



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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

- AND -

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

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

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

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

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

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

AND WHEREAS Global RESP brought a motion on November 2, 2012, to vary the Terms and Conditions imposed on Global RESP on July 26, 2012;

AND WHEREAS Global RESP served and filed the Affidavit of Larry Boyce sworn October 22, 2012, the Affidavits of Margaret Singh sworn October 22 and November 2, 2012 and the Affidavit of Kim Maggiacomo sworn November 1, 2012 in support of its motion and Staff served and filed the Affidavit of Lina Creta sworn November 1, 2012 in response to the motion;

AND WHEREAS Staff and counsel for Global RESP advised that the only outstanding issue on the motion was whether the “three call rule” should apply to clients who invested prior to November 2, 2012;

AND WHEREAS the Commission has heard oral submissions from counsel for Global RESP and Staff;

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

AND WHEREAS by Authorization Order made June 13, 2012, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, May G. Condon, Margot C. Howard, Paulette L. Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized, to exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 127 of the Act;

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

1. Paragraph 5 of the Terms and Conditions be deleted and replaced with paragraphs 5.1, 5.2 and 5.3 as follows:

“5.1 For all New Clients who invested prior to November 2, 2012 and who have not yet been contacted by the Monitor, the Monitor will continue to use best efforts to contact such New Clients of Global RESP for the purpose of confirming:

- (a) the accuracy of the client’s KYC Information;
- (b) that the investment is suitable for the client including that the client has the ability to make the payments for a long term investment; and

(c) that the client understands the fee structure of the investment including the impact of enrolment fees on early termination of the investment and any fees and charges as a result of missed payments.

5.2 For all New Clients who invest on or after November 2, 2012 and until such time as the Plan has been approved by the OSC Manager, the Monitor will:

- (a) review all applications from New Clients of Global RESP for the purpose of ensuring adequate KYC Information in order to determine suitability of the investment and should the Monitor not be satisfied with the KYC Information for this purpose, contact the New Client; and
- (b) the Monitor shall contact the following additional New Clients of Global RESP;
 - i. 100% of all New Clients with an income less than or equal to \$50,000; and
 - ii. a random sample of 20% of all New Clients with an income greater than \$50,000.

5.3 For all New Clients who invest on or after November 2, 2012 and until such time as the Plan has been approved by the OSC Manager, the Monitor will use best efforts to contact the New Clients of Global RESP as set out above within 30 days of the client's investment for the purpose of confirming:

- (a) the accuracy of the client's KYC Information;
- (b) that the investment is suitable for the client including that the client has the ability to make the payments for the investment time horizon; and
- (c) that the client understands the fee structure of the investment including the impact of enrolment fees on early termination of the investment and any fees and charges as a result of missed payments.”

2. Paragraph 6 of the Terms and Conditions be deleted and replaced with paragraphs 6.1 and 6.2 as follows:

“6.1 For all New Clients who invested prior to November 2, 2012 and who have not yet been contacted by the Monitor, in the event that the Monitor determines that the investment was not suitable to the client, the investment shall be unwound at no cost to the client and any deposits made will be returned in full to the client. In the event the Monitor determines that the client did not understand the fee structure, the Monitor will explain the fee structure and advise the client of the client's option to unwind the investment, at no cost to the client, within 105 days following the investment. In the event that after using its best efforts to attempt to contact a New Client on at least three separate occasions, the Monitor has been unsuccessful in reaching the client and has been unable to confirm the information set out in paragraph 5.1, then no further efforts by the Monitor to contact that New Client will be required. Should the Monitor not be satisfied

with the KYC information, or have questions after reviewing the New Client application the Monitor will still need to contact the New Client.

6.2 For all New Clients who invest on or after November 2, 2012, in the event that the Monitor determines that the investment was not suitable to the client, the investment shall be unwound at no cost to the client and any deposits made will be returned in full to the client. In the event the Monitor determines that the client did not understand the fee structure, the Monitor will explain the fee structure and advise the client of the client's option to unwind the investment, at no cost to the client, within 60 days following the investment. In the event that after using its best efforts to attempt to contact a New Client on at least three separate occasions, the Monitor has been unsuccessful in reaching the client and has been unable to confirm the information set out in paragraph 5.3 above, then no further efforts by the Monitor to contact that New Client in accordance with paragraph 5.2(b) will be required."

3. Paragraph 7 of the Terms and Conditions be deleted and replaced with paragraph 7 as follows:

"7. Global RESP will disclose to New Clients that their investment will be reviewed by an independent Monitor retained by Global RESP and will be unwound if the Monitor determines the investment is not suitable for them."

4. The hearing is adjourned to December 13, 2012 at 10:00 a.m.

5. The appearance date on November 8, 2012 at 10:00 a.m. is vacated.

DATED at Toronto this 7th day of November, 2012.

"James E. A. Turner"

James E. A. Turner