generated would have been approximately $53,100, or 3.4%.

IV. TIPPING, INSIDER TRADING, AND CONDUCT CONTRARY BY MILLER AND CHENG

Insider Trading, Tipping and Conduct Contrary – Miller

37. Miller had a relationship with Client A, the individual who Azeff tipped about the Masonite Transaction, Dynatec Transaction, Legacy Transaction and IPC Transaction. Client A informed Miller of material facts with respect to these reporting issuers which were not generally disclosed. By virtue of subsection 76(5)(e) of the Act, Miller was a person in a special relationship with these reporting issuers because he knew or ought reasonably to have known that Client A was a person in a special relationship with these reporting issuers.

Masonite Transaction

38. In or about November 2004, Miller learned about the Masonite Transaction, prior to this information having been generally disclosed. On November 24, 2004, Miller sent the following e-mails to a client in reference to Masonite:

> *"Call me I have a tip*
>
> *…*
>
> *"Stock trades on TSX at around $34 – cash takeover of $40 Timing should be before xmas but you never know with lawyers … I'm long*

39. The e-mails demonstrate that Miller was aware of the following specific details relating to the Masonite Transaction, prior to the information having been generally disclosed:

(a) **The Masonite Transaction contemplated a takeover price of $40.00 (or a 20% premium on the price of Masonite's stock, which was trading around $34.00):** The Press Release announced that the Masonite's shareholders would receive $40.20 per share;

(b) **The Masonite Transaction would be structured as an all cash deal:** The Press Release announced that the offeror was KKR, a private equity organization, and the arrangement would be an all cash transaction;

(c) **The timing of the Masonite Transaction would be before Christmas 2004:** Masonite issued the Press Release before Christmas, on December 22, 2004; and

(d) **Lawyers had been retained in connection with the Masonite Transaction:** Lawyers retained by Masonite were actively involved in the matter commencing in and around November 16, 2004.

40. While in a special relationship with Masonite, and with knowledge of the Masonite Transaction, beginning on November 22, 2004, Miller made the following purchases of Masonite securities, on behalf of himself and his wife, contrary to subsection 76(1) of the Act:

(a) On November 22, 23 and 29, 2004, Miller purchased 3,000 Masonite shares for his TD account. Miller disposed of these shares pursuant to the Transaction on or around April 6, 2005 (the effective date of the sale of Masonite to KKR), for a realized profit of approximately $24,500; and

(b) On December 1, 3, 7, 8, and 20, 2004, Miller purchased 4,300 Masonite shares for his wife's TD account. Miller sold these shares after the Press Release, on January 4, February 16 and 18, 2005, for a realized profit of approximately $29,000.

41. With knowledge of the Masonite Transaction prior to it being generally disclosed, Miller also recommended investing in Masonite to several of his family members, friends and TD Waterhouse clients, contrary to the public interest. In particular,

(a) On November 29, and December 7, 2004, four of Miller's relatives' TD accounts purchased 3,300 Masonite shares with an approximate value of $113,100;

(b) Between November 23 and December 22, 2004, two of Miller's friends purchased 18,700 Masonite shares valued at approximately $639,900 for 6 trading accounts, five of which were held outside of TD; and

(c) Between November 23 and December 22, 2004, a total of 21 client accounts, of which 20 accounts were at TD, purchased 27,400 Masonite shares, valued at approximately $938,100.

42. Miller also informed Cheng, and at least one client, of the Masonite Transaction and of specific details regarding the transaction, prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act.

Dynatec Transaction

43. In or about April 2007, Miller learned about the Dynatec Transaction from Client A, prior to this information having been generally disclosed.

44. While in a special relationship with Dynatec, and with knowledge of the Dynatec Transaction, beginning on April 18, 2007 Miller made the following purchases of Dynatec securities, through his wife's account, contrary to subsection 76(1) of the Act:

(a) On April 18 and 19, 2007, Miller purchased 20,000 Dynatec shares for his wife's TD account. Miller sold these shares on May 3, 29 and 31, 2007, for a realized profit of approximately $22,000.

45. Miller informed Cheng of the Dynatec Transaction prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act. With knowledge of the Dynatec Transaction, Miller also recommended investing in Dynatec to a colleague and a client, contrary to the public interest. In particular,

(a) On April 18 and 19, 2007, the client and colleague purchased 21,000 Dynatec shares with an approximate value of $80,300.

Legacy Transaction

46. In or about July 2007, Miller learned about the Legacy Transaction from Client A, prior to this information having been generally disclosed.

47. While in a special relationship with Legacy, and with knowledge of the Legacy Transaction, on July 12, 2007 Miller made the following purchase of Legacy securities, through his wife's account, contrary to subsection 76(1) of the Act:

(a) On July 12, 2007, Miller purchased 5,000 Legacy units for his wife's TD account. Miller sold these units on July 19, 24 and 25, 2007 for a realized profit of approximately $2,000.

48. With knowledge of the Legacy Transaction, Miller also recommended investing in Legacy to a client, contrary to the public interest. In particular,

(a) On July 12, 2007, the client purchased 1,000 units of Legacy with an approximate value of $12,100.

IPC Transaction

49. In or about August 2007, Miller learned about the IPC Transaction from Client A, prior to this information having been generally disclosed.

50. While in a special relationship with IPC US, and with knowledge of the IPC Transaction, on August 10, 2007 Miller made the following purchases of IPC US securities, through his wife's account, contrary to subsection 76(1) of the Act:

(a) On August 10, 2007, Miller purchased 3,100 IPC US units for his wife's TD account. Miller sold these units on August 27, 28 and 31, 2007 for a realized profit of approximately $1,100.

Insider Trading, Tipping and Conduct Contrary – Cheng

Masonite Transaction

51. By virtue of subsection 76(5)(e) of the Act, Cheng became a person in a special relationship with Masonite when he learned of the Masonite Transaction from Miller, who was a person who he knew or ought reasonably to have known was a person in such a relationship, prior to the information having been generally disclosed.

52. While in a special relationship with Masonite, and with knowledge of information that had not been generally disclosed, beginning on November 29, 2004, Cheng made the following purchase of Masonite securities, contrary to subsection 76(1) of the Act:

(a) On November 29, 2004, Cheng purchased 900 Masonite shares for his wife's account outside of TD. Cheng sold these shares after the Press Release, on January 4, 2005, for a realized profit of approximately $6,300; and

(b) On November 30, December 7, 8 and 10, 2004, Cheng purchased 6,000 Masonite shares for his brother's TD account (the "Man Leung Cheng Account"). Cheng's brother, Man Leung Cheng, is a resident of Hong Kong. Cheng sold these shares February 7 and 9, 2005, after the Press Release, for a realized profit of approximately $37,000. Cheng ultimately received much of the proceeds from this sale.

53. With knowledge of the Masonite Transaction prior to it being generally disclosed, Cheng also recommended investing in Masonite to several of his family members and TD clients, contrary to the public interest. In particular,

(a) On December 7 and 10, 2004, three of Cheng's relatives' TD accounts purchased 2,200 Masonite shares valued at approximately $74,600.

(b) On December 7 and 8, 2004, four client accounts at TD purchased 4,000 Masonite shares valued at approximately $135,000; and

(c) On December 13, 2004, one of Cheng's clients purchased 100 Masonite shares valued at approximately $3,400 in one account outside of TD.

54. In addition, Cheng informed persons of the Masonite Transaction, prior to the information having been generally disclosed, contrary to subsection 76(2) of the Act. In particular, on December 7, 2004, Cheng sent the following email to a client:

> *"I'm back in town and would like to talk to you about your account. Kindly contact me at your convenience. I'm buying MHM on Toronto Exchange for clients and 20% return is expected before Christmas. I'm looking forward to seeing you soon."*

55. In addition, on December 8, 2004, Cheng sent the following email to a prospective client:

> *"Take a look at MHM (http://www.masonite.com/), listed on the Toronto Stock Exchange. It's a takeover target and I was told that it'll be done at Cdn$40.00 before Christmas. It's currently trading at Cdn$34.00 and I don't see much downside from here even if the deal ended up falling through."*

Dynatec Transaction

56. In or about April 2007, Cheng learned about the Dynatec Transaction from Miller, who was a person who he knew or ought reasonably to have known was a person in a special relationship with Dynatec, prior to the information having been generally disclosed.

57. While in a special relationship with Dynatec, and with knowledge of information that had not been generally disclosed, on April 19, 2004, Cheng made the following purchase of Dynatec securities, contrary to subsection 76(1) of the Act:

(a) On April 19, 2004, Cheng purchased 7,600 Dynatec shares for his wife's CIBC on line account, and 10,000 Dynatec shares for his non-resident brother's TD account. Cheng sold the shares in his wife's account on April 24, 2007, after the Press Release, for a realized profit of approximately $4,500. Cheng sold the shares in his non-resident brother's account on April 20 and 24, 2007, after the Press Release, for a realized profit of approximately $6,000.

58. With knowledge of the Dynatec Transaction, Cheng also recommended investing in Dynatec to a family member, contrary to the public interest. In particular,

(a) On April 19, 2007, one of Cheng's relatives' TD accounts purchased 5,000 Dynatec shares with an approximate value of $19,000.

Summary of Trading – Miller And Cheng

Masonite

59. In aggregate, as at December 22, 2004, the date of the Press Release, Miller, Cheng and their families and clients owned 68,900 shares of Masonite with a book value of approximately $2.35 million.

60. Subsequent to the issuance of the Press Release, Miller, Cheng and their spouses sold most of their Masonite securities to realize a profit. In particular:

(a) Miller and his spouse purchased 7,300 Masonite shares valued at approximately $248,000, and realized profit of approximately $53,500 (or 22%); and

(b) Cheng (including the Man Leung Cheng account) and his spouse purchased 6,900 Masonite shares valued at approximately $234,200, and realized profit of approximately $42,600 (or 18%).

Dynatec Transaction

61. In aggregate, as at April 20, 2007, prior to the issuance of the Press Release, Miller, Cheng and their families, client and colleague owned 63,600 shares of Dynatec with a book value of approximately $242,300.

62. Following the Press Release, Miller, Cheng and their spouses sold their Dynatec securities to realize a profit. In particular:

(a) Miller and his spouse purchased 20,000 Dynatec shares valued at approximately $76,200, and realized profit of approximately $22,000 (or 29%); and

(b) Cheng, Man Leung Cheng and Cheng's spouse purchased 17,600 Dynatec shares valued at approximately $66,800, and realized profit of approximately $10,500 (or 16%).

Legacy Transaction

63. As of July 12, 2007, prior to the issuance of the Press Release, Miller's spouse owned 5,000 Legacy units with a book value of approximately $60,000. Following the Press Release, Miller sold the Legacy units and realized profit of approximately $2,000 (or 3.4%).

IPC Transaction

64. As of August 14, 2007, prior to the issuance of the Press Release, Miller's spouse owned 3,100 IPC US units with a book value of approximately $30,500. Following the Press Release, Miller sold the IPC US units and realized a profit of approximately $1,100 (or 3.6%).

Flow of Information

65. Staff alleges that the flow of material, undisclosed information with respect to the Masonite Transaction is set out in Schedule 1, attached to the within Fresh as Amended Statement of Allegations.

66. Staff alleges that material, undisclosed information relating to other reporting issuers flowed in a similar pattern, namely, from Finkelstein to Azeff, from Azeff to Bobrow and to Client A, from Client A to Miller, and from Miller to Cheng.

V. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

67. By trading securities of one or more reporting issuers with knowledge of the material facts obtained from persons who Azeff, Bobrow, Miller and Cheng knew or ought to have known were in a special relationship with a reporting issuer, that had not generally been disclosed, Azeff, Bobrow, Miller and Cheng engaged in illegal insider trading, contrary to subsection 76(1) of the Act, and engaged in conduct contrary to the public interest.

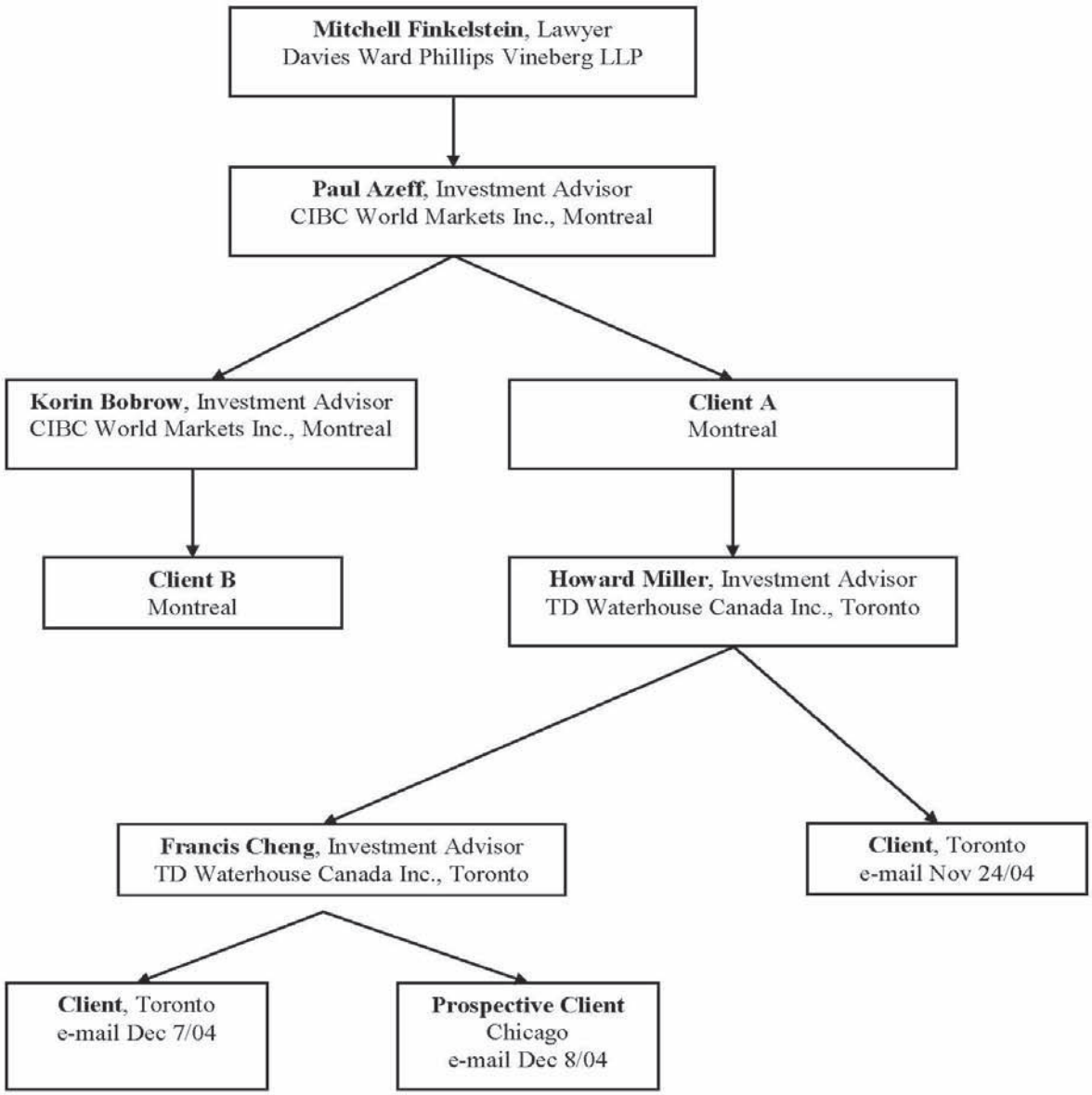
68. By informing other persons of materials facts with respect to one or more reporting issuers, prior to that information being generally disclosed, Finkelstein, Azeff, Bobrow, Miller and Cheng engaged in tipping, contrary subsection 76(2) of the Act, and engaged in conduct contrary to the public interest.

69. By recommending the purchase of securities of one or more reporting issuers with knowledge of the material facts obtained from persons who Azeff, Bobrow, Miller and Cheng knew or ought to have known were in a special relationship with one or more reporting issuers, that had not generally been disclosed, Azeff, Bobrow, Miller and Cheng engaged in conduct contrary to the public interest.

70. Such additional allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 14th day of August, 2014.

Schedule 1
Masonite Transaction



1.4.7 Portfolio Capital Inc. et al.

FOR IMMEDIATE RELEASE
August 18, 2014

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

TORONTO – The Commission issued an Order in the above noted matter which provides that the Respondents shall serve and file any supplementary or restated written closing submissions by 5:00 p.m. E.D.T. on August 25, 2014, and Staff shall serve and file any reply written closing submissions, if necessary, by 5:00 p.m. E.D.T. on September 12, 2014.

A copy of the Order dated August 15, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.8 Marc McQuillen

FOR IMMEDIATE RELEASE
August 19, 2014

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

AND

IN THE MATTER OF
MARC MCQUILLEN

AND

IN THE MATTER OF
A HEARING AND REVIEW OF
THE DECISION OF
MARKET REGULATION SERVICES INC.,
DATED FEBRUARY 28, 2007

TORONTO – On August 18, 2014, the Commission issued a Notice of Hearing pursuant to sections 8 and 21.7 of the Ontario *Securities Act* to consider the application filed by Marc McQuillen for a Hearing and Review of the decision of the Hearing Panel of IIROC dated February 28, 2007. The hearing will be held on August 21, 2014 at 10:00 a.m.

