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Table of Contents

<p>Chapter 1 Notices / News Releases 7231</p> <p>1.1 Notices 7231</p> <p>1.1.1 CSA Staff Notice 46-307 Cryptocurrency Offerings..... 7231</p> <p>1.2 Notices of Hearing (nil)</p> <p>1.3 Notices of Hearing with Related Statements of Allegations (nil)</p> <p>1.4 News Releases (nil)</p> <p>1.5 Notices from the Office of the Secretary 7237</p> <p>1.5.1 Sino-Forest Corporation et al. 7237</p> <p>1.5.2 Money Gate Mortgage Investment Corporation et al..... 7237</p> <p>1.5.3 Dennis L. Meharchand and Valt.X Holdings Inc. 7238</p> <p>1.6 Notices from the Office of the Secretary with Related Statements of Allegations (nil)</p> <p>Chapter 2 Decisions, Orders and Rulings 7239</p> <p>2.1 Decisions 7239</p> <p>2.1.1 Hillmount Capital Management Inc. and Hillmount Mortgage Fund 7239</p> <p>2.1.2 Impak Finance Inc. 7244</p> <p>2.1.3 Norrep Capital Management Ltd. et al. 7249</p> <p>2.1.4 Norrep Capital Management Ltd. et al. 7255</p> <p>2.1.5 Caldwell Investment Management Ltd. and Caldwell Canadian Value Momentum Fund 7259</p> <p>2.1.6 Caldwell Investment Management Ltd. and Caldwell Canadian Value Momentum Fund 7263</p> <p>2.1.7 Encana Corporation 7266</p> <p>2.2 Orders 7269</p> <p>2.2.1 Manulife Asset Management Limited et al. – ss. 78(1), 80 of the CFA..... 7269</p> <p>2.2.2 Silver Bear Resources Inc. 7274</p> <p>2.2.3 Silver Bear Resources Inc. – s. 1(6) of the OBCA 7275</p> <p>2.2.4 Money Gate Mortgage Investment Corporation et al. – s. 127(8)..... 7276</p> <p>2.2.5 R Split III Corp. 7277</p> <p>2.2.6 R Split III Corp. – s. 1(6) of the OBCA..... 7278</p> <p>2.2.7 Silcom Systems Inc. – s. 144 7279</p> <p>2.2.8 Dennis L. Meharchand and Valt.X Holdings Inc. – s. 127(1)..... 7281</p> <p>2.3 Orders with Related Settlement Agreements (nil)</p> <p>2.4 Rulings (nil)</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>3.1 OSC Decisions (nil)</p> <p>3.2 Director’s Decisions (nil)</p> <p>3.3 Court Decisions (nil)</p>	<p>Chapter 4 Cease Trading Orders 7283</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders..... 7283</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 7283</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 7283</p> <p>Chapter 5 Rules and Policies (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 7285</p> <p>Chapter 9 Legislation (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings 7355</p> <p>Chapter 12 Registrations 7363</p> <p>12.1.1 Registrants..... 7363</p> <p>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories (nil)</p> <p>13.1 SROs (nil)</p> <p>13.2 Marketplaces (nil)</p> <p>13.3 Clearing Agencies (nil)</p> <p>13.4 Trade Repositories (nil)</p> <p>Chapter 25 Other Information 7365</p> <p>25.1 Approvals 7365</p> <p>25.1.1 Hillmount Capital Management Inc. – s. 213(3)(b) of the LTCA 7365</p> <p>Index 7367</p>
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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 CSA Staff Notice 46-307 Cryptocurrency Offerings



CSA Staff Notice 46-307 Cryptocurrency Offerings¹

August 24, 2017

Introduction and purpose

Staff (**we** or **staff**) of the Canadian Securities Administrators (**CSA**) are aware of an increase in the number of cryptocurrency offerings, such as initial coin offerings (**ICO**), initial token offerings (**ITO**)² and sales of securities of cryptocurrency investment funds.