A copy of the Notice of Hearing dated August 18, 2014 and the Application dated May 21, 2014 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.9 Kris Sundell

FOR IMMEDIATE RELEASE
August 19, 2014

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

AND

IN THE MATTER OF
KRIS SUNDELL

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

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than August 28, 2014;

(c) Sundell's responding materials, if any, shall be served and filed no later than September 18, 2014; and

(d) Staff's reply materials, if any, shall be served and filed no later than September 25, 2014.

A copy of the Order dated August 18, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.10 Patrick Myles Lough et al.

FOR IMMEDIATE RELEASE
August 19, 2014

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

AND

IN THE MATTER OF
PATRICK MYLES LOUGH, LYNDA DAWN DAVIDSON
and WAYNE THOMAS ARNOLD BARNES

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

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than August 28, 2014;

(c) The Respondents' responding materials, if any, shall be served and filed no later than September 18, 2014; and

(d) Staff's reply materials, if any, shall be served and filed no later than September 25, 2014.

A copy of the Order dated August 18, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

1.4.11 Paul Yoannou

FOR IMMEDIATE RELEASE
August 19, 2014

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

AND

IN THE MATTER OF
PAUL YOANNOU

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

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than August 28, 2014;

(c) Yoannou's responding materials, if any, shall be served and filed no later than September 18, 2014; and

(d) Staff's reply materials, if any, shall be served and filed no later than September 25, 2014.

A copy of the Order dated August 18, 2014 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOSÉE TURCOTTE
ACTING SECRETARY

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

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

Aly Vitunski
Senior Media Relations Specialist
416-593-8263

Alison Ford
Media Relations Specialist
416-593-8307

For investor inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Citation Minerals Inc. (formed as a result of the amalgamation of Citation Resources Inc. and 1001323 B.C. Ltd.) – 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).

August 12, 2014

Citation Minerals Inc.
3904 – 1077 West Cordova Street
Vancouver, BC V6C 2C6

Dear Sirs/Mesdames:

Re: Citation Minerals Inc. (formed as a result of the amalgamation of Citation Resources Inc. and 1001323 B.C. Ltd.) (the Applicant) – application for a decision under the securities legislation (the "Legislation") of Alberta, Manitoba, Ontario, Québec, New Brunswick, PEI and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

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

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

The Applicant has represented to the Decision Makers that:

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

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

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

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

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

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

2.1.2 Sun Life Financial Investment Services (Canada) Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from National Instrument 81-105 Mutual Fund Sales Practices to permit dealer to pay commission rebates in connection with switches to purchase units of related mutual funds as well as 3rd party funds – s. 7.1 of NI 81-105 prohibits payment of rebates where investor is switching to related mutual funds – relief subject to conditions that mitigate conflict of interest.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 7.1(1) and (3), s. 9.1

August 12, 2014

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

AND

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

AND

IN THE MATTER OF
SUN LIFE FINANCIAL INVESTMENT SERVICES (CANADA) INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (the **Principal Regulator**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for an exemption under Section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) exempting the Filer and any other future dealer subsidiaries of Sun Life Financial Inc. (collectively, the **Sun Life Dealers**) and their representatives from the prohibitions contained in paragraph 7.1(1)(b) and subsection 7.1(3) of NI 81-105 prohibiting the Sun Life Dealers and their representatives from paying all or any part of a fee or commission payable by a securityholder on the redemption of securities of a mutual fund that occurs in connection with the purchase by the securityholder of securities of another mutual fund that is not in the same mutual fund family (a **Commission Rebate**) where the Sun Life Dealer is a member of the organization of the mutual fund the securities of which are being acquired (the **Exemption Sought**).

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

(a) the Ontario Securities Commission is the Principal Regulator for this application, and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-105 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 registered in each of the provinces and territories of Canada as a dealer in the category of mutual fund dealer. The Filer is a member of the Mutual Fund Dealers Association of Canada. The Filer's head office is located in Waterloo, Ontario.

2. The Filer is a "member of the organization" (within the meaning of NI 81-105) of the mutual funds managed by Sun Life Global Investments (Canada) Inc. (**SLGI**), known as the "SLGI Funds". The Filer may become in the future, a "member of the organization" of other mutual funds, since the Parent (as defined below) or an affiliate of the Filer may establish or acquire interests in corporations that are managers of mutual funds (**Future Affiliated Funds**).

3. The Filer is an indirect wholly-owned subsidiary of Sun Life Financial Inc. (the **Parent**), which is publicly traded on the Toronto, New York and Philippine Stock Exchanges. SLGI is also an indirect wholly-owned subsidiary of the Parent.

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

5. The Filer acts as a participating dealer (within the meaning of National Instrument 81-102 *Mutual Funds*) in respect of the SLGI Funds and also acts as a participating dealer for third party managed mutual funds.

6. The Filer has been selling third party managed mutual funds for a certain number of years and currently distributes third party managed mutual funds from more than 45 unaffiliated fund manufacturers. The Filer has been selling the SLGI Funds since 2010.

7. The Filer acts independently from SLGI. The Filer and its representatives are free to choose which mutual funds to recommend to their clients and consider recommending the SLGI Funds to their clients in the same way as they consider recommending other third party mutual funds. The Filer and its representatives comply with their obligation at law and only recommend mutual funds that they believe would be suitable for their clients and in accordance with the clients' investment objectives and financial circumstances. SLGI provides the Filer with the compensation described in the prospectus of the SLGI Funds in the same manner as SLGI does for any participating dealer selling securities of the SLGI Funds to their clients. All compensation and sales incentives paid to the Filer by any member of the organization of the SLGI Funds or of any Future Affiliated Funds complies and will continue to comply with NI 81-105.

8. Neither the Filer, nor any of its representatives, is or will be subject to quotas (whether express or implied) in respect of selling the SLGI Funds. Except as permitted by NI 81-105, neither the Filer, SLGI nor any other member of their organization, provides any incentive (whether express or implied) to the Filer's representatives or to the Filer to encourage itsrepresentatives or the Filer to recommend the SLGI Funds over third party managed mutual funds.

9. The Filer complies with NI 81-105, including the rules dealing with internal dealer incentive practices prescribed under Part 4 of NI 81-105 in its compensation practices with the Filer's representatives. The Filer and its representatives also comply with the rules concerning Commission Rebates provided for in section 7.1 of NI 81-105.

10. No representative of the Filer has an equity interest in the Filer (within the meaning of NI 81-105) or in any other member of the organization of the SLGI Funds.

11. The prohibition in subsection 7.1(3) of NI 81-105 means that neither the Filer nor its representatives can reimburse their client for any fees or commissions incurred by those clients when they decide to switch into a SLGI Fund or a Future Affiliated Fund from another mutual fund. Subsection 7.1(1) of NI 81-105 allows the Filer and its representatives to pay Commission Rebates only when the client decides to switch from one third party fund to another third party fund, and provided the disclosure and consent procedure established in section 7.1 is followed. Payment of Commission Rebates by the Filer and its representatives benefit the client so that the client does not incur costs in switching from one fund to another.

12. In the absence of the Exemption Sought, a client of the Filer who effects a redemption of mutual fund securities that are subject to a redemption charge and who uses the proceeds thereof to purchase securities of a SLGI Fund or Future Affiliated Fund would not have the benefit of a Commission Rebate from the Filer or one of its representatives, while a client who uses the proceeds of such redemption to purchase securities of a mutual fund unaffiliated to the Filer could have the benefit of a Commission Rebate from the Filer or one of its representatives. In circumstances where a representative of the Filer believes that a SLGI Fund or Future Affiliated Fund is the most suitable fund for the client, the Filer believes that the prohibition in paragraph 7.1(3) of NI 81-105 may discourage the client from trading in the recommended SLGI Fund or Future Affiliated Fund. This may not be in the client's best interests.

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) For each switch made by a Sun Life Dealer client to a SLGI Fund or a Future Affiliated Fund from another mutual fund where the Sun Life Dealer and/or its representative(s) agrees to pay a Commission Rebate, the Sun Life Dealer and the representative(s) will:

(i) comply with the provisions of paragraph 7.1(1)(a) of NI 81-105;

(ii) comply with the disclosure and consent provisions of Part 8 of NI 81-105;

(iii) advise the client in writing and in advance of finalizing a switch to a SLGI Fund or Future Affiliated Fund, that any commission rebate proposed to be made available in connection with the purchase of securities of SLGI Funds or Future Affiliated Funds:

(A) will be available to the client regardless of whether the redemption proceeds are invested in a SLGI Fund, a Future Affiliated Fund or a third party fund;

(B) will not be conditional upon the purchase of securities of a SLGI Fund or a Future Affiliated Fund; and

(C) in all cases, be not more than the amount of the gross sales commission earned by the Filer on the client's purchase of a SLGI Fund or a Future Affiliated Fund.

(b) The actual amount of the Commission Rebate paid in respect of the switch will be not more than the amount referred to in paragraph (a)(iii)(C) above.

(c) A Sun Life Dealer and/or its representatives that provide Commission Rebates will not be reimbursed directly or indirectly in respect of the Commission Rebate in connection with a switch to a SLGI Fund or a Future Affiliated Fund by any member of the organization of that fund, other than the Sun Life Dealer which may make the reimbursement under this Decision.

(d) No Sun Life Dealer or any of its representatives is, or will be, subject to quotas whether express or implied in respect of selling securities of a SLGI Fund or a Future Affiliated Fund.

(e) Except as permitted by NI 81-105, no Sun Life Dealer and no member of the respective organization of the SLGI Funds or of any Future Affiliated Funds provides or will provide any incentive whether express or implied to the Sun Life Dealer or any of its representatives to encourage the Sun Life Dealer representatives to recommend to clients the SLGI Funds or Future Affiliated Funds over third party funds.

(f) Each Sun Life Dealer's compliance policies and procedures that relate to this decision will emphasize that any Commission Rebate agreed to be paid to a client by a representative of the Sun Life Dealer cannot be conditional on the client acquiring a SLGI Fund or a Future Affiliated Fund and will be made available to the client if the client wishes to switch to an unaffiliated third party fund.

(g) This decision shall cease to be operative following the entry into force of a rule of the Principal Regulator which replaces or amends section 7.1 of NI 81-105.

“Christopher Portner”
Commissioner

“James D. Carnwath”
Commissioner
Ontario Securities Commission

2.1.3 Aurora Oil & Gas Limited – s. 1(10)(a)(ii)

Headnote

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

Applicable Legislative Provisions

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

August 13, 2014

Aurora Oil & Gas Limited
c/o Baytex Energy Corp.
2800, 520 - 3rd Avenue S.W.
Calgary, Alberta
T2P 0R3

Dear Sirs/Mesdames:

Re: Aurora Oil & Gas Limited (the Applicant) – Application for a Decision under Securities Legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, and Prince Edward Island (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.

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

2.1.4 RBC Global Asset Management Inc. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganizations – approval required because reorganizations do not meet the criteria for per-approval – reorganizations are not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act – securityholders provided with timely and adequate disclosure regarding the reorganization.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.5(3), 5.6, 5.7, 19.1.

August 13, 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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
RBC BOND CAPITAL CLASS,
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND CAPITAL CLASS
and RBC HIGH YIELD BOND CAPITAL CLASS
(collectively, the Capital Classes)

AND

IN THE MATTER OF
RBC SELECT VERY CONSERVATIVE CLASS,
RBC SELECT CONSERVATIVE CLASS,
RBC SELECT BALANCED CLASS,
RBC SELECT GROWTH CLASS
and RBC SELECT AGGRESSIVE GROWTH CLASS
(collectively, the Select Classes, and, together with the Capital Classes, the Terminating Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds for approval pursuant to subsection 5.5(1)(b) of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) in connection with the reorganization and termination (each, a **Reorganization Transaction** and collectively, the **Reorganization Transactions**) of each Terminating Fund into the corresponding continuing fund set opposite such Terminating Fund's name in Schedule A hereto (the **Continuing Fund(s)** and, together with the Terminating Funds, the **Funds**) (the **Requested Relief**).

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation amalgamated under the *Canada Business Corporations Act*. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer under the securities legislation of the Jurisdiction and each Passport Jurisdiction, and is registered under the *Securities Act* (Ontario) as an investment fund manager.

3. The Filer is the investment fund manager of the Funds.

4. None of the Filer or the Funds is in default of its obligations under the securities legislation of the Jurisdiction or any Passport Jurisdiction.

5. Each Fund is a reporting issuer under the securities legislation of the Jurisdiction and each Passport Jurisdiction.

6. Each Fund is subject to all of the requirements of NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure* and National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**), subject to any exemptions therefrom that may be available under applicable securities legislation or granted by the securities regulatory authorities.

7. Each Terminating Fund is a class of shares of RBC Corporate Class Inc. (the **Corporation**), a mutual fund corporation incorporated under the laws of Canada.

8. The Filer is of the view that following the change to the investment objectives of each Capital Class described in the Circular (defined below) which was approved by shareholders on June 20, 2014, the fundamental investment objectives of each Terminating Fund will be "substantially similar" to the fundamental investment objectives of the respective Continuing Fund.

9. Each Continuing Fund is a trust established under the laws of the Jurisdiction or British Columbia. The Filer or an affiliate thereof is the trustee of each Continuing Fund.

10. The Capital Classes and applicable Select Classes currently provide tax-efficient fixed income offerings within the Corporation by investing in corresponding limited partnerships (the **Underlying Funds**) which use forward contracts (each, a **Forward Agreement**) to gain exposure to the economic returns of reference funds (the **Reference Funds**) that invest in fixed income securities, as set out in Schedule A. The favorable tax treatment for forward contracts will be eliminated by new rules in the *Income Tax Act* (Canada), enacted on December 12, 2013, that affect the tax treatment of returns earned under "derivative forward agreements". In response to the change in tax treatment, the Filer has decided to reorganize and terminate the Capital Classes and the Select Classes.

11. In connection with the termination of the Reference Funds, each Reference Fund will sell its portfolio securities to its corresponding Continuing Fund for cash in compliance with applicable law, including NI 81-107, and each counterparty, as sole owner of units of the Reference Fund, will tender for redemption the units of the Reference Fund held by it for cash.

12. In connection with the termination of the Underlying Funds, each Underlying Fund will settle its Forward Agreement, selling the securities owned by it to each counterparty for cash. On termination, the assets (i.e., cash) of the Underlying Fund will be distributed to its partners (the Capital Classes and applicable Select Classes being the sole limited partners of each Underlying Fund).

13. In connection with the termination of the Capital Classes, each Capital Class will subscribe for units of its corresponding Continuing Fund. (The Capital Class will obtain the cash to fund its subscription obligations by virtue of the termination of its corresponding Underlying Fund.) On termination, the Capital Class will redeem its outstanding mutual fund shares.

14. In connection with the termination of the Select Classes, each Select Class will tender for redemption the units of the mutual funds, including the Underlying Funds, held by it for cash and subscribe for units of its corresponding Continuing Fund. On termination, the Select Class will redeem its outstanding mutual fund shares.

15. The mutual fund shares of each Terminating Fund will be redeemed at their net asset value. The redemption price for such shares will be satisfied by delivering to mutual fund shareholders of each Terminating Fund units of the corresponding series of the Continuing Fund having an equal aggregate net asset value as the shares being redeemed as of the Effective Date (as defined below).

16. As soon as reasonably possible following the Reorganization Transactions, the Terminating Funds will be wound up and the Continuing Funds will continue as a publicly offered open-end mutual fund existing under the laws of the Jurisdiction or British Columbia, as the case may be.

17. The Terminating Funds and the Continuing Funds have substantially similar valuation procedures.

18. The Reorganization Transactions will not constitute a material change for the Continuing Funds.

19. The Reorganization Transactions were approved by shareholders of the Terminating Funds at special meetings of shareholders held on June 20, 2014, in accordance with section 5.1(f) of NI 81-102.

20. Subject to necessary regulatory approval, the Reorganization Transactions are expected to occur on or about September 12, 2014 (the **Effective Date**).

21. If necessary regulatory approval required for the Reorganization Transactions in respect of a Terminating Fund is not obtained, it is the intention of the Filer to terminate such Terminating Fund, in accordance with the articles of incorporation governing the Terminating Fund and applicable securities laws.

22. A notice of meeting, a management information circular dated May 15, 2014 (the **Circular**), a proxy in connection with the Reorganization Transactions and a copy of the most recently filed fund facts for the applicable Continuing Funds were mailed to the shareholders of the Funds in accordance with applicable securities laws. The Circular contains a description of the proposed Reorganization Transactions, information about the Terminating Funds and the Continuing Funds and income tax considerations for shareholders of the Terminating Funds. The Circular also contains information regarding the proposed change to the investment objectives of each of the Capital Classes to enable each Capital Class to purchase units of its corresponding Continuing Fund. The Circular discloses that shareholders of the Terminating Funds may obtain in respect of the Continuing Funds, at no cost, the most recent annual and interim financial statements, the current simplified prospectus, annual information form and fund facts and the most recent management report on fund performance that have been made public by contacting the Filer or by accessing the website of the Funds or the System for Electronic Document Analysis and Retrieval (**SEDAR**), which are also incorporated by reference in the Circular.

23. The Manager will pay for the costs and expenses associated with the Reorganization Transactions, including the cost of holding the meetings in connection with the Reorganization Transactions and of soliciting proxies, including costs of mailing the Circular and accompanying materials. The Funds will bear none of the costs and expenses associated with the Reorganization Transactions.

24. As required by NI 81-107, the terms of the Reorganization Transactions were presented to the independent review committee (the **Independent Review Committee**) of the Funds for its review and recommendation. After considering the potential conflict of interest matter related to the Reorganization Transactions, the Independent Review Committee provided its positive recommendation for the Reorganization Transactions on March 21, 2014.

25. Shares of the Terminating Funds will continue to be redeemable by shareholders on a daily basis up to the business day immediately prior to the Effective Date of the Reorganization Transactions.

26. The cash acquired by each Continuing Fund in connection with the Reorganization Transactions will be acquired and invested in accordance with the investment objectives, strategies, and restrictions of such Continuing Fund and NI 81-102.

27. The management fee payable to the Filer for acting as manager of the Terminating Funds and the Continuing Funds, and the trailing commission payable to dealers whose clients hold Series A, Advisor Series, Series H or Series D units/shares of the Terminating Funds, are the same as those of the respective Continuing Fund.

28. The reorganization and termination of the Terminating Funds will benefit securityholders of the Terminating Funds in the following ways:

    (a) Securityholders will receive a more tax-efficient version of a fund with substantially similar investment objectives.

    (b) Management fees and trailing commissions will remain the same.

    (c) The risk profile of each Continuing Fund is the same as that of the corresponding Fund, except that the additional risk and cost associated with forward contracts is not borne by the Continuing Fund.

    (d) No costs will be incurred by any securityholders of any funds in connection with the reorganization and termination of the Terminating Funds.

    (e) The Filer will not receive any compensation in respect of the acquisition, sale or redemption of the units of mutual fund trusts delivered upon the terminations.

    (f) Following the reorganization and termination of the Terminating Funds, all optional services (pre-authorized purchase plans, auto switch investment plans, and systematic withdrawal plans) will continue to be available to securityholders, who will be automatically enrolled in comparable plans with respect to units of the applicable Continuing Fund unless they advise otherwise.

    (g) Securityholders are receiving prior notice of the reorganization and termination of the Terminating Funds and may redeem their securities prior to the terminations, should they wish to do so, and will continue to have the right to redeem their securities up to the close of business on the last business day before the Effective Date of the terminations. The Filer will waive any sales commission, redemption fees or other fees associated with such redemptions.

29. Approval of the Reorganization Transactions is required under section 5.7 of NI 81-102 because the Reorganization Transactions do not satisfy one of the criteria for pre-approved reorganizations under section 5.6 of NI 81-102; namely, the Reorganization Transactions will not be a “qualifying exchange” within the meaning of section 132.2 of the *Income Tax Act* (Canada) (the **Tax Act**) or a tax deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act. The Reorganization Transactions may not be implemented on a tax deferred rollover basis under the Tax Act and accordingly will occur on a taxable basis. The Circular provides a summary of certain Canadian federal tax considerations applicable to certain securityholders of the Terminating 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 is that the Requested Relief is granted.

“Darren McKall”
Manager,
Investment Funds and Structured Products
Ontario Securities Commission

SCHEDULE A

TERMINATING FUND	UNDERLYING FUND	REFERENCE FUND	CONTINUING FUND
Capital Classes			
RBC Bond Capital Class	RBC Bond LP	RBC Bond Trust	RBC Bond Fund
Phillips, Hager & North Total Return Bond Capital Class	Phillips, Hager & North Total Return Bond LP	Phillips, Hager & North Total Return Bond Trust	Phillips, Hager & North Total Return Bond Fund
RBC High Yield Bond Capital Class	RBC High Yield Bond LP	RBC High Yield Bond Trust	RBC High Yield Bond Fund
Select Classes			
RBC Select Very Conservative Class	RBC Bond LP Phillips, Hager & North Total Return Bond LP	RBC Bond Trust Phillips, Hager & North Total Return Bond Trust	RBC Select Very Conservative Portfolio
RBC Select Conservative Class	RBC Bond LP	RBC Bond Trust	RBC Select Conservative Portfolio
RBC Select Balanced Class	N/A	N/A	RBC Select Balanced Portfolio
RBC Select Growth Class	N/A	N/A	RBC Select Growth Portfolio
RBC Select Aggressive Growth Class	N/A	N/A	RBC Select Aggressive Growth Portfolio

2.1.5 Arrow Capital Management Inc. et al.

Headnote

One time trade of securities between pooled funds, both advised by the same portfolio manager, to implement a merger – costs of the merger borne by the manager – sale of securities exempt from the self–dealing prohibitions in paragraph 13.5(2)(b)(iii), National Instrument 31-103 – Registration Requirements and Exemptions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(b)(iii), 15.1.

August 14, 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
ARROW CAPITAL MANAGEMENT INC.
(the Filer)

AND

ARROW HIGH YIELD FUND
(the Terminating Fund)

AND

RAVEN ROCK INCOME II FUND
(the Continuing Fund, and together with the Terminating Fund, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on its own behalf and on behalf of the Funds, in order to effect the proposed merger (the **Merger**) of the Terminating Fund into the Continuing Fund, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the provisions of subclause 13.5(2)(b)(iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), which prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an investment fund for which a responsible person acts as an adviser (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7 of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

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

The Filer

1. The Filer acts as manager and portfolio manager of the Terminating Fund and the Continuing Fund.

2. The Filer is registered as investment fund manager, portfolio manager, commodity trading manager and exempt market dealer in the Province of Ontario; as exempt market dealer in British Columbia and Alberta; as exempt market dealer and investment fund manager in Quebec; and as investment fund manager in Newfoundland and Labrador.

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

The Funds

4. Each of the Terminating Fund and Continuing Fund is an open-end mutual fund trust established under the laws of Ontario. The Funds are not reporting issuers in any jurisdiction and are not subject to National Instrument 81-102 *Mutual Funds*.

5. Each Fund offers its units in all provinces and territories of Canada pursuant to available prospectus exemptions in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions*.

6. The Funds are not in default of securities legislation in any jurisdiction.

7. Raven Rock Capital Management Inc. (**Raven Rock**) is a portfolio sub-advisor to the Filer in respect of each of the Funds.

8. The Filer has decided to effect the Merger because of the similarities in the Funds' investment portfolios and the desire to have Raven Rock focus on one investment objective and strategy.

The Merger

9. Unitholders of the Terminating Fund approved the Merger at a special meeting of unitholders held on July 30, 2014 (the **Meeting**). In connection with the Meeting, the Filer sent the unitholders of the Terminating Fund a notice of meeting, management information circular and a related form of proxy (collectively, the **Meeting Materials**). It is proposed that the Merger will occur on or about August 15, 2014 (the **Effective Date**), subject to regulatory approvals, where necessary and in any event no later than September 30, 2014.

10. As a result of the Merger, there will be no change in management fees or performance fees paid by unitholders of the Terminating Fund.

11. No redemption fees, other fees or commissions will be payable by the Funds' unitholders in connection with the Merger. No sales charges will be payable in connection with the acquisition by a Continuing Fund of the investment portfolio of the Terminating Fund.

12. Units of the Continuing Fund and Terminating Fund are sold without sales charges.

13. The costs associated with the Merger will be paid by the Filer.

14. Unitholders of the Terminating Fund will be able to redeem their units at all redemption dates both prior and after the Merger.

15. Although the investment objective of the Continuing Fund is different from that of the Terminating Fund, both Funds primarily invest in fixed income securities. The portfolio of assets of the Terminating Fund to be acquired by the Continuing Fund arising from the Merger will be acceptable to the sub-advisor of the Continuing Fund and will be consistent with the investment objectives of the Continuing Fund.

16. The Continuing Fund will have valuation procedures that are identical to the valuation procedures of the Terminating Fund.

17. The following steps will be carried out to effect the Merger:

(a) the value of the Terminating Fund's investment portfolio and other assets will be determined at the close of business on the effective date of the Merger in accordance with its trust indenture;

(b) any securities in the investment portfolio of the Terminating Fund which do not conform to the investment objective and strategies of the Continuing Fund will be sold in the market for cash;

(c) to facilitate the issuance of units of the Continuing Fund to the Class A, F, U and G unitholder of the Terminating Fund, the Filer, as trustee, will amend the trust indenture of the Continuing Fund to authorize the Continuing Fund to issue Class AI, FI, UI and GI Units, which will have the same terms and fees as the existing classes of the Terminating Fund. The Continuing Fund already is authorized to issue Class I Units so no amendment to the trust indenture of the Continuing Fund is required for the issuance of units of the Continuing Fund to the Class I unitholder of the Terminating Fund.

(d) the Continuing Fund will acquire the portfolio assets and other assets of the Terminating Fund in exchange for units of the Continuing Fund;

(e) the Continuing Fund will not assume the liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the date of the Merger;

(f) the units of the Continuing Fund received by the Terminating Fund will have an aggregate net asset value equal to the value of the Terminating Fund's portfolio assets and other assets that the Continuing Fund is acquiring, which units will be issued at the applicable net asset value per security as of the close of business on the effective date of the Merger;

(g) if necessary, the Terminating Fund will distribute a sufficient amount of its income and capital gains, if any, to ensure that the Terminating Fund will not be liable for income tax under Part I of the *Income Tax Act* (Canada), other than alternative minimum tax, for its current taxation year. Currently, it is expected

that there will not be any distributions from the Terminating Fund;

(h) immediately thereafter, the units of the Continuing Fund received by the Terminating Fund will be distributed to unitholders of the Terminating Fund on a dollar-for-dollar basis in exchange for their units in the Terminating Fund, whereby Class A, F, I, U and G Units of the Terminating Fund will be exchanged for Class AI, FI, I, UI and GI Units of the Continuing Fund, respectively; and

(i) as soon as reasonably possible following the Merger, the Terminating Fund will be wound up.

18. The assets of the Funds will be valued in accordance with the valuation policies and procedures outlined in the trust indenture of each Fund, and, at this value, the assets of the Terminating Fund will subsequently be exchanged for units of the Continuing Fund as described above.

19. The transfer of the assets of the Terminating Fund to the Continuing Fund will not adversely impact the liquidity of the Continuing Fund.

20. The Filer believes that the Merger is in the best interests of unitholders of the Funds for the following reasons:

(a) the Merger will eliminate duplication because of the similarities in the investment portfolios of the Terminating Fund and the Continuing Fund;

(b) the Merger will enable Raven Rock to focus on one investment objective and strategy;

(c) the Merger will eliminate duplicative administrative and regulatory costs of operating the Terminating Fund and the Continuing Fund as separate mutual funds;

(d) following the Merger, the Continuing Fund will have more assets allowing for increased portfolio diversification opportunities and a smaller proportion of assets set aside to fund redemptions; and

(e) there will be a savings in brokerage charges through a merger rather than liquidating the portfolio of securities of the Terminating Fund.

21. The desired end result of the Merger could be achieved by each unitholder redeeming his/her units of the Terminating Fund and using the proceeds to purchase units of the Continuing Fund. Executing the trades in this manner could result in taxation of the redemption proceeds received by the unitholder as well as negative consequences to the Terminating Fund and the Continuing Fund through the incurrence of unnecessary brokerage charges relating to the sale and repurchase of portfolio securities.

22. The Merger will be completed on a tax-deferred basis.

23. The portfolio securities and other assets of the Terminating Fund will be transferred from the Terminating Fund to the Continuing Fund in accordance with the steps described above. Because the transfer of portfolio securities and assets will take place at a value determined by common valuation procedures and the issue of units will be based upon the relative net asset value of the portfolio securities and other assets received by the Continuing Fund, it is the Filer's submission that any potential conflict of interest has been adequately addressed and as a result there is no conflict of interest for the Filer in effecting the Merger.

24. The sale of the assets of the Terminating Fund to the Continuing Fund (and the corresponding purchase of such assets by the Continuing Fund) as a step in the Merger may be considered a purchase or sale of securities, knowingly caused by a registered adviser that manages the investment portfolios of both Funds, from the Terminating Fund to, or by the Continuing Fund from, an investment fund for which a "responsible person" acts as an adviser, contrary to sub-paragraph 13.5(2)(b)(iii) of NI 31-103.

25. Unless the Exemption Sought is granted, the Filer would be prohibited from knowingly causing the purchase and sale of securities of the Terminating Fund (and thereby transferring its assets to the Continuing Fund) in connection with the Merger.

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, prior to completion of the Merger, the board of directors of the Manager determines that the Merger is in the best interests of the Funds and approves the Merger.

"Darren McKall"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

2.1.6 Manulife Asset Management Limited and Manulife Asset Management Investments Inc.

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.

Applicable Legislative Provisions

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

August 12, 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
MANULIFE ASSET MANAGEMENT LIMITED
(MAML)

AND

MANULIFE ASSET MANAGEMENT INVESTMENTS INC.
(MAMII and, together with MAML, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from 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 registered individuals (each a **Representative** and, collectively, the **Representatives**) to each be registered as both a dealing representative of MAMII and also as an advising representative or as an associate advising representative of MAML (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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

MAML

1. MAML is a corporation governed under the *Business Corporations Act* (Ontario) and has its head office located in Toronto, Ontario.

2. MAML is an indirect wholly-owned subsidiary of The Manufacturers Life Insurance Company (**Manulife**).

3. MAML is currently registered as a dealer in the category of an exempt market dealer (an **EMD**) and as an adviser in the category of portfolio manager in each of the Jurisdictions. MAML is also registered in Ontario as an adviser in the category of commodity trading manager under the *Commodity Futures Act* (Ontario), and as an investment fund manager in Ontario, Québec and Newfoundland and Labrador.

4. MAML currently uses its registration as an EMD primarily for the purpose of distributing Manulife-sponsored funds on a prospectus-exempt basis, including to Canadian accredited investors, and to MAML and other related entities' employees and their spouses pursuant to the employee exemption in section 2.24 of National Instrument 45-106 P*rospectus and Registration Exemptions*.

MAMII

5. MAMII is a corporation incorporated under the *Canada Business Corporations Act* and has its head office located in Toronto, Ontario.

6. MAMII is a wholly-owned subsidiary of MAML.

7. MAMII has applied for registration as an EMD in each of the Jurisdictions.

8. MAMII wants to become registered as an EMD so that MAML, for business reasons, can transfer its exempt market dealer business to MAMII.

Dual Registration

9. MAML has determined that it would be beneficial to transfer its EMD business to MAMII and for MAML to then surrender its registration as an EMD in each of the Jurisdictions. Moving the EMD business of MAML to MAMII is consistent with the business model used by Manulife's U.S. affiliates; and this bifurcation will better reflect that MAMII intends to increasingly sell exempt funds sponsored by Manulife affiliates other than MAML, in addition to those sponsored by MAML.

10. It is proposed that the representatives of MAML will use the Representatives of MAMII to carry out any required trades in securities on an exempt basis.

11. Certain of the Representatives of MAMII will also be registered as advising representatives or as associate advising representatives of MAML (the **Dually Registered Representatives**).

12. The dual registration of the Dually Registered Representatives is not expected to give rise to any conflicts of interest. The interests of the Filers are aligned as a significant number of the clients of MAMII will also be clients of MAML; as the Filers will carry out distinct but complimentary business-lines to fully service the needs of their generally shared clients (in the same manner as clients are currently serviced by MAML as an EMD, portfolio manager and investment fund manager), and as both Filers are affiliates of Manulife. As a result, the potential for conflicts of interest arising from the dual registration of the Dually Registered Representatives is very remote.

13. The Dually Registered Representatives will have sufficient time and resources to adequately serve both Filers.

14. The dealing activities that will be provided to the clients of MAMII by the Dually Registered Representatives will not interfere with their responsibilities to either Filer.

15. The Dually Registered Representatives shall act in the best interests of the clients of each Filer and will deal fairly, honestly and in good faith with these clients.

16. Each Filer has or will have appropriate compliance and supervisory policies and procedures in place to monitor the conduct of its registered individuals and to ensure that the Filers can deal appropriately with any conflicts of interest that may arise as a result of the dual registration of the Dually Registered Representatives. In particular, the Dually Registered Representatives will be subject to the supervisory, and the applicable compliance, requirements of each of the Filers. The Filers believe that they will be able to appropriately deal with any conflicts, including supervising how Dually Registered Representatives will deal with conflicts, should they arise.

17. In order to minimize client confusion, the dual registration of the Dually Registered Representatives and the relationship between MAML and MAMII will be appropriately disclosed to the clients of the Dually Registered Representatives. Disclosure will be provided to new clients in writing at the time of account opening, before acting on behalf of the client. Disclosure will be provided to each current client in writing prior to MAMII acting on behalf of these clients.

18. In the absence of the Exemption Sought, the Filers would be prohibited from having Dually Registered Representatives.

19. Neither of the Filers is in default of any requirement of securities, commodity futures or derivatives legislation in any of the Jurisdictions.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the circumstances described above in paragraphs 13, 15, 16, and 17 remain in place.