Cryptocurrency offerings can provide new opportunities for businesses to raise capital and for investors to access a broader range of investments. However, they can also raise investor protection concerns, due to issues around volatility, transparency, valuation, custody and liquidity, as well as the use of unregulated cryptocurrency exchanges.³ Also, investors may be harmed by unethical practices or illegal schemes, and may not understand the properties of the investment products that they are purchasing.

Many of these cryptocurrency offerings involve sales of securities. Securities laws in Canada will apply if the person or company selling the securities is conducting business from within Canada or if there are Canadian investors. Given the significant growth in this area and requests for guidance, we are publishing this Staff Notice to help financial technology (**fintech**) businesses understand what obligations may apply under securities laws.⁴

We note that these products may also be derivatives and subject to the derivatives laws adopted by the Canadian securities regulatory authorities, including trade reporting rules.

Businesses should consider if and how prospectus, registration and/or marketplace requirements apply to their cryptocurrency offerings. Specifically and as described in more detail in this Staff Notice:

- Securities may only be sold after a receipt has been received from a securities regulatory authority for a comprehensive disclosure document called a “prospectus”, or pursuant to a private placement in reliance on a prospectus exemption;
- Businesses and individuals in the business of trading in or advising on securities must be properly registered or rely on an exemption from registration; and
- A platform that facilitates trades in coins/tokens that are securities may be a marketplace and need to comply with marketplace requirements or obtain an exemption from such requirements.

¹ This Staff Notice is being published in all of the jurisdictions of Canada except Saskatchewan. The Financial and Consumer Affairs Authority of Saskatchewan will advise of its approach in this matter after the provincial by-election in Saskatchewan on September 7, 2017.

² Cryptocurrency may also be referred to as virtual or digital currency, among other terms. ICOs and ITOs may also be referred to as token generation events (TGE), among other terms.

³ The term “exchange” used in this context is not intended to be the same as the term used in National Instrument 21-101 *Marketplace Operation* and securities legislation of the jurisdictions of Canada, but instead reflects what these entities are commonly referred to today.

⁴ Many authorities have recently cautioned that sales of digital assets may be subject to securities laws:

<https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-initial-coin-offerings>

<http://www.mas.gov.sg/News-and-Publications/Media-Releases/2017/Consumer-Advisory-on-Investment-Schemes-Involving-Digital-Tokens.aspx>

This Staff Notice will:

- Respond to requests from fintech businesses for guidance on the applicability of securities laws to cryptocurrency offerings and what staff will consider in assessing if an ICO/ITO is a distribution of securities;
- Discuss what steps fintech businesses can take if they are raising capital through ICOs/ITOs, so that they comply with securities laws;
- Highlight issues that fintech businesses looking to establish cryptocurrency investment funds should be prepared to discuss with staff;
- Discuss how the use of cryptocurrency exchanges may impact staff's review of ICOs/ITOs and cryptocurrency investment funds; and
- Explain how the CSA Regulatory Sandbox can help fintech businesses with cryptocurrency offerings comply with securities laws through a flexible process.

This Staff Notice focuses on ICOs/ITOs and cryptocurrency investment funds, and their intersection with cryptocurrency exchanges. However, this guidance should also be considered in the context of other cryptocurrency or distributed ledger technology-based offerings that may trigger securities law requirements.

What is a cryptocurrency exchange?

Cryptocurrency exchanges are online exchanges that allow investors to buy and sell cryptocurrencies. Purchases and sales of cryptocurrencies can be made using either fiat currency (e.g., buying bitcoin using CAD or USD) or cryptocurrency (e.g., buying bitcoin using another cryptocurrency such as ether). We understand that in addition to cryptocurrencies such as bitcoin and ether, cryptocurrency exchanges may also offer coins/tokens that have been sold pursuant to ICOs/ITOs.

Cryptocurrency exchanges operate across the world, in many cases without government oversight or regulation. Prices for cryptocurrencies may differ significantly among exchanges, allowing for arbitrage opportunities. While arbitrage opportunities may not exist for extended periods in efficient markets, they can persist in inefficient ones. Investment funds that purchase cryptocurrencies from these exchanges for their portfolios should be aware that standards among exchanges can vary significantly.

Recently, several jurisdictions have taken steps to impose requirements on cryptocurrency exchanges, including with respect to identity verification, anti-money laundering, counter-terrorist financing and recordkeeping.