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

2.2 Orders

2.2.1 Conrad M. Black et al.

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

AND

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

ORDER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

AND WHEREAS on February 26, 2014, the Commission ordered that Black's motion scheduled for March 26 and March 27, 2014 to stay proceedings or alternatively, for directions regarding the scope of issues to be determined at the hearing would be re-scheduled to April 10 and April 11, 2014, and that a further confidential pre-hearing conference take place on March 20, 2014, or such other date as agreed by the parties and set by the Office of the Secretary;

AND WHEREAS a confidential pre-hearing conference was held on March 20, 2014 and the Commission heard submissions from counsel for Staff and counsel for Black, and from Boultbee on his own behalf;

AND WHEREAS on April 1, 2014, the Commission ordered that:

1. A further confidential pre-hearing conference shall take place on June 16, 2014 at 10:00 a.m., or such other date as may be ordered by the Commission; and

2. A motion requested by Boultbee for severance of the allegations against him will be heard on July 22 and July 23, 2014, commencing at 10:00 a.m., or such other date as may be ordered by the Commission; and

3. A hearing on the merits shall be scheduled to commence on October 3, 2014 and continue on the following dates in October 2014: 6, 8-10; 14-17; 20; 22-24; 27-31; and on the following dates in February 2015: 2-6, 9, 11-13, or on such other dates as may be ordered by the Commission;

AND WHEREAS on April 10 and 11, 2014, the Commission held a hearing relating to Black's Motion for:

1. An order staying the OSC Proceeding against Black on the condition that the undertaking given to the Ontario Securities Commission (the "**Commission**") by Black on February 2, 2006, as amended on March 30, 2007 (the "**Undertaking**"), would remain in effect; or

2. In the alternative, directions regarding the scope of the issues to be determined at any hearing of the OSC Proceeding and hence the evidence permitted to be presented at the hearing;

AND WHEREAS on June 13, 2014, the Commission issued its reasons and decision regarding Black's Motion;

AND WHEREAS on June 13, 2014, the Commission ordered that:

1. The following dates be vacated: June 16, 2014 and July 22 and 23, 2014; and

2. A confidential pre-hearing conference take place on July 30, 2014 at 10:00 a.m., or on such other date as may be ordered by the Commission;

AND WHEREAS a confidential pre-hearing conference was held on July 30, 2014, at which counsel for Staff and counsel for Black attended in person and Boultbee attended by telephone, and the Commission heard submissions from counsel for Staff and counsel for Black, and from Boultbee on his own behalf;

AND WHEREAS on July 31, 2014, the Commission ordered that:

1. A motion by Boultbee for the severance of the allegations against him will be heard on August 11, 2014, commencing at 11:00 a.m., or on such other date as may be ordered by the Commission, and written materials relating to the motion will be filed according to the following schedule:

    a. Boultbee shall serve and file any motion materials and submissions by August 6, 2014 at 4:00 p.m.; and

    b. Staff shall serve and file any responding materials and submissions by August 8, 2014 at 4:00 p.m.;

2. Parties shall disclose witness lists, witness summaries, and all documents that they intend to use as evidence at the hearing by August 20, 2014 at 4:00 p.m.;

3. The following hearing dates are vacated: October 3, 2014 and February 2-6, 9, and 11-13, 2015; and

4. A further confidential pre-hearing conference shall take place on August 25, 2014 at 10:00 a.m., or on such other date as may be ordered by the Commission;

AND WHEREAS a hearing to hear the motion by Boultbee for the severance was held on August 11, 2014, at which counsel for Staff attended in person and Boultbee attended by telephone, the Commission heard submissions from Boultbee on his own behalf and from counsel for Staff, and the Commission reserved its decision on the motion;

AND WHEREAS the Commission is of the view that it is in the public interest to make this Order with its formal reasons to follow;

IT IS HEREBY ORDERED that the motion by Boultbee for the severance of the allegations against him is dismissed.

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

“Christopher Portner”

“Judith N. Robertson”

2.2.2 Newer Technologies Limited et al. – ss. 127(1), 127.1

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

AND

IN THE MATTER OF
NEWER TECHNOLOGIES LIMITED, RYAN PICKERING AND RODGER FREY

ORDER
(Subsection 127(1) and section 127.1)

WHEREAS on December 4, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff") on December 4, 2012 in respect of Newer Technologies Limited, Ryan Pickering and Rodger Frey (collectively, the "Respondents");

AND WHEREAS the Respondents were served with the Notice of Hearing and Statement of Allegations on December 5, 2012;

AND WHEREAS the Notice of Hearing provided that a hearing would be held at the temporary hearing rooms of the Commission on January 11, 2013;

AND WHEREAS at the first attendance on January 11, 2013, Staff and counsel for Newer Technologies Limited and Ryan Pickering attended before the Commission;

AND WHEREAS Rodger Frey did not appear, however Staff indicated that Rodger Frey had contacted Staff to notify them that he was aware of the attendance but would not be present;

AND WHEREAS Staff requested that a confidential pre-hearing conference be scheduled, and counsel agreed;

AND WHEREAS the Commission ordered that a confidential pre-hearing conference take place on March 18, 2013 at 9:00 a.m.;

AND WHEREAS at the confidential pre-hearing conference on March 18, 2013, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended and Staff requested that a further confidential pre-hearing conference be scheduled, and counsel agreed;

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

AND WHEREAS at the confidential pre-hearing conference on July 9, 2013, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended and Staff requested that dates for the hearing on the merits be scheduled, and counsel agreed, and the Commission ordered that a confidential pre-hearing conference take place on January 30, 2014 at 10:00 a.m. and the hearing on the merits in this matter commence on March 17, 2014 at 10:00 a.m. and continue on March 18, 19, 20, 21, 24, and 26, 2014 at 10:00 a.m.;

AND WHEREAS on January 24, 2014, on the consent of the parties, the Commission ordered that the date of January 30, 2014 at 10:00 a.m. set for the confidential pre-hearing conference be vacated;

AND WHEREAS on January 30, 2014, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended before the Commission by telephone conference to address a request by Newer Technologies Limited and Ryan Pickering to adjourn the commencement of the hearing on the merits to dates mutually agreeable to all the parties, and the Commission heard submissions of the parties. On the consent of all parties, the Commission ordered that:

1. The dates of March 17, 18, 19, 20, 21, 24, and 26, 2014 set for the hearing on the merits be vacated;

2. The hearing on the merits in this matter will commence on September 8, 2014, and will continue thereafter on September 10, 11, 12, and 15, 2014; and

3. A pre-hearing conference will be held on June 2, 2014 at 10:00 a.m.

AND WHEREAS at the confidential pre-hearing conference on June 2, 2014, Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey, attended, and Staff requested that a further confidential pre-hearing conference be scheduled, and counsel agreed. The Commission ordered that:

1. A pre-hearing conference will be held on August 13, 2014 at 12:00 p.m.; and

2. By the August 13, 2014 pre-hearing conference, the parties shall have served every other party with:

   a. Witness lists and witness summaries; and

   b. A draft index of documents for a proposed joint hearing brief.

AND WHEREAS on August 11, 2014, Staff advised the Commission that Staff and counsel for Newer Technologies Limited and Ryan Pickering, and counsel for Rodger Frey agreed that the Pre-Hearing Conference scheduled for August 13, 2014 should be vacated and the matter continued to the Merits Hearing;

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

IT IS HEREBY ORDERED that:

1. The pre-hearing conference scheduled for August 13, 2014 is vacated; and

2. this matter shall be continued to the Merits Hearing, which is scheduled to commence on September 8, 2014, and will continue thereafter on September 10, 11, 12, and 15, 2014.

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

"Alan J. Lenczner"

2.2.3 Issam El-Bouji et al. – s. 127(1)

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

AND

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

ORDER
(Subsection 127(1))

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

AND WHEREAS the Respondents entered into a Settlement Agreement with Staff dated April 14, 2014 (the "Settlement Agreement") in which the Respondents and Staff agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated January 10, 2013, subject to approval by the Commission;

AND WHEREAS on April 16, 2014, the Commission approved the Settlement Agreement and made other orders in the public interest (the "Order dated April 16, 2014") including the following orders:

(d) Pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions are imposed on GGAI's registration:

(i) Within 60 days of this order, GGAI shall create and permanently maintain an independent board of directors comprised of a minimum of two independent external board members that form a majority of the board of directors and the independent directors are to be approved by a Manager in the Compliance and Registrant Regulation Branch of the Ontario Securities Commission (the "OSC Manager");

and,

(e) Pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions are imposed on Global RESP's registration:

(i) within 60 days of this order, Global RESP shall create and permanently maintain an independent board of directors comprised of a minimum of two independent external board members that form a majority of the board of directors and the independent directors are to be approved by the OSC Manager;

and,

(f) Pursuant to subsection 127(2) of the Act, the Foundation shall create and permanently maintain an independent board of directors for the Foundation or any other organization that controls or oversees the Plan comprised of a minimum of two independent external board members that form a majority of the board of directors and the independent directors are to be approved by the OSC Manager;

AND WHEREAS on June 10, 2014, GGAI, Global RESP and the Foundation brought a motion returnable June 12, 2014, which motion was not opposed by Staff, to extend the time by 60 days for compliance with sections 1(d)(i), 1(e)(i) and 1(f) of the Order dated April 16, 2014 and filed the affidavit of Joanne Sewell dated June 10, 2014 in support of the motion;

AND WHEREAS on June 12, 2014, Staff advised the Commission that one independent external board member candidate had been approved by the OSC Manager and counsel for GGAI, Global RESP and the Foundation advised the

Commission that GGAI, Global RESP and the Foundation were working diligently and would continue to work diligently to find an appropriate candidate to submit to the OSC Manager for approval to serve as a second independent external board member;

AND WHEREAS on June 12, 2014, the Commission ordered that the time for complying with sections 1(d)(i), 1(e)(i) and 1(f) of the Order dated April 16, 2014 be extended to August 14, 2014 (the "Order dated June 12, 2014");

AND WHEREAS on August 12, 2014, counsel for GGAI, Global RESP and the Foundation advised the Commission that although GGAI, Global RESP and the Foundation were continuing to work diligently to find an appropriate candidate to submit to the OSC Manager for approval to serve as a second independent external board member, they required additional time beyond the August 14, 2014 deadline and therefore requested an extension of time for compliance with sections 1(d)(i), 1(e)(i) and 1(f) of the Order dated April 16, 2014 to September 30, 2014;

AND WHEREAS Staff consents to the requested extension of time;

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

IT IS HEREBY ORDERED THAT the time for complying with sections 1(d)(i), 1(e)(i) and 1(f) of the Order dated April 16, 2014 which was extended to August 14, 2014 by the Order dated June 12, 2014 is further extended to September 30, 2014.

DATED at Toronto, Ontario this 12TH day of August, 2014.

"James E. A. Turner"

2.2.4 360 Vox Corporation – s. 1(6) of the OBCA

Headnote

Applicant 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).

August 9, 2014

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
360 VOX CORPORATION
(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 having represented to the Commission that:

1. the Applicant is an "offering corporation" as that term is defined in subsection 1(1) of the OBCA, and has an authorized capital consisting of an unlimited number of class A common shares (the **Shares**), an unlimited number of class B common shares and an unlimited number of class C common shares. The Applicant has 276,732,441 issued and outstanding Shares and no issued and outstanding class B common shares or class C common shares.

2. The Applicant's registered and head office is located at 2001, rue University – Bureau 400, Montreal, Quebec, Canada, H3A 2A6.

3. On July 2, 2014, the Applicant completed a court-approved plan of arrangement (the **Arrangement**) under section 182 of the OBCA; under the Arrangement, among other things:

   (a) Dundee Corporation (**Dundee**) acquired all of the issued and outstanding Shares in the capital of the Applicant that Dundee and its affiliates did not already own, for consideration consisting of 0.01221 of a Class A subordinate voting share in the capital of Dundee for each Share acquired; and

   (b) each outstanding option and warrant of the Applicant, other than the Warrants (as defined below), was cancelled.

4. As a result of the Arrangement, the Shares of the Applicant are beneficially owned, directly or indirectly, by Dundee, an institutional security holder headquartered in Ontario.

5. The Applicant also has outstanding:

   (a) a Cdn.$700,000 7.5% convertible unsecured subordinated debenture due April 26, 2018, held by one security holder resident in Ontario;

   (b) a Cdn. $8,800,000 7.5% convertible unsecured subordinated debenture due April 26, 2018, held by one security holder resident in Ontario) (together, items (a) and (b), the **Debentures**);

   (c) a Series US 2013 – W1 Warrant Certificate of the Applicant dated April 26, 2013 representing 1,666,000 share purchase warrants (the **Warrants**), held by one security holder resident in Ontario; and

   (d) 4,200,000 restricted share units (**RSUs**) granted under the Applicant's long term incentive plan, held by six security holders resident in Quebec (together, items (a), (b), (c), and (d), the **Outstanding Securities**).

6. As a result of the Arrangement, the Debentures and the Warrants are convertible into Class A subordinate voting shares in the capital of Dundee.

7. Other than the Shares and the Outstanding Securities, the Applicant has no other securities outstanding.

8. As a result of the Arrangement, the Applicant is now a wholly owned subsidiary of Dundee.

9. The Applicant's Shares were delisted from the TSX Venture Exchange effective as of close of trading on July 3, 2014.

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

11. The outstanding securities of the Applicant, including debt securities, are beneficially owned

by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.

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

13. On July 8, 2014, the Applicant made an application to the British Columbia Securities Commission, as principal regulator on behalf of the securities regulatory authorities in the jurisdictions in Canada in which it was a reporting issuer, for a decision that the Applicant is not a reporting issuer (the **Reporting Issuer Relief Requested**).

14. The Reporting Issuer Relief Requested was granted on July 29, 2014. As a result, the Applicant is not a reporting issuer or equivalent in any jurisdiction of Canada.

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

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

DATED at Toronto on this 9th day of August, 2014.

"Vern Krishna"
Commissioner
Ontario Securities Commission

"James Turner"
Vice Chair
Ontario Securities Commission

2.2.5 Portfolio Capital Inc. et al.

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

AND

IN THE MATTER OF
PORTFOLIO CAPITAL INC., DAVID ROGERSON
and AMY HANNA-ROGERSON

ORDER

WHEREAS on March 25, 2013, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "**Act**") in connection with a Statement of Allegations filed by Staff of the Commission ("**Staff**") on March 25, 2013 with respect to Portfolio Capital Inc. ("**Portfolio Capital**"), David Rogerson ("**Rogerson**") and Amy Hanna-Rogerson ("**Hanna-Rogerson**") (collectively, the "**Respondents**");

AND WHEREAS the Notice of Hearing set a hearing in this matter for April 17, 2013;

AND WHEREAS on April 17, 2013, Staff and counsel to Rogerson appeared before the Commission and no one appeared on behalf of Hanna-Rogerson or Portfolio Capital;

AND WHEREAS on April 17, 2013, the Commission ordered that a pre-hearing conference take place on May 27, 2013 at 9:00 a.m.;

AND WHEREAS on May 27, 2013, Staff and counsel to the Respondents appeared and made submissions before the Commission;

AND WHEREAS on May 27, 2013, the Commission ordered that a pre-hearing conference take place on June 24, 2013 at 9:00 a.m.;

AND WHEREAS on May 27, 2013, the parties agreed that at the pre-hearing conference scheduled for June 24, 2013 at 9:00 a.m., the parties would be prepared to set the following dates:

(a) a date in September 2013 for a pre-hearing conference, by which time the Respondents and Staff will have provided witness lists and disclosure to the other parties;

(b) a date in October 2013 for a further pre-hearing conference to prepare for the hearing on the merits; and

(c) dates in November 2013 for the hearing on the merits;

AND WHEREAS on June 4, 2013, Staff filed an Amended Statement of Allegations with respect to the Respondents;

AND WHEREAS on June 24, 2013, Staff appeared and made submissions and counsel to Rogerson appeared and made submissions on behalf of his client and on behalf of counsel to Hanna-Rogerson and Portfolio Capital;

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

(a) Staff shall provide any additional disclosure to the Respondents by July 12, 2013;

(b) Staff shall provide its witness list and hearing briefs to the Respondents by September 12, 2013;

(c) the Respondents shall provide their witness lists and hearing briefs to Staff by September 25, 2013;

(d) the hearing be adjourned to a further pre-hearing conference to be held on September 27, 2013 at 10:00 a.m. to prepare for the hearing on the merits; and

(e) the hearing on the merits in this matter shall commence on November 4, 2013 at 10:00 a.m. and shall continue on November 6, 7, 8 and 11, 2013;

AND WHEREAS on June 26, 2013, Staff filed an Amended Amended Statement of Allegations with respect to the Respondents;

AND WHEREAS on September 27, 2013, Staff appeared and made submissions and counsel to Rogerson and Portfolio Capital appeared and made submissions on behalf of his clients and on behalf of counsel to Hanna-Rogerson;

AND WHEREAS on September 27, 2013, the Commission ordered that the hearing be adjourned to a further pre-hearing conference to be held on October 9, 2013 at 2:00 p.m.;

AND WHEREAS on October 9, 2013, Staff and counsel to the Respondents appeared and made submissions before the Commission;

AND WHEREAS on October 9, 2013, the Commission ordered that:

(a) the hearing dates of November 4, 6, 7 and 8, 2013 be vacated;

(b) the hearing on the merits in this matter shall commence on November 11, 2013 at 10:00 a.m. and shall continue on November 13, 14 and 15, 2013;

(c) the hearing be adjourned to a further pre-hearing conference to be held on October 17, 2013 at 2:00 p.m.;

(d) the motion brought by counsel to Rogerson and Portfolio Capital to adjourn the commencement date of November 11, 2013 for the hearing on the merits (the "**Motion**") would be heard immediately following the pre-hearing conference scheduled for October 17, 2013; and