A cryptocurrency exchange that offers cryptocurrencies that are securities must determine whether it is a marketplace. Marketplaces are required to comply with the rules governing exchanges or alternative trading systems. If an exchange is doing business in a jurisdiction of Canada, it must apply to that jurisdiction's securities regulatory authority for recognition or an exemption from recognition. To date, no cryptocurrency exchange has been recognized in any jurisdiction of Canada or exempted from recognition.

Allowing coins/tokens that are securities issued as part of an ICO/ITO to trade on these cryptocurrency exchanges may also place the business issuing the coins/tokens offside securities laws. For example, the resale of coins/tokens that are securities will be subject to restrictions on secondary trading.⁵

Coin and token offerings

Background

ICOs/ITOs are generally used by start-up businesses to raise capital from investors through the internet. These investors are often retail investors. An ICO/ITO is typically open for a set period, during which investors can visit a website to purchase coins/tokens in exchange for fiat currency or a cryptocurrency such as bitcoin or ether. The structures of ICOs/ITOs will vary, and they may be used to raise capital for a variety of projects, including the development of a new cryptocurrency, distributed ledger technology, service or platform. Anyone with internet access can create or invest in an ICO/ITO; in many cases, they can do so anonymously.

In many ways, an ICO/ITO can be very similar to an initial public offering (IPO). The coins/tokens can be similar to traditional shares of a company because their value may increase or decrease depending on how successfully the business executes its business plan using the capital raised.

⁵ National Instrument 45-102 *Resale of Securities* restricts secondary trading in securities of non-reporting issuers.

Trades in securities

Staff is aware of businesses marketing their coins/tokens as software products, taking the position that the coins/tokens are not subject to securities laws. However, in many cases, when the totality of the offering or arrangement is considered, the coins/tokens should properly be considered securities. In assessing whether or not securities laws apply, we will consider substance over form.

Although a new technology is involved, and what is being sold is referred to as a coin/token instead of a share, stock or equity, a coin/token may still be a "security" as defined in securities legislation of the jurisdictions of Canada. Businesses should complete an analysis on whether a security is involved. Legal and/or other professional advice may be useful in making this determination.

Every ICO/ITO is unique and must be assessed on its own characteristics. For example, if an individual purchases coins/tokens that allow him/her to play video games on a platform, it is possible that securities may not be involved. However, if an individual purchases coins/tokens whose value is tied to the future profits or success of a business, these will likely be considered securities.

We have received numerous inquiries from fintech businesses and their legal counsel relating to ICOs/ITOs. With the offerings that we have reviewed to date, we have in many instances found that the coins/tokens in question constitute securities for the purposes of securities laws, including because they are investment contracts. In arriving at this conclusion, we have considered the relevant case law,⁶ which requires an assessment of the economic realities of a transaction and a purposive interpretation with the objective of investor protection in mind.

In determining whether or not an investment contract exists, businesses should apply the following four-prong test. Namely, does the ICO/ITO involve:

1. An investment of money
2. In a common enterprise
3. With the expectation of profit
4. To come significantly from the efforts of others

Securities law requirements that apply

Businesses issuing coins/tokens that are securities must identify and address fundamental securities law obligations, including the following:

Prospectus requirement or exemption

To date, no business has used a prospectus to complete an ICO/ITO in Canada. We anticipate that businesses looking to sell coins/tokens may do so under prospectus exemptions. Sales may be made to investors who qualify as "accredited investors" as defined under securities laws, in reliance on the accredited investor prospectus exemption.⁷ For retail investors who do not qualify as accredited investors, sales will typically need to be made in reliance on the offering memorandum (**OM**) prospectus exemption.⁸

We are aware that some fintech businesses publish whitepapers for their ICOs/ITOs, which may describe things such as the fundraising goal, the business, the project for which capital is being raised, how many coins/tokens management of the business will retain and how long the offering will remain open. Although whitepapers are a form of disclosure document for investors, it is important to note that they are often not structured in the same way as prospectuses or OMs. Investors must be provided with a document that complies with the requirements of securities laws. Under securities laws, prospectuses and OMs have specific disclosure requirements and trigger certain ongoing obligations and other protections for investors. For example, investors can sue for misrepresentations by management of the business in prospectuses and OMs.