(e) the Respondents shall be granted one last indulgence and shall provide their hearing briefs, will-say statements and witness list to Staff by October 29, 2013;

AND WHEREAS counsel to Rogerson and Portfolio Capital filed a Notice of Motion, dated October 15, 2013, and Staff filed the Affidavit of Stephanie Collins, sworn October 16, 2013, in relation to the Motion;

AND WHEREAS on October 17, 2013, Staff and counsel to the Respondents appeared and made submissions for a pre-hearing conference;

AND WHEREAS on October 17, 2013, following the pre-hearing conference, the Commission held a hearing with respect to the Motion, which Staff opposed and counsel to Hanna-Rogerson supported;

AND WHEREAS the Commission considered the factors to grant an adjournment set out in Rule 9.2 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071, along with the motion materials and submissions of the parties, and ordered that:

(a) the hearing on the merits scheduled to commence on November 11, 2013 will commence on February 10, 2014 and shall continue on February 12, 13, 14 and 18, 2014; and

(b) the hearing be adjourned to a further pre-hearing conference to be held on December 18, 2013 at 10:00 a.m.;

AND WHEREAS the Respondents failed to provide their hearing briefs, will-say statements and witness list to Staff by October 29, 2013, as ordered by the Commission on October 9, 2013;

AND WHEREAS on November 29, 2013, Staff and counsel to Rogerson, who also appeared as a representative for Hanna-Rogerson and Portfolio Capital, appeared and made submissions before the Commission at a confidential pre-hearing conference;

AND WHEREAS the Panel informed the parties that any documents that the Respondents wish to rely on at the hearing on the merits must be submitted by January 3, 2014, and that the Respondents would be precluded from submitting any further documents for the hearing on the merits after that date;

AND WHEREAS on November 29, 2013, the Commission ordered that:

(a) the Respondents shall provide their hearing briefs, will-say statements and witness list to Staff by 4:30 p.m. on January 3, 2014;

(b) the pre-hearing conference scheduled for December 18, 2013 at 10:00 a.m. be vacated; and

(c) the hearing be adjourned to a further pre-hearing conference to be held on January 10, 2014 at 10:00 a.m.;

AND WHEREAS on January 3, 2014, the Respondents served their hearing brief on Staff (the "**Respondents' Hearing Brief**");

AND WHEREAS on January 10, 2014, Staff and counsel to the Respondents appeared and made submissions before the Commission;

AND WHEREAS Staff and counsel to the Respondents consented to submit an agreed statement of facts by January 17, 2014, and the parties agreed that Staff would provide the Respondents with the particulars of its allegations in relation to subsection 126.1(b) of the Act by January 29, 2014;

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

(a) an agreed statement of facts shall be submitted by the parties in this matter by January 17, 2014, and, in the event that an agreed statement of facts was not reached, the parties will communicate with the Registrar of the Office of the Secretary to schedule a further appearance in this matter; and

(b) Staff shall provide to the Respondents the particulars of its allegations in relation to subsection 126.1(b) of the Act by January 29, 2014;

AND WHEREAS Staff and the Respondents entered into an agreed statement of facts;

AND WHEREAS on January 28, 2014, the Commission received notice that the Respondents discharged their counsel and that the Respondents elected to act in person in respect of this matter;

AND WHEREAS on January 29, 2014, Staff served and filed the particulars of its allegations of securities fraud made against the Respondents;

AND WHEREAS the hearing on the merits commenced on February 10, 2014 and continued on February 12, 13, and 14, 2014;

AND WHEREAS on February 14, 2014, the Commission ordered that:

(a) the hearing date of February 18, 2014 be vacated;

(b) Staff shall serve and file its written closing submissions by March 14, 2014;

(c) the Respondents shall serve and file any written closing submissions by March 28, 2014; and

(d) if the Respondents serve and file written closing submissions, the hearing on the merits shall continue for the purpose of hearing oral closing submissions on a date and time to be set by the Office of the Secretary;

AND WHEREAS on March 13, 2014, Staff served and filed its written closing submissions;

AND WHEREAS on March 28, 2014, the Respondents served and filed their written closing submissions and attached several documents that they wished to rely on at the hearing on the merits (the "**March 2014 Documents**");

AND WHEREAS on April 14, 2014, Rogerson requested that he be permitted to introduce documentary and oral evidence before the Panel at the hearing on the merits (the "**Evidence Motion**");

AND WHEREAS on April 22, 2014, the Commission informed the parties that a hearing would be held on May 1, 2014 at 10:00 a.m. for the sole purpose of hearing the Respondents' Evidence Motion and any other matters related to the completion of the hearing on the merits;

AND WHEREAS on April 29, 2014, Staff served and filed a Memorandum of Fact and Law, a Brief of Authorities and the Affidavit of Julia Ho, sworn April 23, 2014;

AND WHEREAS on May 1, 2014, Rogerson served and filed responding materials, including copies of certain documents that he wished to introduce, which included all or substantially all of the documents included in the Respondents' Hearing Brief, several of the March 2014 Documents and certain additional documents (the "**Additional Documents**");

AND WHEREAS on May 1, 2014, Staff attended in person, Rogerson and Hanna-Rogerson attended by telephone conference and the parties made submissions with respect to the Evidence Motion;

AND WHEREAS on May 14, 2014, the Commission ordered that, in order to make a determination on the Evidence Motion, a further appearance would be held at 10:00 a.m. on May 29, 2014 to discuss the conduct of the hearing, including the use, if any, of video-conferencing;

AND WHEREAS on May 29, 2014, Staff attended in person, and Rogerson and Hanna-Rogerson attended by telephone conference;

AND WHEREAS the Respondents identified three witnesses located in British Columbia, including Rogerson and Hanna-Rogerson, whose evidence they wish to introduce at the hearing on the merits (the "**British Columbia Witnesses**");

AND WHEREAS the Respondents identified a fourth potential witness located in Alberta (the "**Alberta Witness**"), whose availability to participate in the hearing on the merits was unknown as of the May 29, 2014 hearing;

AND WHEREAS the Commission directed the Respondents to notify the Office of the Secretary of the Alberta Witness's availability to participate in the hearing on the merits by June 5, 2014 so that testimony by video link from Alberta could be facilitated;

AND WHEREAS the Respondents did not provide confirmation that the Alberta Witness was available to participate in the hearing on the merits;

AND WHEREAS on June, 6, 2014, the Commission ordered that the hearing on the merits would continue on June 24 and 25, 2014, beginning at 1:00 p.m. both days, on which dates the Respondents would be permitted to introduce evidence, as follows;

(a) the three British Columbia Witnesses would be permitted to testify by video link from Vancouver, British Columbia, as arranged by the Office of the Secretary;

(b) the Alberta Witness would be permitted to testify by video link from Vancouver, British Columbia, as arranged by the Office of the Secretary, or to testify at the offices of the Commission in Toronto; and

(c) the Respondents may introduce documentary evidence from the March 2014 Documents and the Additional Documents;

AND WHEREAS the hearing on the merits continued on June 24 and 25, 2014, with Staff attending in person, Rogerson and Hanna-Rogerson attending by video conference and the British Columbia Witnesses testifying by video conference;

AND WHEREAS the Alberta Witness did not appear before the Commission or testify at the hearing on the merits;

AND WHEREAS on June 25, 2014, the Commission ordered that:

(a) Staff shall serve and file its supplementary or restated written closing submissions by 5:00 p.m. E.D.T. on July 24, 2014;

(b) the Respondents shall serve and file any supplementary or restated written closing submissions by 5:00 p.m. E.D.T. on August 7, 2014; and

(c) Staff shall serve and file any reply written closing submissions, if necessary, by 5:00 p.m. E.D.T. on August 28, 2014;

AND WHEREAS on July 24, 2014, Staff filed its Merits Hearing Fresh Closing Submissions and a Book of Authorities;

AND WHEREAS on August 6, 2014, Rogerson requested an extension of time to submit his supplementary or restated written closing submissions to August 18, 2014, and Staff did not object to the request, provided that any reply written closing submissions by Staff be correspondingly extended to September 5, 2014;

AND WHEREAS on August 7, 2014, the Commission ordered that the Respondents shall serve and file any supplementary or restated written closing submissions by 5:00 p.m. E.D.T. on August 18, 2014, and Staff shall serve and file any reply written closing submissions, if necessary, by 5:00 p.m. E.D.T. on September 5, 2014;

AND WHEREAS on August 14, 2014, Rogerson requested a further extension of time to submit his supplementary or restated written closing submissions to August 25, 2014, and Staff did not object to the request, provided that any reply written closing submissions by Staff be correspondingly extended;

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

IT IS HEREBY ORDERED that the Respondents shall serve and file any supplementary or restated written closing submissions by 5:00 p.m. E.D.T. on August 25, 2014, and Staff shall serve and file any reply written closing submissions, if necessary, by 5:00 p.m. E.D.T. on September 12, 2014.

DATED at Toronto this 15th day of August, 2014.

"Christopher Portner"

2.2.6 Kris Sundell – 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
KRIS SUNDELL

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

WHEREAS on July 21, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Kris Sundell ("Sundell");

AND WHEREAS on July 21, 2014, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on August 18, 2014, the Commission heard an application by Staff to convert the matter to a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4095, and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS Sundell did not appear, although properly served as set out in the Affidavit of Service of Lee Crann, sworn August 12, 2014 and filed with the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than August 28, 2014;

(c) Sundell's responding materials, if any, shall be served and filed no later than September 18, 2014; and

(d) Staff's reply materials, if any, shall be served and filed no later than September 25, 2014.

DATED at Toronto this 18th day of August, 2014.

"James E. A. Turner"

2.2.7 Patrick Myles Lough 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
PATRICK MYLES LOUGH, LYNDA DAWN DAVIDSON
and WAYNE THOMAS ARNOLD BARNES

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

WHEREAS on July 25, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Patrick Myles Lough ("Lough"), Lynda Dawn Davidson ("Davidson") and Wayne Thomas Arnold Barnes ("Barnes") (collectively, the "Respondents");

AND WHEREAS on July 24, 2014, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on August 18, 2014, the Commission heard an application by Staff to convert the matter to a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4095, and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS the Respondents did not appear, although properly served as set out in the Affidavit of Service of Lee Crann, sworn August 12, 2014 and filed with the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than August 28, 2014;

(c) the Respondents' responding materials, if any, shall be served and filed no later than September 18, 2014; and

(d) Staff's reply materials, if any, shall be served and filed no later than September 25, 2014.

DATED at Toronto this 18th day of August, 2014.

"James E. A. Turner"

2.2.8 Paul Yoannou – 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
PAUL YOANNOU**

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

WHEREAS on July 3, 2014, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Paul Yoannou ("Yoannou");

AND WHEREAS on July 3, 2014, Staff of the Commission ("Staff") filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on August 18, 2014, the Commission heard an application by Staff to convert the matter to a written hearing, in accordance with Rule 11.5 of the Ontario Securities Commission *Rules of Procedure* (2014), 37 OSCB 4095, and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

AND WHEREAS Yoannou did not appear, although properly served as set out in the Affidavit of Service of Paul Fudge, sworn July 7, 2014 and filed with the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) Staff's application to proceed by way of written hearing is granted;

(b) Staff's materials in respect of the written hearing shall be served and filed no later than August 28, 2014;

(c) Yoannou's responding materials, if any, shall be served and filed no later than September 18, 2014; and

(d) Staff's reply materials, if any, shall be served and filed no later than September 25, 2014.

DATED at Toronto this 18th day of August, 2014.

"James E. A. Turner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Thirdcoast Limited and Parrish & Heimbecker, Limited – s. 127

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

AND

IN THE MATTER OF
THIRDCOAST LIMITED AND PARRISH & HEIMBECKER, LIMITED

REASONS FOR DECISION
(Section 127)

Hearing:	July 4, 2012		
Decision:	July 4, 2012		
Reasons:	August 11, 2014		
Panel:	Mary G. Condon	–	Vice-Chair and Chair of the Panel
	C. Wesley M. Scott	–	Commissioner
	Paulette L. Kennedy	–	Commissioner
Appearances:	Christopher Bredt David Di Paolo Kara Beitel	–	Parrish & Heimbecker, Limited
	Blair W. M. Bowen Rick Moscone W. Ross MacDougall	–	For Thirdcoast Limited
	Kathryn Daniels Shannon O'Hearn Alex Gorka	–	For Staff of the Commission

TABLE OF CONTENTS

REASONS FOR DECISION

I. OVERVIEW

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**") pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") to consider two applications filed with the Commission by (1) Parrish & Heimbecker, Limited ("**P&H**") on June 8, 2012 and (2) Thirdcoast Limited ("**Thirdcoast**") on June 12, 2012, respectively.

[2] The application filed by P&H (the "**Rights Plan Application**") sought a permanent order that all trading cease in connection with the shareholder rights plan of Thirdcoast Limited dated May 30, 2012 (the "**Rights Plan**"). Specifically, P&H sought the following relief pursuant to the Rights Plan Application:

(a) A permanent order pursuant to section 127 of the Act that all trading cease in respect of any securities issued, or that are proposed to be issued, in connection with the Rights Plan, including, without limitation, in respect of any rights issued or to be issued under the Rights Plan ("**Rights**") and any common shares of Thirdcoast to be issued upon the exercise of such Rights; and

(b) A permanent order removing prospectus exemptions in respect of the distribution of Rights issued under or in connection with the Rights Plan and in respect of the exercise of such Rights.

[3] The application filed by Thirdcoast (the "**Lock-up Agreements Application**") sought a permanent order that all trading in Thirdcoast common shares pursuant to lock-up agreements (the "**Lock-up Agreements**") entered into by P&H pursuant to its take-over bid for common shares of Thirdcoast cease (the "**Bid**" or "**Offer**"). Specifically, Thirdcoast sought the following relief pursuant to the Lock-up Agreements Application:

(a) A permanent order pursuant to section 127 of the Act that all trading in Thirdcoast common shares pursuant to the terms of the Lock-up Agreements cease; and

(b) An order pursuant to section 104(1)(b) of the Act that P&H amend its Offer and its take-over bid circular delivered to shareholders of Thirdcoast in connection with the Offer to provide for the amended information with respect to the Lock-up Agreements, which would include a recommencement of the 35-day minimum period that shareholders of Thirdcoast would be permitted to deposit their common shares of Thirdcoast under the Offer.

[4] On June 14, 2012, the Commission issued a Notice of Hearing for a hearing commencing on July 4, 2012 to consider whether it is in the public interest to make an order, pursuant to the Rights Plan Application, cease trading the securities issued or proposed to be issued pursuant to the Rights Plan and to consider whether it is in the public interest to make an order, pursuant to the Lock-up Agreements Application, cease trading the securities that are subject to the Lock-up Agreements.

[5] On July 4, 2012, a hearing to consider the Rights Plan Application and the Lock-up Agreements Application was held and an order was issued by the Panel granting the relief requested in the Rights Plan Application and dismissing the Lock-up Agreements Application in its entirety (the "**Decision and Order**"). A copy of the Decision and Order can be found at (2012) 35 O.S.C.B. 6464. In the Decision and Order, the Panel indicated that it would be delivering its reasons for its decision in due course. These are those reasons.

II. BACKGROUND

[6] At the time of the hearing, Thirdcoast was a reporting issuer existing under the laws of Ontario whose common shares traded primarily on the over-the-counter market and were not listed on any stock exchange. P&H was the largest holder of Thirdcoast common shares, holding approximately 27.99% of the issued and outstanding common shares of the company.

[7] P&H first entered into Lock-up Agreements with a number of Thirdcoast shareholders on January 23, 2012.

[8] On February 21, 2012, P&H informed members of Thirdcoast's board of directors of its intention to acquire the remaining common shares of Thirdcoast that P&H did not then own and requested that Thirdcoast obtain an independent valuation in accordance with requirements for insider bids pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

[9] As of the close of business on March 5, 2012, the prices for Thirdcoast common shares were posted as at January 31, 2012 at a bid price of $75.00 per common share and an ask price of $79.00 per common share.

[10] On March 6, 2012, P&H issued a press release announcing its intention to make an all-cash offer of $115 per share for Thirdcoast common shares and disclosing that it had entered into Lock-up Agreements with certain shareholders of Thirdcoast,

pursuant to which those shareholders agreed to tender their common shares to P&H and not to withdraw their common shares from the offer unless the Lock-up Agreements were terminated. The Thirdcoast common shares owned by P&H, combined with those common shares subject to the Lock-up Agreements, constituted 51.62% of the issued and outstanding Thirdcoast common shares.

[11] On March 9, 2012, Thirdcoast issued a press release announcing that William Howson ("**Howson**") had resigned as a member of the Thirdcoast board of directors due to existing business relationships between Howson & Howson Limited (of which he was an officer and director) and P&H. On March 12, 2014, Howson entered into a Lock-up Agreement with P&H.

[12] On March 27, 2012, P&H entered into a Lock-up Agreement with Thompsons Limited, one of Thirdcoast's largest shareholders and a Thirdcoast customer.

[13] On March 30, 2012, P&H issued a press release which stated that P&H's intention was "to continue the operation of Thirdcoast's grain handling facilities under the existing public house model in the event that P&H successfully acquires or controls Thirdcoast as a result of the Bid".