It should also be noted that investors may also have civil remedies against persons or companies that fail to comply with securities laws, including a right to withdraw from the transaction and/or damages for losses on the grounds that such transactions were conducted in breach of securities laws.

⁶ The Supreme Court of Canada's decision in *Pacific Coast Coin Exchange v. Ontario (Securities Commission)*, [1978] 2 S.C.R. 112; as well as the various judicial and administrative decisions that have been issued subsequent to that case.

⁷ Section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).

⁸ Section 2.9 of NI 45-106.

Unless relief is granted from the applicable securities regulatory authority, businesses relying on the OM prospectus exemption must meet all of the conditions of that exemption, including:

- Meeting the content requirements for the document;
- Obtaining a signed risk acknowledgement form from each investor;
- Complying with investor investment limits, as required;
- Providing audited annual financial statements and ongoing disclosure to investors, as required;
- Complying with resale restrictions, which will generally preclude coins/tokens from trading on cryptocurrency exchanges; and
- Filing reports of exempt distribution with the securities regulatory authorities.

Examples of material information to be disclosed in an OM are:

- A description of the business itself;
- The ecosystem on which the coin/token operates;
- Any minimum or maximum offering amounts;
- The intended use of proceeds;
- How long the offering will remain open;
- Features of the coins/tokens, including potential returns on investment, exit strategies and liquidity;
- How the coins/tokens will be valued on an ongoing basis;
- The number of coins/tokens that will be held by management compared to the number that will be offered for sale to the public;
- The timeline for achieving different milestones and any ongoing updates that will be provided;
- Management members' identities and backgrounds, including any regulatory or legal proceedings against them;
- Remuneration paid or payable to the management team and/or any advisors; and
- All material risks of investing.

Any disclosure provided to investors, whether an OM or otherwise, must not be false or misleading. The disclosure must focus on material facts and be relevant, clear, balanced, in plain language and not overly promotional.

Registration requirement or exemption

Businesses completing ICOs/ITOs may be trading in securities for a business purpose (referred to as the "business trigger"), therefore requiring dealer registration or an exemption from the dealer registration requirement. Whether or not an activity meets the business trigger is facts specific.⁹

With the ICOs/ITOs that we have reviewed, we have found the following factors, among others, as important considerations for whether a person or company is trading in securities for a business purpose:

- Soliciting a broad base of investors, including retail investors;

⁹ A business should consider the factors outlined in section 1.3 of the companion policy to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* to determine if its offering meets the business trigger.

- Using the internet, including public websites and discussion boards, to reach a large number of potential investors;
- Attending public events, including conferences and meetups, to actively advertise the sale of the coins/tokens; and
- Raising a significant amount of capital from a large number of investors.

Individuals or businesses that meet the business trigger must meet fundamental obligations to investors, including know-your-client (**KYC**) and suitability. Collecting little to no information on investors, for example only names, email addresses and/or IP addresses would not be sufficient to meet this obligation. Businesses conducting ICOs/ITOs that meet the business trigger must verify investors' identities and collect sufficient information to ensure that purchases of coins/tokens are suitable, including on investment needs and objectives, financial circumstances and risk tolerance.

It is possible that a business that meets the business trigger could fulfil its KYC and suitability obligations through a robust, automated, online process that incorporates investor protections. These investor protections could include limits on investment amounts and concentration, as well as risk warnings.

Persons or companies facilitating ICOs/ITOs of coins/tokens that are securities must have strong compliance systems in place, with policies and procedures that address cybersecurity risks. As cyberattacks are becoming more frequent, complex and costly, businesses in the cryptocurrency space should ensure that they have strong cybersecurity measures to safeguard the business and its investors.

Cryptocurrency investment funds

We are aware of "investment funds" as defined under securities laws being set up to invest in bitcoin and/or other cryptocurrencies. We understand from our discussions with the fintech community that one of the key purposes of this type of investment fund is to provide investors with the opportunity to obtain exposure to cryptocurrencies, or baskets of cryptocurrencies, that they may not otherwise have.