[14] On May 28, 2012, the independent valuation of Thirdcoast, prepared as required by MI 61-101, valued Thirdcoast common shares in the range of $130 to $170 per common share.

[15] On May 29, 2012, after receipt and review of the independent valuation of Thirdcoast made in connection with the Offer, P&H issued a press release announcing an increase in the consideration to be offered for Thirdcoast common shares to $155 per common share.

[16] On May 30, 2012, Thirdcoast issued a press release announcing that the Thirdcoast board of directors adopted the Rights Plan "to allow the Board time to explore and develop strategic alternatives in the context of [P&H's] Insider Bid".

[17] On May 31, 2012, P&H formally commenced its Bid for any and all of the issued and outstanding common shares of Thirdcoast not currently owned by P&H for all-cash consideration of $155 per common share.

[18] On June 28, 2012, Thirdcoast issued a press release announcing, among other things, that the independent committee of the Thirdcoast board of directors (the "**Independent Committee**"), in consultation with its financial advisor, "is working on an alternative asset transaction involving the sale of its grain business which would result in Shareholders receiving a superior return to [P&H's offer]". The June 28, 2012 press release further stated that "[t]here is no guarantee that a Superior Transaction will be entered into, but if it were, it is expected that the net proceeds of such Superior Transaction (after all taxes and transaction costs) combined with Thirdcoast's cash and liquid investment balance would be in excess of $155 per share, and result in cash being paid out to Shareholders in the form of a dividend".

[19] In response to P&H's Rights Plan Application, Thirdcoast requested that the Rights Plan be permitted to remain in place for a further 30 days, "to permit the Independent Committee to fulfill their fiduciary duties to Thirdcoast", and in particular, to pursue "an alternative asset transaction", which, at the time of this hearing, was the subject of concurrent litigation.

III. ISSUES

[20] The applications before the Commission raised the following issues:

A. Was the Offer coercive for lack of a minimum tender condition and as a result of the existence of the Lock-up Agreements?

B. Was a collateral benefit being offered to some shareholders in exchange for entering into the Lock-Up Agreements, in contravention of section 97.1(1) of the Act?

C. Should the Commission exercise its public interest jurisdiction to cease trade the Rights Plan?

[21] We will address the submissions of the parties on these issues in the context of our analysis below.

IV. THE LAW AND ANALYSIS

A. The Offer was not Coercive

[22] Thirdcoast took the position that the Offer was coercive because of the lack of a minimum tender condition combined with the existence of the "hard" Lock-up Agreements.

[23] Part XX of the Act, which governs take-over bids, does not provide any obligation for a bidder to include a minimum tender condition as a term of its bid. In *Re Sears Canada Inc.* (2006), 35 O.S.C.B. 8766 ("***Re Sears***") at paragraphs 269 and 270, this Commission held that although no minimum tender condition is required, a lack thereof is a relevant factor in determining whether a bid is coercive:

> We cannot conclude that the absence of a minimum tender condition is necessarily coercive on its own. There is no obligation to include a minimum tender condition in every offer and nothing, per se, improper with announcing the intention to include such a condition but subsequently deciding not to include it once the bid is formally launched. We also note that even where take-over bids do include such a condition, the condition can typically be waived in the sole discretion of the offeror.
>
> However, liquidity concerns on the part of shareholders who would prefer not to tender to the Offer which lacks the protection of a minimum tender condition can create pressure on shareholders to tender despite their views as to the adequacy of the offer. On its own, this does not warrant Commission intervention but it is a factor to bear in mind in considering the other claims of coercive or abusive conduct relating to the Offer.

[24] Further, lock-up agreements are contemplated in MI 61-101 and Part XX of the Act and the Commission has held that bidders, including insiders, are entitled to enter into lock-up agreements with target shareholders:

> Deposit agreements, support agreements, and lock-up agreements are all contemplated by the Act and Rule 61-501 [predecessor to MI 61-101] and are not, in and of themselves, objectionable or illegal. As counsel for RBC pointed out to us in closing submissions, such agreements are a common and accepted tool for bidders in this jurisdiction. Insider bidders are also entitled to lock-up a majority of the minority votes and to have those votes count in a second stage transaction...
>
> (*Re Sears*, at para. 250)

[25] Lock-up agreements are a business tool commonly used in the context of take-over bids to ensure that significant shareholders will tender to a bid, thereby ensuring the success of a bidder's transaction. This Commission has confirmed that this is not an illegitimate or improper practice (*Re Sterling Centrecorp Inc.* (2007), O.S.C.B. 6683 at paragraph 104). In *Re Stornoway Diamond Corp.*, [2006] LNBCSC 591, the British Columbia Securities Commission specifically considered whether hard lock-up agreements were contrary to the public interest and found that "… there is nothing illegal, or even improper, about lock-up agreements, including hard lock-up agreements" (at para. 67). In this case, Thirdcoast conceded that the Lock-up Agreements were not, in and of themselves, coercive.

[26] Thirdcoast argued that by entering into the Lock-up Agreements, P&H was attempting to circumvent the prohibitions in Part XX of the Act. Specifically, Thirdcoast took the position that because P&H could not utilize the exemptions set out in sections 100 and 100.1(1) of the Act, P&H used the hard Lock-Up Agreements in lieu thereof. Their argument is set out in paragraphs 39 and 42 of their Memorandum of Fact and Law:

> 39. At the time of entering into the Lock-Up Agreements, if P&H wanted to purchase more shares of Thirdcoast than it already owned, it would have had to do so pursuant to an exemption from Part XX of the Act as it already owned more than 20% of the Thirdcoast common shares. Any purchase of additional common shares would have been considered a "take-over bid". The only exemptions available to P&H would have been the Normal Course Purchase Exemption (Section 100) and the Private Agreement Exemption (Section 100.1(1)) …
>
> ….
>
> 42. By entering into the hard Lock-up Agreements with no minimum tender requirement to its Bid, P&H is attempting to achieve indirectly what it is prohibited from achieving directly under Part XX of the Act. That is, to acquire shares on a piece-meal basis without any obligation to acquire the remaining shares.

[27] We disagree with Thirdcoast's characterization of the nature of the Bid. P&H made an offer to all of the Thirdcoast shareholders and was required to accept tendered shares *pro rata* in accordance with the take-over bid provisions in the Act. Lock-up agreements do not permit P&H to derogate from these principles.

[28] We also disagree with Thirdcoast's suggestion that entering into a lock-up agreement is tantamount to acquiring shares. It is not by virtue of entering into a lock-up agreement with target shareholders that a bidder triggers the rights attaching to the target shares. The act of entering into the Lock-up Agreements was not an acquisition of Thirdcoast's shares by P&H. Accordingly, this Panel determined that the Offer was neither coercive nor in contravention of Part XX of the Act.

B. There were no Collateral Agreements, Commitments or Understandings

[29] Subsection 97.1(1) of the Act provides as follows:

> If a person or company makes or intends to make a formal bid, the person or company or any person or company acting jointly or in concert with that person or company shall not enter into any collateral agreement, commitment or understanding that has the effect, directly or indirectly, of providing a security holder of the offeree issuer with consideration of greater value than that offered to the other security holders of the same class of securities.

[30] The precise wording of the section refers to "any person or company acting jointly or in concert" with a bidder, which has been held to include parties to a lock-up agreement. However, in order for this Panel to find that P&H acted in breach of the prohibition in subsection 97.1(1) of the Act, there must be clear evidence that a collateral agreement, commitment or understanding was entered into by P&H with some, but not all, of the Thirdcoast shareholders in exchange for the executed Lock-up Agreements. Section 97.1(1) makes clear that if this Panel finds any one of an agreement *or* a commitment *or* an understanding to exist, any such arrangement that has the effect of offering greater value to some security holders than that offered to others of the same class of securities is prohibited by the Act.

[31] The panel in *Re Sears* reflected that:

> … the Commission has described a "collateral agreement" as: "… an agreement separate and apart from any agreement resulting from acceptance of the offeree's take-over bid itself … The primary dictionary meaning of collateral is "running side by side – parallel."
>
> (*Re Sears* at para. 203, citing *Re Genstar Corp.* (1982), 4 O.S.C.B. 326C at 338C)

We note that Thirdcoast did not suggest the existence of a collateral agreement or commitment but only a collateral understanding. The Oxford English Dictionary defines "understanding" as "an informal or unspoken agreement or arrangement."

[32] Thirdcoast submits that at least one of the Lock-Up Agreements was entered into by reason of a collateral understanding. Specifically, Thirdcoast alleges that Thompsons Limited, one of Thirdcoast's largest shareholders, entered into a collateral understanding with P&H for long term access to Thirdcoast's facilities.

[33] At the heart of Thirdcoast's argument was that the totality of the evidence before the Commission provided this Panel with clear evidence that a collateral "understanding" was entered into in exchange for the Lock-up Agreements resulting in the unequal treatment of Thirdcoast shareholders. This would be a contravention of subsection 97.1(1) of the Act. The evidence relied upon by Thirdcoast was (a) email correspondence between Mr. Bryson, Vice-President of P&H, and Mr. Thompson, Thompsons Limited's principal, (b) a conversation between Mr. Henry, Thirdcoast's President and CEO, and Mr. Thompson, as described in the affidavits of Mr. Bryson and Mr. Henry, and (c) a P&H press release dated March 30, 2012.

[34] The impugned press release provided, in part, as follows:

> … We wish to affirm that our intention is to continue the operation of Thirdcoast's grain handling facilities under the existing public house model in the event that P&H successfully acquires or controls Thirdcoast as a result of the Bid.

[35] Counsel for Thirdcoast relied on Re Sears at paragraph 57 for the proposition that a broad approach should be taken to determine what constitutes consideration of greater value than offered to other shareholders. With respect to the press release, counsel for Thirdcoast submitted as follows:

> And that is the understanding. The understanding that we say was a collateral benefit is the understanding that if you enter into a lock-up agreement with us, we will continue to provide you with access to the Goderich terminal for that purpose.
>
> (Hearing Transcript at pages 131-132)

[36] Counsel for Thirdcoast asserted that the statements made in the March 30, 2012 press release constitute a clear breach of section 97.1(1) of the Act:

> There was a public pronouncement put out by P&H in one of its press releases that essentially said, we will maintain this Goderich terminal, if we acquire it, as a public house, so there shouldn't be any undue concern about us acquiring it.

> Well, that's fine, but that's – so there's a proposition that there is – that you will not be denied access. So there's an assurance given. That's why I say an understanding. There's an assurance given by one party and accepted as an assurance by the other party. There's no agreement. But one party says, we're not going to deny you access. We want your support. We're not going to deny you access. We're going to maintain this as a public house.
>
> But it can only do that to people who use it as a public house. It can only do that to shareholders who are customers of that public house and not all shareholders.
>
> (Hearing Transcript at pages 136-137)

[37] Counsel for Thirdcoast submit that the impetus for the press release was the existence of a collateral understanding between Mr. Thompson and P&H as demonstrated by an email dated March 15, 2012 from Mr. Bryson to Mr. Thompson, which provided as follows:

> I will be happy to give you written guarantee of access to the terminals, with or without a lock-up agreement. While I would like to see us agree to the lock-up agreement our first priority at Thirdcoast is to maintain your business as a key customer.

[38] Counsel also took the Panel to Mr. Thompson's affidavit and asked us to infer that the March 15, 2012 email, combined with the March 30, 2012 press release, together with the affidavit evidence before us, demonstrated the existence of a collateral understanding prohibited by section 97.1(1) of the Act. On further questioning by the Panel about this "understanding", the response from counsel for Thirdcoast was as follows:

> MR. MOSCONE: There's no question that there's some speculation is required here [*sic*]. But I think, you know, if you sort of put – if you sort of look at it objectively, I find it surprising that Wes Thompson on March 15th, in response to a request for a lock-up agreement, says, can you work in there language about access to the facility. That was his request.
>
> And the response from P & H is: Not a problem, we can give you that whether you sign a lock-up agreement or not. So the question is, why did it then take him 12 days to sign the lock-up agreement, subsequent conversation?
>
> And in between that, a meeting that he attended which he says – I mean, in it, he says that they attended a conference call in an effort to organize a resistance to the bid. So why did he attend that conference call? And why did he decide five days later to enter into this lock-up agreement?
>
> CHAIR: So you tell us what you think is the answer to that question.
>
> MR. MOSCONE: Well, I don't know. But I think it comes back to the question you asked Mr. Bowen, which is what's the difference between an agreement or an understanding. And obviously, we don't have an agreement here. But do we have an understanding? I think it's fairly clear.
>
> (Hearing Transcript at pages 139-140)

[39] In response to Thirdcoast's submissions, counsel for P&H took us to the affidavit of Mr. Henry, President and CEO of Thirdcoast, which was evidence submitted by Thirdcoast in support of its argument that a collateral understanding existed. In his affidavit, Mr. Henry recalls a conversation with Mr. Thompson where he says Mr. Thompson revealed that he entered into an agreement with P&H for future access to Thirdcoast's facilities in exchange for his support of the Bid. Counsel for P&H characterized Mr. Henry's evidence as follows:

> Now, this is the only evidence that Thirdcoast has called on this issue. It's not direct evidence. It's simply hearsay evidence regarding a discussion that he had with Mr. Thompson.
>
> (Hearing Transcript at page 152)

[40] Counsel for P&H further referred to the affidavit of Mr. Thompson in which he disagrees that he told Mr. Henry that Thompsons Limited had come to an agreement with P&H for future access to Thirdcoast's facilities in exchange for Thompsons Limited's support of the Bid:

> … I disagree with Mr. Henry's statement; Thompsons and P&H did not enter into an agreement in exchange for Thompsons supporting the take-over bid by P&H for all of the issued and outstanding

> common shares of Thirdcoast … Moreover, I did not refuse to discuss terms of the agreement with Mr. Henry; rather, there are no terms to discuss because there is no agreement.
>
> I did, on behalf of Thompsons, sign a lock-up agreement on March 27, 2012 … pursuant to which Thompsons agreed to tender its shares of Thirdcoast under the Bid. The consideration under the Bid (at that time) was $115 per common share. No other consideration was provided to Thompsons under the Lock-up Agreement or to entice it to enter into the Lock-up Agreement. …
>
> (Affidavit of Wesley T. Thompson sworn June 20, 2012 at pages 1-2)

[41] In his affidavit, Mr. Thompson states that he had discussions with the Vice-President of P&H Grain Group about continued access to Thirdcoast's grain terminal in Goderich. During these discussions Mr. Thompson was assured that Thompsons Limited would continue to have access to the Goderich terminal, regardless of whether Thompsons Limited entered into a lock-up agreement:

> At some point during our discussions, Mr. Bryson confirmed to me that he was not permitted to offer me anything other than what he was offering to all other Thirdcoast customers. He also advised me that Thompsons would continue to have the same access it had in the past, regardless of whether it decided to enter into the Lock-up Agreement.
>
> (Affidavit of Wesley T. Thompson sworn June 20, 2012 at page 2)

[42] In *Re CDC Life Sciences Inc.* (1988), 11 O.S.C.B. 2541 ("***CDC***") at 2547 this Commission articulated the fundamental requirement for equal treatment of security holders in the context of a take-over bid scenario. Specifically with respect to collateral agreements or understandings, this Commission determined that they will be considered on their own facts in each case, and noted common elements of collateral agreements, commitments or understandings that have been approved in past cases:

> During the course of the hearing questions were raised as to what sorts of collateral agreements, commitments or understandings might be entered into without creating a breach of subsection 96(2) [now subsection 97.1(1)]. Such collateral agreements are both many and various, and each will be considered on its own facts. Mr. Sorell filed a helpful compendium of decisions in which the Commission has considered such agreements, and a common thread runs through most of them: a clearly established business or financial purpose related either to the terms upon which the offeror is prepared to acquire the target company or to its ongoing operation. Thus, the Commission has approved agreements under which certain shareholders would receive deferred compensation rather than immediate cash; others, requiring the controlling shareholders to take certain assets out of the company as a condition of the offeror's proceeding; yet others, providing for continuity of senior management by way of employment contracts. In each case, Staff has tested the reasonableness of the arrangement in relation to the purpose claimed for it and independent opinions on that issue have sometimes been required.
>
> (*CDC* at 2560)

[43] We recognize that the parties to this hearing did not cross-examine the affidavit evidence submitted in support of the applications and we took this into consideration when weighing the evidence. Notwithstanding that Mr. Thompson was not cross-examined, we did not find that a collateral understanding either (a) was entered into in exchange for the Lock-Up Agreement or (b) resulted in the unequal treatment of security holders. Thirdcoast did not present any evidence that led the Panel to conclude that P&H entered into any collateral understanding that would have the effect of providing any Thirdcoast shareholder with consideration of greater value than any other shareholder as a result of entering into the Lock-up Agreements.

[44] At the time that Thompsons Limited entered into the Lock-up Agreement with P&H, it understood that it would continue to have access to Thirdcoast's facilities following an acquisition by P&H. However, this was not an understanding collateral to P&H making the Bid or to entice Thompsons Limited to enter into a Lock-up Agreement.

[45] Although contemporaneous with the Bid, the understanding that Thompsons Limited would continue to have access to Thirdcoast's facilities was not a form of consideration provided to Thompsons Limited in exchange for entering into a Lock-up Agreement. Neither was it provided uniquely to Thompsons Limited; Mr. Thompson's evidence was that P&H was not offering Thompsons Limited anything that would not also be available to other Thirdcoast customers.

[46] Upon consideration of the nature of the Lock-up Agreements, the evidence submitted at the hearing and the context of section 97.1 of the Act and the CDC case, we were not satisfied that there was any benefit provided to any of the locked-up Thirdcoast shareholders of greater value than that provided in the Offer. There was no evidence before us that P&H engaged in

activities prohibited under section 97.1(1) of the Act. Accordingly, we dismissed Thirdcoast's application for an order cease trading the Thirdcoast shares that were subject to the Lock-up Agreements.

C. The Rights Plan should be Cease Traded

[47] The Rights Plan was a defensive tactic implemented by Thirdcoast in response to the P&H Bid. Subsection 1.1(5) of National Policy 62-202 *Defensive Tactics* ("**NP 62-202**") articulates the Commission's view that it "will take appropriate action if [the Commission] become[s] aware of defensive tactics that will likely result in shareholders being deprived of the ability to respond to a take-over bid or to a competing bid."

[48] This Commission has repeatedly recognized that, notwithstanding the potential benefits of a shareholder rights plan, there comes a time when such plan has served its purpose by encouraging competing bids or otherwise maximizing shareholder value and is no longer any benefit to the bidding process: *Re Canadian Jorex Ltd.* (1992), 15 O.S.C.B. 257 ("***Jorex***"). In *Jorex*, a foundational decision by the Commission, the panel held at page 266 as follows:

> … For us, the public interest lies in allowing shareholders of a target company to exercise one of the fundamental rights of share ownership – the ability to dispose of shares as one wishes – without undue hindrance from, among other things, defensive tactics that may have been adopted by the target board with the best of intentions, but that are either misguided from the outset or, as here, have outlived their usefulness.

[49] With respect to the Rights Plan Application, we considered NP 62-202 as well as the case law which sets out the relevant factors to be considered in making a determination to cease trade a shareholder rights plan. Specifically, we considered the factors enumerated in *Re Royal Host Real Estate Investment Trust* (1999), 22 O.S.C.B. 7819 ("***Royal Host***") at paragraph 74. In the recitals to the Decision & Order, this Panel enumerated certain *Royal Host* factors that were relevant and taken into consideration at the time of the hearing, as follows.

Shareholder Approval

[50] NP 62-202 sets out some of the guiding principles for the Commission's review of defensive tactics implemented by a target board in response to a bid. It seeks to strike a balance between giving deference to directors of a target company and preventing abuse of the rights of shareholders of a target. Specifically, section 1.1(3) of NP 62-202 provides as follows:

> (3) The Canadian securities regulatory authorities have determined that it is inappropriate to specify a code of conduct for directors of a target company, in addition to the fiduciary standard required by corporate law. Any fixed code of conduct runs the risk of containing provisions that might be insufficient in some cases and excessive in others. However, the Canadian securities regulatory authorities wish to advise participants in the capital markets that they are prepared to examine target company tactics in specific cases to determine whether they are abusive of shareholder rights. Prior shareholder approval of corporate action would, in appropriate cases, allay such concerns.

[51] In *Re Cara Operations Ltd.* (2002), 25 O.S.C.B. 7997 ("***Cara***"), this Commission held at paragraphs 62-66 as follows:

> Certain guideposts or indicia have been outlined in *Royal Host* and other cases to help determine whether a rights plan in a given case is in the best interest of the shareholders.
>
> Tactical rights plans generally will not be found to be in the best interest of the shareholders.
>
> If a plan is not put in place before a particular bid becomes evident, it very likely will be that the plan is tactical and directed at the particular bid.
>
> If a plan does not have shareholder approval, it generally will be suspect as not being in the best interest of the shareholders; however, shareholder approval of itself will not establish that a plan is in the best interest of the shareholders.
>
> If, in the face of a take-over bid, a director, a special committee member, or an advisor acts in a manner that raises serious questions as to whether such person is acting solely in the best interest of the shareholders, then the onus of establishing that the rights plan is in the best interest of the shareholders may be significantly increased.

[52] Thirdcoast shareholders did not have an opportunity to approve the Rights Plan and no evidence was provided of shareholder support for the Rights Plan. Thirdcoast acknowledged that, based on the existence of the Lock-up Agreements, it was unlikely that any such approval would be forthcoming.

The Rights Plan was Adopted in Response to P&H's Offer

[53] As noted in the excerpt from *Cara* above, if a shareholder rights plan is not put in place before a particular bid becomes evident, it is likely that the plan is tactical and directed at the particular bid. The plan then has the effect of constraining the ability of shareholders to respond to the bid when they have not accorded authority to the board to act in this manner.

[54] On February 21, 2012, Thirdcoast first became aware of P&H's intentions to acquire its remaining common shares. On March 6, 2012, P&H issued a press release announcing its intention to make a formal bid and revealing the existence of the Lock-up Agreements. It was not until three months after P&H advised Thirdcoast of its intention to bid that, on May 30, 2012, Thirdcoast announced its adoption of the Rights Plan. This was clearly a tactical move in a context in which it was aware that a majority of shareholders would not have approved the Rights Plan. This timing is a relevant consideration for this Commission in determining if it is an abuse of the rights of Thirdcoast's shareholders.

Length of Time Since the Bid was Announced

[55] In *Cara*, this Commission recognized that clear timelines for take-over bids is in the best interests of shareholders because it encourages bidders to come forward while giving shareholders an opportunity to realize upon their investment at optimum values. In this context, the panel in Cara found that the longer a rights plan remains in place, the higher the onus on the target to demonstrate that such plans continues to serve the best interests of the shareholders:

> The longest period following the announcement of a bid that a rights plan was permitted to operate in the cases referred to us was the period of 108 days in Ivanhoe. That would have been an inordinate period of time, except for the special circumstances of that case. While absolute numbers of days, on their own, should not be the deciding factor in determining whether a rights plan no longer serves the interest of shareholders, the longer the period the higher the onus is on those alleging that the rights plan still serves the interest of shareholders.
>
> (*Cara* at para. 60)

[56] As of the expiry of the Bid on July 5, 2012, the formal Bid had been outstanding for 35 days, public notice of P&H's intention to make the Bid had been made for 122 days and Thirdcoast had been aware of P&H's intention to acquire the remaining common shares of Thirdcoast which it did not own for 135 days.

[57] Similar to the facts in *Cara*, without any indication of an emerging competitive bid, it was difficult for this Panel to assume that there was a substantial possibility that a better offer was imminent (*Cara* at paragraph 76). No other viable bidder for Thirdcoast's common shares had come forward as at the date of this hearing. Thirdcoast did not meet its onus of demonstrating that the Rights Plan continued to serve the best interests of Thirdcoast's shareholders and we were not satisfied that the Rights Plan continued to provide an opportunity for further bids for Thirdcoast's common shares.

[58] Neither were we persuaded that Thirdcoast's proposed sale of its Goderich facility would provide a viable alternative that would justify leaving the Rights Plan in place for additional time (see our discussion of the issue of the proposed asset sale as an alternative action to the Bid at paragraphs [62] to [64], below).

The Bid was Not Coercive

[59] Thirdcoast took the position that the hard Lock-up Agreements combined with no minimum tender condition made the Bid coercive in nature. As discussed herein, there is nothing illegitimate about P&H pursuing each of these tactics and to do so contemporaneously is not coercive (see *CW Shareholdings Inc. v. WIC Western International Communications Ltd.*, 160 D.L.R. (4th) 131 at paragraph 57). The features of the Bid which were identified at the hearing did not support the allegation by Thirdcoast that this Bid was coercive.

Other Defensive Tactics Implemented by Thirdcoast

[60] P&H submitted that Thirdcoast engaged in other defensive tactics by delaying the formal valuation required pursuant to MI 61-101 and implementing the potential sale of the Goderich grain facility.

[61] The timeline regarding the valuation request was not in dispute. On February 21, 2012, P&H requested that Thirdcoast prepare an independent valuation for the purpose of preparing a proper bid for the remaining common shares of Thirdcoast. On March 29, 2012, the Independent Committee engaged National Bank and the valuation was completed on May 28, 2012. In the

absence of evidence, it is difficult for this Panel to assess whether the alleged delays were reasonable. We agree with Staff's submissions, however, that such allegations are irrelevant to the Commission's decision that additional time was not needed to maximize shareholder value because the time that had passed since the bid was announced and tendered was longer than the time required to complete the valuation.

[62] Further, concurrent with these Applications was a Court proceeding regarding the potential sale by Thirdcoast of its Goderich grain facility. P&H maintained that the sale of this asset would be prejudicial to Thirdcoast whose operations are highly dependent on the Goderich Terminal, and to the Thirdcoast shareholders who were not given an opportunity to respond to either the asset sale or the Bid. P&H submitted that Thirdcoast's attempt to sell the Goderich Terminal was a defensive tactic designed to subvert the regulatory framework of take-over bids and was intended to derail the Bid.

[63] Section 1.1(4) of NP 62-202 provides as follows:

> (4) Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid, if the board of directors has reason to believe that a bid might be imminent, include
>
> (a) the issuance, or the granting of an option on, or the purchase of, securities representing a significant percentage of the outstanding securities of the target company,
>
> (b) the sale or acquisition, or granting of an option on, or agreeing to sell or acquire, assets of a material amount, and
>
> (c) entering into a contract other than in the normal course of business or taking corporate action other than in the normal course of business.

[64] Although Thirdcoast's actions may engage section 1.1(4)(b) and (c) of NP 62-202, we agree with Staff's submissions that ultimately there was insufficient evidence provided by the parties for the Commission to consider this matter. We did not feel that this in any way limited our ability to reach our decision as there was sufficient other evidence, as noted herein, to make our determination regarding the Rights Plan Application.

It was Unlikely that a Better Bid or Transaction would be Found

[65] Given that no competitive bid had emerged from the time that the Rights Plan was adopted, we determined that it would be unlikely that the Rights Plan would continue to be in the best interest of Thirdcoast shareholders (see Cara at paragraph 67). As at the hearing date, there was no evidence before us of a realistic and competitive bid. In light of this, combined with the existence of the Lock-up Agreements and P&H's holdings of Thirdcoast's common shares, we were not presented with sufficient evidence that would lead us to conclude that permitting the Rights Plan to remain in place for an additional 30 days, as requested by Thirdcoast, would serve the purpose of enhancing shareholder value.

V. CONCLUSION

[66] Accordingly, upon hearing the merits of the Rights Plan Application and the Lock-up Agreements Application, and for the reasons set out above, this Panel concluded that it was in the public interest to order as follows:

1. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities issued or to be issued under or in connection with the Rights Plan shall cease permanently;

2. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply permanently to any securities issued or to be issued under or in connection with the Rights Plan; and

3. The Lock-up Agreements Application is dismissed.

Dated at Toronto this 11th day of August, 2014.

"Mary G. Condon"
Mary G. Condon

"C. Wesley M. Scott"
C. Wesley M. Scott

"Paulette L. Kennedy"
Paulette L. Kennedy

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
Cuervo Resources Inc.	6 August 14	18 August 14	18 August 14	
Multimedia Nova Corporation	5 August 14	18 August 14	18 August 14	
Porto Energy Corp.	13 August 14	25 August 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

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
Penn West Petroleum Ltd.	8 August 14	20 August 14			

This page intentionally left blank

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

There are no Reports of Exempt Distribution on Forms 45-106F1 or 45-501F1 (Reports) in this Bulletin.

Reports filed on or after February 19, 2014 must be filed electronically.

As a result of the transition to mandated electronic filings, the OSC is considering the most effective manner to make data about filed Reports available to the public, including whether and how this information should be reflected in the Bulletin. In the meantime, Reports filed with the Commission continue to be available for public inspection during normal business hours.

This page intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Dynamic U.S. Sector Focus Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 11, 2014
NP 11-202 Receipt dated August 12, 2014
Offering Price and Description:
Series A, E, F, FH, FI, H and O Shares
Underwriter(s) or Distributor(s):
1832 Asset Management L.P.
Promoter(s):
1832 Asset Management L.P.
Project #2243199

Issuer Name:
John Deere Canada Funding Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated August 12, 2014
NP 11-202 Receipt dated August 12, 2014
Offering Price and Description:
$3,500,000,000.00 - Medium Term Notes (Unsecured)
Unconditionally guaranteed as to payment of principal, premium (if any),
interest and certain other amounts by
JOHN DEERE CAPITAL CORPORATION
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
MERRILL LYNCH CANADA INC.
Promoter(s):
-
Project #2243292

Issuer Name:
KWG Resources Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated August 15, 2014
NP 11-202 Receipt dated
Offering Price and Description:
$4,000,000.00 Minimum Offering and $10,000,000.00 Maximum Offering Comprised of : Up to 45,454,545 Units
Price $0.165 per Unit
-and-
Up to 45,454,545 Flow-Through Shares
Price: $0.055 per Flow-Through Share
Underwriter(s) or Distributor(s):
Secutor Capital Management Corporation
Promoter(s):
-
Project #2245835

Issuer Name:
True North Apartment Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated August 11, 2014
NP 11-202 Receipt dated August 12, 2014
Offering Price and Description:
$500,000,000.00
Trust Units
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2242915

Issuer Name:
BMO U.S. High Yield Bond Fund
(Series A, F, D, I, BMO Private U.S. High Yield Bond Fund Series O and Advisor Series)
BMO Tactical Dividend ETF Fund
(Series A, F, D, I, L and Advisor Series)
BMO Income ETF Portfolio (formerly BMO Security ETF Portfolio)
(Series A, T6, F, D, I and Advisor Series)
BMO SelectClass Income Portfolio (formerly BMO SelectClass Security Portfolio)
(Series A, T6, H, I and Advisor Series)
BMO Income ETF Portfolio Class (formerly BMO Security ETF Portfolio Class)
(Series A, T6, F and Advisor Series)
BMO FundSelect Income Portfolio (formerly BMO FundSelect Security Portfolio)
(Series A)
BMO SelectTrust Income Portfolio (formerly BMO SelectTrust Security Portfolio)
(Series A, T6, I and Advisor Series)
BMO SelectTrust Balanced Portfolio (formerly BMO Balanced Solution)
(Series A, T6, I and Advisor Series)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 28, 2014 to the Simplified Prospectuses and Annual Information Form dated April 3, 2014
NP 11-202 Receipt dated August 15, 2014
Offering Price and Description:
Series A, F, D, H, I, L, T6, BMO Private U.S. High Yield Bond Fund Series O and Advisor Series @ Net Asset Value
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Guardian Group of Funds Ltd.
Promoter(s):
BMO Investments Inc.
Project #2166827

Issuer Name:
Series O units of
Phillips, Hager & North Overseas Equity Pension Trust
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 1, 2014 to the Simplified Prospectus and Annual Information Form dated June 27, 2014
NP 11-202 Receipt dated August 12, 2014
Offering Price and Description:
Series C, Advisor Series, Series D, Series F and Series O units
Underwriter(s) or Distributor(s):
Phillips, Hager & North Investment Funds Ltd.
Promoter(s):
RBC Global Asset Management Inc.
Project #2211275,2211271

Issuer Name:
Canadian Overseas Petroleum Limited
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 12, 2014
NP 11-202 Receipt dated August 12, 2014
Offering Price and Description:
Minimum Offering: $5,000,000.00 (25,000,000 Units)
Maximum Offering: $15,000,000.00 (75,000,000 Units)
Price: $0.20 per Unit
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Promoter(s):
-
Project #2237493

Issuer Name:
CIBC Canadian Resources Fund
CIBC Energy Fund
CIBC Precious Metals Fund
(Class A and O Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 12, 2014 to the Simplified Prospectuses and Annual Information Form dated June 27, 2014
NP 11-202 Receipt dated August 15, 2014
Offering Price and Description:
Class A and O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
CANADIAN IMPERIAL BANK OF COMMERCE
Project #2212569

Issuer Name:
Exemplar Investment Grade Fund
Principal Regulator - Ontario
Type and Date:
Amendment No. 1 dated July 24, 2014 to the Simplified Prospectus dated June 27, 2014 (SP amendment no. 1) and Amendment No. 2 dated July 24, 2014 (together with SP amendment no. 1, "Amendment no. 2") to the Annual Information Form dated June 27, 2014
NP 11-202 Receipt dated August 15, 2014
Offering Price and Description:
Series A, AI, F, FI and I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Arrow Capital Management Inc.
Project #2211266

Issuer Name:
Mira IV Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated August 12, 2014
NP 11-202 Receipt dated August 13, 2014
Offering Price and Description:
$1,000,000.00 (10,000,000 Common Shares)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
RICHARDSON GMP LIMITED
Promoter(s):
Ronald D. Schmeichel
Project #2235816

Issuer Name:
Park Lawn Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 14, 2014
NP 11-202 Receipt dated August 14, 2014
Offering Price and Description:
$6,507,500.00
685,000 Common Shares
Price: $9.50 per Common Share
Underwriter(s) or Distributor(s):
MACKIE RESEARCH CAPITAL CORPORATION
GMP SECURITIES L.P.
Promoter(s):
-
Project #2239464

Issuer Name:
Social Housing Canadian Bond Fund
Social Housing Canadian Equity Fund
Social Housing Canadian Short-Term Bond Fund
Type and Date:
Amendment #1 dated July 30, 2014 to the Simplified Prospectuses and Annual Information Form dated June 27, 2014
Receipted on August 13, 2014
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Philips, Hager & North Investment Funds Ltd.
Promoter(s):
-
Project #2214185

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	The Martello Group Inc.	Exempt Market Dealer	August 15, 2014
New Registration	Manulife Asset Management Investments Inc. / Investissements Gestion D'Actifs Manuvie Inc.	Exempt Market Dealer	August 15, 2014

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Liquidnet Canada – Notice of Proposed Changes and Request for Comment

Liquidnet Canada, Inc.
200 Bay Street – Suite 3400
Toronto, ON M5J2J4
P: 877 660 6553
F: 416 504 8923

LIQUIDNET CANADA

NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT

Liquidnet Canada has announced plans to implement the changes described below on or after October 1, 2014. Liquidnet Canada is publishing this Notice of Proposed Changes in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F2 and the Exhibits Thereto." Market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by September 22, 2014 to

Market Regulation Branch
Ontario Securities Commission
22nd Floor, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
Fax: (416) 595-8940
marketregulation@osc.gov.on.ca

and

Thomas Scully
General Counsel
Liquidnet Canada Inc.
498 Seventh Avenue
New York, NY 10018
tscully@liquidnet.com.