We encourage a fintech business looking to establish a cryptocurrency investment fund to consider the following:

- **Retail investors:** In certain jurisdictions of Canada, the OM prospectus exemption cannot be used by investment funds to distribute securities to investors.¹⁰ Therefore, if investors in the investment fund will include retail investors, businesses will need to consider prospectus requirements, applicable investment fund rules and whether the investment is suitable.
- **Cryptocurrency exchanges:** Due diligence must be completed on any cryptocurrency exchange that the investment fund uses to purchase or sell cryptocurrencies for its portfolio, including on whether it is regulated in any way and the cryptocurrency exchange's policies and procedures for identity verification, anti-money laundering, counter-terrorist financing and recordkeeping. Businesses should be prepared to discuss with staff how trading volumes on the cryptocurrency exchanges that the investment fund intends to use may affect the ability to buy and sell cryptocurrencies and to fund redemption requests.
- **Registration:** Businesses must consider appropriate registration categories in respect of the investment fund, including dealer, adviser and/or investment fund manager.
- **Valuation:** How will cryptocurrencies in the investment fund's portfolio be valued? How will securities of the investment fund be valued? Will one or multiple cryptocurrency exchange(s) be used; and how will such exchange(s) be selected? Will there be an independent audit of the investment fund's valuation?
- **Custody:** Securities legislation of the jurisdictions of Canada generally require that all portfolio assets of an investment fund be held by one custodian that meets certain prescribed requirements. We expect a custodian to have expertise that is relevant to holding cryptocurrencies. For example, it should have experience with hot and cold storage, security measures to keep cryptocurrencies protected from theft and the ability to segregate the cryptocurrencies from other holdings as needed.

The above list is not exhaustive. Fintech businesses should be prepared to engage in discussions with staff on other relevant issues that may be identified.

¹⁰ The OM prospectus exemption cannot be relied upon by investment funds in certain jurisdictions of Canada, per subsection 2.9(2.2) of NI 45-106.

How can the CSA Regulatory Sandbox help?

We want to encourage financial market innovation and facilitate capital raising by fintech businesses, while at the same time ensuring fair and efficient capital markets and investor protection. As cryptocurrencies become more popular and mainstream, balancing the demand for new investment opportunities and the need to protect investors from high-risk or fraudulent activities is extremely important.

In order to avoid costly regulatory surprises, we encourage businesses with proposed cryptocurrency offerings to contact their local securities regulatory authority to discuss possible approaches to complying with securities laws. We welcome digital innovation and we recognize that new fintech businesses may not fit neatly into the existing securities law framework.

The CSA Regulatory Sandbox is an initiative of the CSA to support fintech businesses seeking to offer innovative products, services and applications in Canada. It allows firms to register and/or obtain exemptive relief from securities law requirements, under a faster and more flexible process than through a standard application, in order to test their products, services and applications throughout the Canadian market on a time-limited basis.

A fintech business is invited to contact the securities regulatory authority in the jurisdiction where its head office is located:

Province	Contact Information
British Columbia	The BCSC Tech Team at TechTeam@bcsc.bc.ca
Alberta	Mark Franko at Mark.Franko@asc.ca or Denise Weeres at Denise.Weeres@asc.ca
Saskatchewan	Dean Murrison at dean.murrison@gov.sk.ca or Liz Kutarna at liz.kutarna@gov.sk.ca
Manitoba	Chris Besko at chris.besko@gov.mb.ca
Ontario	The OSC LaunchPad Team at osclaunchpad@osc.gov.on.ca
Québec	The Fintech Support Team at fintech@lautorite.qc.ca .
New Brunswick	Susan Powell at registration-inscription@fcnb.ca
Nova Scotia	Jane Anderson at Jane.Anderson@novascotia.ca

1.5 Notices from the Office of the Secretary

1.5.1 Sino-Forest Corporation et al.

**FOR IMMEDIATE RELEASE
August 16, 2017**

**IN THE MATTER OF
SINO-FOREST CORPORATION,
ALLEN CHAN,
ALBERT IP,
ALFRED C.T. HUNG,
GEORGE HO,
SIMON YEUNG and
DAVID HORSLEY**

TORONTO – Take notice that the Commission will hold a hearing at the offices of the Ontario Securities Commission located at 20 Queen Street West, 17th Floor, Toronto, on August 25, 2017 at 10:30 a.m. for an appearance to schedule the Sanctions and Costs hearing in the above named matter.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.2 Money Gate Mortgage Investment Corporation et al.

**FOR IMMEDIATE RELEASE
August 16, 2017**

**IN THE MATTER OF
MONEY GATE MORTGAGE
INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN**

TORONTO – The Commission issued an Order in the above named matter which provides that pursuant to subsection 127(8) of the *Securities Act*, RSO 1990, c S.5, paragraph 1 of the Temporary Order is extended to December 31, 2017.

A copy of the Order dated August 16, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.5.3 Dennis L. Meharchand and Valt.X Holdings Inc.

FOR IMMEDIATE RELEASE
August 22, 2017

**IN THE MATTER OF
DENNIS L. MEHARCHAND and
VALT.X HOLDINGS INC.**

TORONTO – The Commission issued an Order in the above noted matter.

A copy of the Order dated August 22, 2017 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

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 Hillmount Capital Management Inc. and Hillmount Mortgage Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the investment fund self-dealing restrictions in the Securities Act (Ontario) to allow pooled funds to invest in securities of underlying funds under common management – each top fund is sole investor in corresponding underlying fund – relief subject to certain conditions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(4), 113.

August 11, 2017

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
HILLMOUNT CAPITAL MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
HILLMOUNT MORTGAGE FUND
(the Initial Top Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of each of the Filer, the Initial Top Fund, and any other investment fund which is not a reporting issuer under the securities legislation of the principal regulator (the **Legislation**) which is advised or managed by the Filer, or its affiliate, after the date hereof (the **Future Top Funds** and, together with the Initial Top Fund, the **Top Funds**) for a decision under the Legislation in respect of the Fund-on-Fund Structure (as defined below) exempting the Filer and the Top Funds from:

- (a) the restriction in the Legislation which prohibits an investment fund from knowingly making an investment in any person or company in which the investment fund, alone or together with one or more related investment funds, is a substantial securityholder; and
- (b) the restriction in the Legislation which prohibits an investment fund, its management company or its distribution company from knowingly holding an investment described in paragraph (a) above

(collectively, 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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in Alberta.

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:

The Filer

- 1. The Filer is a corporation established under the laws of the Province of Ontario with its head office located in Toronto, Ontario.
- 2. The Filer is registered with the Ontario Securities Commission as an investment fund manager, adviser in the category of portfolio manager and dealer in the category of exempt market dealer.
- 3. The Filer is not a reporting issuer in any jurisdiction in Canada and is not in default of securities legislation of any jurisdiction in Canada.

Top Funds

- 4. The Initial Top Fund is an investment trust established under the laws of the Province of Ontario. Each Future Top Fund will be organized as a trust established under the laws of the Province of Ontario or of another jurisdiction of Canada.
- 5. Each Top Fund will be a “mutual fund” for the purposes of the Legislation.
- 6. None of the Top Funds will be a reporting issuer in any jurisdiction of Canada.
- 7. The Filer is, or will be, the investment fund manager and the portfolio manager of each Top Fund.
- 8. The Filer will be the trustee of the Initial Top Fund. The Filer or a third party will act as trustee of a Top Fund.
- 9. Securities of the Top Funds will be offered on a private placement basis to qualified investors pursuant to available exemptions from the prospectus requirements under Canadian securities legislation.
- 10. The Initial Top Fund will invest all or substantially all of its assets in Hillmount Mortgage Fund LP (the **Initial Underlying Fund**).
- 11. Each Future Top Fund will also invest all or substantially all of its assets in an Underlying Fund (as defined below).
- 12. The investment objective of each Top Fund will be the same as the current investment objective of its corresponding Underlying Fund and the strategy for each Top Fund will be to invest substantially all of its assets in its Underlying Fund.
- 13. The Initial Top Fund is not in default of securities legislation in any province or territory of Canada.