Comments received will be made public on the OSC website. Upon completion of the Review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff's review and to outline the intended implementation date of the changes.

Liquidnet Canada has announced plans to implement the changes described below on or after October 1, 2014 unless otherwise noted.

Any questions regarding the information below should be addressed to:

Robert Young
Chief Executive Officer
Liquidnet Canada Inc.
200 Bay Street Suite 3400
Toronto, ON M5J2J4
ryoung@liquidnet.com.

Liquidnet Canada proposes to introduce the following four (4) changes:

1. Implementation of a minimum match quantity for negotiations

Liquidnet Canada will not match two contra-side indications unless each indication meets the minimum quantity requirement, where the minimum quantity requirement is the lesser of 5,000 shares and 5% of average daily trading volume (ADV) for the stock for the 30 preceding trading days.

As discussed more fully below, the minimum match quantity for an indication does not apply to a continuing negotiation with the same contra after a partial execution of the indication with that contra.

A. Description

Transmission of indications

Members can interact with Liquidnet Canada by transmitting non-binding indications. Indications are non-binding, which means that a further affirmative action must be taken by the trader before an executed trade can occur.

Members transmit indications from their order management system (OMS) to Liquidnet and manage those indications through the Liquidnet desktop application, which is installed at one or more trader desktops at the Member firm. Indications can be transmitted through a periodic sweep, FIX transmission or other method agreed among Liquidnet, the Member and the Member's OMS vendor, as applicable.

Matching of indications

Negotiation functionality for Canadian equities is provided through the Liquidnet Canada ATS. For Members that elect to participate in Liquidnet's negotiation functionality, Liquidnet the broker transmits indications received from the Member to Liquidnet's indication matching engine. When a trader at a Member firm (a "trader") has an indication in Liquidnet that is transmitted to Liquidnet's indication matching engine, and there is at least one other trader with a matching indication on the opposite side (a "contra-party" or "contra"), Liquidnet notifies the first trader and any contra. A matching indication (or "match") is one that is in the same equity and instrument type and where both the trader and the contra are within each other's minimum tolerance quantities.

Tolerance

A trader is matched with a contra on an indication only if the working quantity of each trader's indication is at or above the other trader's minimum tolerance quantity (or "tolerance"). A trader's tolerance on an indication represents the minimum working quantity against which the trader is matched and is intended to protect a trader from negotiating with a contra whose working quantity is too small. A trader's working quantity sets the maximum quantity he or she can execute in a negotiation.

Tolerance based on working quantity and ADV

The system sets a default tolerance percentage based on the lower of a percentage of working quantity and a percentage of ADV. A trader can adjust each of the default tolerance percentage settings within a permitted range of percentages at the trader level and at the indication level. "ADV" means the average daily trading volume in the stock for the 30 prior trading days. A trader also can choose to set his default tolerance percentage based on working quantity only. Liquidnet also has set a default maximum tolerance for Canadian equities, which a Member can adjust.

Tolerance after an initial trade is executed

Tolerance does not apply after an initial trade is executed on an indication.

Negotiation

When Liquidnet notifies a trader of one or more active contras for a security, the trader can start a negotiation for that security by selecting a contra, specifying a price and negotiation quantity, and submitting a bid or offer. This is also known as "sending an invitation." When a trader sends an invitation in response to an active indication, he is making a firm bid or offer. Liquidnet negotiations are anonymous one-to-one negotiations through which traders submit bids and offers to each other. The first bid or offer in a negotiation is submitted when one trader opens the negotiation room and sends an invitation. Subsequent bids and offers may be submitted as counter-bids or counter-offers in the negotiation.

"Negotiation quantity" is the quantity set by a trader when he makes a bid, offer, counter-bid or counter-offer or agreed to by a trader when he accepts a bid, offer, counter-bid or counter-offer. A trader's negotiation quantity defaults to his working quantity at the start of a negotiation, but the trader can modify his negotiation quantity before submitting a bid, offer, counter-bid, or counter-offer.

At present, other than minimum tolerance quantities, there is no other minimum quantity required for matching of indications.

The proposed minimum match quantity for negotiations

Should the proposed change be implemented, Liquidnet Canada will not match two contra-side indications unless each indication meets the minimum quantity requirement, where the minimum quantity requirement is the lesser of 5,000 shares and 5% of ADV. "ADV" means the average daily trading volume (ADV) for the stock for the 30 preceding trading days. The proposed minimum match quantity is in addition to the current tolerance conditions that Liquidnet Canada applies (discussed above). Therefore, under the current proposal, a match will only occur if each contra-party has an indication that meets the minimum quantity requirement and each party's indication quantity is at or above the tolerance of the contra-party.

The minimum match quantity for an indication does not apply to a continuing negotiation with the same contra after a partial execution of the indication with that contra. In other words, after a partial execution between two contra-parties, the match will not break simply because remaining quantity for one party is less than the minimum match quantity.

Rationale for the proposed change

As a venue that focuses on block trading, Liquidnet Canada is implementing this change (in conjunction with the proposed minimum execution quantity discussed below) in an effort to facilitate negotiations and ensure that Member firms have an opportunity to match and execute significant portions of their indications, as Members seeking to trade large blocks are most interested in being notified of matches above the minimum levels specified in the proposed change.

B. The Expected Date of Implementation

On or after October 1, 2014.

C. Expected impact of the proposed change on market structure, subscribers, investors and capital markets

Liquidnet Canada believes that the impact of the proposed changes would be minor because Liquidnet is a venue that focuses on block trading, where the historical average trade quantity is well-above the minimum match quantity threshold proposed.

D. Expected impact of the proposed change on Liquidnet compliance with Ontario securities law and the requirements for fair access and maintenance of a fair and orderly markets

We foresee no adverse impact on Liquidnet Canada's compliance with market structure, Ontario securities laws or to requirements of fair access and the maintenance of a fair and orderly market.

E. Whether the proposed change would increase or decrease systemic risk in the Canadian financial system

We foresee no significant impact on systemic risk in the Canadian financial system.

F. Consultations undertaken in formulating the proposed change, including internal governance process followed

Liquidnet Canada consulted with specific Members and customers to validate the proposed change. The proposed change was approved by Liquidnet's Global Operating Committee.

G. Whether the proposed change would introduce a fee model or feature that currently exists in other markets or jurisdictions

The proposed change introducing a minimum match quantity for negotiations will likely be implemented by Liquidnet in other jurisdictions prior to the expected implementation of this feature in Canada.

H. Whether the proposed change will require subscribers and vendors to modify their own systems

The proposed change will not require subscribers or vendors to modify their own systems.

2. Implementation of a minimum execution quantity for negotiations

In coordination with the proposed minimum match quantity for negotiations discussed above, Liquidnet also proposes to implement a minimum execution quantity for negotiations on the Liquidnet Canada ATS, where the minimum execution quantity for negotiations will also be the lesser of 5,000 shares and 5% of the average daily trading volume (ADV) for the applicable stock for the 30 preceding trading days. As with the proposed minimum match quantity, the minimum execution quantity for negotiations will not apply to a continuing negotiation with the same contra after a partial execution of the indication.

A. Description

Negotiation and execution

When Liquidnet notifies a trader of one or more active contras for a security, the trader can start a negotiation for that security by selecting a contra, specifying a price and negotiation quantity, and submitting a bid or offer. This is also known as "sending an invitation." When a trader sends an invitation in response to an active indication, he is making a firm bid or offer. Subsequent bids and offers may be submitted as counter-bids or counter-offers in the negotiation. A trader specifies a negotiation quantity each time he submits a proposal. If the negotiation quantity submitted by a trader is below the contra's minimum tolerance quantity, Liquidnet notifies the contra that the proposal is below his tolerance.

A trader can accept a contra's proposal by clicking accept. A trader also can accept a proposal by submitting the same price as the price of the contra's proposal (as long as the trader's negotiation quantity is within the contra's tolerance). A trader can accept a proposal even after receiving notification that the contra's proposal is below his tolerance. All proposals, cancels, modifications, counter-proposals, and acceptances are deemed effective when they are received and recorded by the Liquidnet back-end software, and are not effective until such time. When an acceptance is effective, a trade is executed for the lesser of the two parties' negotiation quantities.

At present, there is no minimum execution quantity for negotiations.

The proposed minimum execution quantity for negotiations

Should the proposed change be implemented, all negotiations on the Liquidnet Canada ATS will be subject to a minimum execution quantity equal to the lesser of 5,000 shares and 5% of average daily trading volume (ADV) for the stock for the 30 preceding trading days.

The minimum execution quantity for a negotiation does not apply to a continuing negotiation with the same contra after a partial execution of the indication with that contra. In such cases, the minimum execution quantity for negotiations will be the lesser of (i) the proposed minimum execution quantity, i.e., the lesser of 5,000 shares and 5% of the average daily trading volume for the applicable stock for the 30 preceding trading days, and (ii) the remaining unexecuted quantity of the side with the lower remaining unexecuted quantity.

Rationale for the proposed change

As a venue that focuses on block trading, Liquidnet Canada is implementing this change (in conjunction with the proposed minimum match quantity discussed above) in an effort to facilitate negotiations and ensure that Member firms have an opportunity to match and execute significant portions of their indications, as Members seeking to trade large blocks are most interested in executing trades above the minimum levels specified in the proposed change.

B. The Expected Date of Implementation

On or after October 1, 2014.

C. Expected impact of the proposed change on market structure, subscribers, investors and capital markets

We foresee no adverse impact on market structure, subscribers, investors or the capital markets because Liquidnet is a venue that focuses on block trading, where the historical average trade quantity falls well-above the proposed minimum execution quantity.

D. Expected impact of the proposed change on Liquidnet compliance with Ontario securities law and the requirements for fair access and maintenance of a fair and orderly markets

We foresee no adverse impact on Liquidnet Canada's compliance with market structure, Ontario securities laws or to requirements of fair access and the maintenance of a fair and orderly market.

E. Whether the proposed change would increase or decrease systemic risk in the Canadian financial system

We foresee no significant impact on systemic risk in the Canadian financial system.

F. Consultations undertaken in formulating the proposed change, including internal governance process followed

Liquidnet Canada consulted with specific Members and customers to validate the proposed change. The proposed change was approved by Liquidnet's Global Operating Committee.

G. Whether the proposed change would introduce a fee model or feature that currently exists in other markets or jurisdictions

The proposed change introducing a minimum execution quantity for negotiations will likely be implemented by Liquidnet in other jurisdictions prior to the expected implementation of this feature in Canada.

H. Whether the proposed change will require subscribers and vendors to modify their own systems

The proposed change will not require subscribers or vendors to modify their own systems.

3. Restriction on a trader submitting a negotiation proposal below his or her own tolerance

For any match, Liquidnet Canada will prevent a trader from submitting a negotiation proposal below his or her own tolerance for the match (i.e., the tolerance that the trader has set as a condition for matching with a contra-party on the trader's indication).

A. Description

Tolerance and negotiations

As discussed above in connection with the proposed minimum match quantity and minimum execution quantity for negotiation functionality, a trader is matched with a contra only if the working quantity of each trader's indication is at or above the other trader's minimum tolerance quantity (or "tolerance"). A trader's tolerance on an indication represents the minimum working quantity against which the trader is matched and is intended to protect a trader from negotiating with a contra whose working quantity is too small.

When Liquidnet notifies a trader of one or more active contras for a security, the trader can start a negotiation for that security by selecting a contra, specifying a price and negotiation quantity, and submitting a bid or offer (also referred to as a "proposal"). This is also known as "sending an invitation." When a trader sends an invitation in response to an active indication, he is making a firm bid or offer. Liquidnet negotiations are anonymous one-to-one negotiations through which traders submit bids and offers to each other. The first bid or offer in a negotiation is submitted when one trader opens the negotiation room and sends an invitation. Subsequent bids and offers may be submitted as counter-bids or counter-offers in the negotiation. A trader specifies a negotiation quantity each time he submits a proposal. If the negotiation quantity submitted by a trader is below the contra's minimum tolerance quantity, Liquidnet notifies the contra that the proposal is below his tolerance. The contra then has the same options as he would have in response to any other proposal.

At present, a trader is not prevented from submitting a negotiation quantity below his own tolerance.

The proposed change preventing negotiation proposals below own tolerance

Should the proposed change be implemented, a trader will not be able to submit a negotiation quantity that is below the trader's own minimum tolerance for the associated indication (i.e., the tolerance that the trader has set as a condition for matching with a contra-party on the trader's indication).

Rationale for the proposed change

A trader's tolerance is indicative of the minimum quantity that he is willing to trade. Liquidnet believes it is appropriate to apply this minimum quantity to the trader's own proposals.

B. The Expected Date of Implementation

On or after October 1, 2014.

C. Expected impact of the proposed change on market structure, subscribers, investors and capital markets

We foresee no adverse impact on market structure, subscribers, investors or the capital markets because the proposed change would promote more efficient negotiations between traders and larger execution quantities.

D. Expected impact of the proposed change on Liquidnet compliance with Ontario securities law and the requirements for fair access and maintenance of a fair and orderly markets

We foresee no adverse impact on Liquidnet Canada's compliance with market structure, Ontario securities laws or to requirements of fair access and the maintenance of a fair and orderly market.

E. Whether the proposed change would increase or decrease systemic risk in the Canadian financial system

We foresee no significant impact on systemic risk in the Canadian financial system.

F. Consultations undertaken in formulating the proposed change, including internal governance process followed

Liquidnet Canada consulted with specific Members and customers to validate the proposed change. The proposed change was approved by Liquidnet's Global Operating Committee.

G. Whether the proposed change would introduce a fee model or feature that currently exists in other markets or jurisdictions

The proposed change restricting a trader from submitting a negotiation proposal below his or her own tolerance will likely be implemented by Liquidnet in other jurisdictions prior to the expected implementation of this feature in Canada.

H. Whether the proposed change will require subscribers and vendors to modify their own systems

The proposed change will not require subscribers or vendors to modify their own systems.

4. Elimination of IOIs provided to the back-end software of liquidity partners

Liquidnet Canada will no longer provide to the back-end software of liquidity partners (LPs) a real-time data feed (also referred to as "order notifications", "indications of interest" or "IOIs") notifying the back-end software of Liquidnet algo orders.

A. Description

"Liquidity partners" (LPs) are exchanges, ATSs, MTFs and brokers that transmit immediate-or-cancel (IOC) orders to Liquidnet H2O for execution. LPs do not have access to the Liquidnet desktop application and do not interact with the Liquidnet negotiation system. Currently, when a Member or customer creates an algo order, Liquidnet Canada can provide to the back-end software of the LPs a real-time data feed (also referred to as "order notifications", "indications of interest" or "IOIs") notifying the back-end software of Liquidnet algo orders in Liquidnet H2O. The Liquidnet data feed includes a ticker symbol, side (buy or sell) and quantity (subject to masking at certain quantity levels) with respect to each order notification. These IOIs are not displayed. Liquidnet Canada will no longer provide IOIs to the back-end software of LPs.

B. The Expected Date of Implementation

On or after October 1, 2014.

C. Expected impact of the proposed change on market structure, subscribers, investors and capital markets

We foresee no adverse impact on market structure, subscribers, investors or the capital markets because LPs can continue to send IOC orders to Liquidnet H2O for execution.

D. Expected impact of the proposed change on Liquidnet compliance with Ontario securities law and the requirements for fair access and maintenance of a fair and orderly markets

We foresee no adverse impact on Liquidnet Canada's compliance with market structure, Ontario securities laws or to requirements of fair access and the maintenance of a fair and orderly market.

E. Whether the proposed change would increase or decrease systemic risk in the Canadian financial system

We foresee no significant impact on systemic risk in the Canadian financial system.

F. Consultations undertaken in formulating the proposed change, including internal governance process followed

Liquidnet Canada consulted with specific Members and customers to validate the proposed change. The proposed change was approved by Liquidnet's Global Operating Committee.

G. Whether the proposed change would introduce a fee model or feature that currently exists in other markets or jurisdictions

The proposed change eliminating the data feed provided to the back-end software of LPs has previously been implemented by Liquidnet in other jurisdictions.

H. Whether the proposed change will require subscribers and vendors to modify their own systems

The proposed change will not require subscribers or vendors to modify their own systems.

This page intentionally left blank

Index