Underlying Funds

- 14. The Initial Underlying Fund is not, and no investment fund that is managed or advised by the Filer in the future that serves as an underlying fund for a Top Fund (the **Future Underlying Funds**, and together with the Initial Underlying Fund, the **Underlying Funds**) will be, a reporting issuer in any province or territory of Canada.
- 15. The Filer is, or will be, the investment fund manager and the portfolio manager of the Initial Underlying Fund and each of the Future Underlying Funds.

16. Each Underlying Fund will be a “mutual fund” for the purposes of the Legislation.
17. Each Underlying Fund will be an open-ended limited partnership established under the laws of the Province of Ontario or of another jurisdiction of Canada.
18. The investment objective of the Initial Underlying Fund is to generate monthly interest income through investments in short-term, low- to mid-yield mortgages on real property located in Canada.
19. Securities of each Underlying Fund will be sold solely to its corresponding Top Fund pursuant to available exemptions from the prospectus requirements under Canadian securities legislation.
20. The Initial Underlying Fund will not have any investors other than the Initial Top Fund. Each Future Underlying Fund will not have any investors other than its applicable Top Fund. No offering memorandum or other similar disclosure document will be prepared for an Underlying Fund.
21. The sole general partner of the Initial Underlying Fund will be an affiliate of the Filer. Each Future Underlying Fund will have one general partner, which will be an affiliate of the Filer. The general partner of each Underlying Fund, including the Initial Underlying Fund, will have only a nominal investment in the Underlying Fund. A nominal investment is required to be made by the general partner to satisfy the requirements of the organization of the Underlying Funds as limited partnerships.
22. Each Underlying Fund will have separate investment objectives, strategies and/or restrictions.
23. No management fee or incentive fee is payable by an Underlying Fund to the Filer or to the general partner of the Underlying Fund.

Fund-on-Fund Structure

24. As a limited partnership, securities of the Initial Underlying Fund are not qualified investments for tax-free savings accounts (**TFSA**s) and trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans and registered disability savings plans (collectively, **Tax Deferred Plans**), each as defined in the *Income Tax Act* (Canada).
25. The Top Funds will be formed as trusts for the purpose of accessing a broader base of investors, including TFSA's, Tax Deferred Plans and other investors that may not wish to or be able to invest directly in a limited partnership. The Initial Underlying Fund will hold mortgage investments and the Initial Top Fund will invest all or substantially all of its assets in the Initial Underlying Fund so that it will remain eligible to be held by Tax Deferred Plans.
26. Each Top Fund will be created by the Filer to allow investors in the Top Fund to obtain indirect exposure to the investment portfolio of the applicable Underlying Fund and its investment strategies through investing all or substantially all of the assets of the Top Fund directly in securities of the Underlying Fund (the **Fund-on-Fund Structure**).
27. The Fund-on-Fund Structure will also permit the Filer to manage a single portfolio of assets for investors who wish to invest through TFSA's or Tax Deferred Plans and those who do not.
28. Managing a single pool of assets provides economies of scale, allowing the Top Funds to achieve their investment objectives in a cost efficient manner.
29. The portfolio of the Initial Underlying Fund will consist primarily of illiquid assets (as defined in NI 81-102) as the Initial Underlying Fund will predominantly invest in short-term mortgages. The Initial Top Fund's redemption provisions include a 60 day notice period which will provide the Filer with sufficient time to generate the proceeds needed to fund redemptions of the Initial Underlying Fund. In addition, the Filer has the ability to hold back funds from maturing mortgages rather than renewing or reinvesting such mortgages, as required, to meet redemption needs. As such, while the assets of the Initial Top Fund are considered “illiquid assets” under NI 81-102, the short-term nature of the mortgages held by the Initial Underlying Fund (along with the additional steps noted above that may be taken by the Filer) makes the portfolio of the Initial Underlying Fund sufficiently liquid to fund redemptions of the Initial Top Fund.
30. Future Underlying Funds may invest in various assets, including mortgages and assets that are “illiquid assets” under NI 81-102. In all cases, the Filer will manage the portfolio of each Underlying Fund having regard to the redemption features of the corresponding Top Fund to ensure that there is sufficient liquidity to meet redemption requests from securityholders of the Top Fund.

Decisions, Orders and Rulings

31. The amounts invested, from time to time, in an Underlying Fund by its corresponding Top Fund will exceed 20% of the outstanding voting securities of the applicable Underlying Fund. Accordingly, each Top Fund will be a substantial securityholder of an Underlying Fund.
32. No Underlying Fund will be a Top Fund in a Fund-on-Fund Structure.
33. Securities of the Top Funds and their corresponding Underlying Funds will have matching monthly redemption dates and matching monthly valuation dates.
34. The Fund-on-Fund Structures involving Future Top Funds and Future Underlying Funds will be similarly structured to that of the Initial Top Fund and Initial Underlying Fund in that (a) future structures will also reflect trust-on-limited-partnership arrangements, where a Future Top Fund, formed as a trust, invests all or substantially all of its assets in an Underlying Fund that is a Canadian entity formed as a limited partnership; (b) there will be no investors in a Future Underlying Fund other than its corresponding Future Top Fund; and (c) there will be only one general partner of a Future Underlying Fund holding a nominal interest in the Future Underlying Fund.
35. The Top Funds and Underlying Funds will prepare annual audited financial statements and interim financial reports in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* and will otherwise comply with the requirements of NI 81-106 applicable to a “mutual fund in Ontario”, as defined in the *Securities Act* (Ontario).
36. The assets of each Underlying Fund will be, and the assets of each Top Fund (to the extent a Top Fund holds securities other than securities of an Underlying Fund) will be held by a custodian that meets the qualifications of section 6.2 of NI 81-102 (for assets held in Canada) or a custodian that meets the qualifications of section 6.3 of NI 81-102 (for assets held outside Canada) except that such custodian’s financial statements may not be publicly available.
37. In the absence of the Requested Relief, each Top Fund would be prohibited from becoming a substantial securityholder of its Underlying Fund.
38. Each investment by a Top Fund in an Underlying Fund represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund. The “responsible persons” of the Filer with respect to the Fund-on-Fund Structure include the registered advising representatives of the Filer and the executive officers of the Filer.

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 Requested Relief is granted provided that:

- (a) securities of a Top Fund are distributed in Canada solely pursuant to exemptions from the prospectus requirement under applicable securities legislation;
- (b) the investment by a Top Fund in an Underlying Fund is consistent with the fundamental investment objectives of the Top Fund;
- (c) a Top Fund is the sole limited partner of an Underlying Fund;
- (d) the general partner of an Underlying Fund has no more than a nominal investment in the Underlying Fund;
- (e) an Underlying Fund complies with the provisions of NI 81-106 that apply to a “mutual fund in Ontario” as defined in the *Securities Act* (Ontario);
- (f) an Underlying Fund does not purchase or hold securities of other investment funds;
- (g) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by an Underlying Fund for the same service;
- (h) no sales fee or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;

Decisions, Orders and Rulings

- (i) the Filer does not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the holders of such securities, and will instead arrange for the securities the Top Fund holds of an Underlying Fund to be voted by the beneficial owners of the securities of the Top Fund, who are not the Filer or an officer, director or substantial securityholder of the Filer ;
- (j) a disclosure document, including an offering memorandum where available, of a Top Fund will be provided to each investor in a Top Fund prior to the time of the investor's investment, and will disclose:
 - (i) that the Top Fund will purchase securities of an applicable identified Underlying Fund;
 - (ii) that the Top Fund will invest all, or substantially all, of its assets in securities of the Underlying Fund;
 - (iii) that the Filer is the investment fund manager and portfolio manager of each of the Top Fund and the Underlying Fund;
 - (iv) the fees, expenses and any performance or special incentive distributions payable by the Underlying Fund and the Top Fund; and
 - (v) that investors are entitled to receive from the Filer, on request and free of charge, the annual audited financial statements and interim financial reports relating to the Underlying Fund in which the Top Fund invests; and
- (k) the Filer shall annually inform investors in a Top Fund of their right to receive from the Filer, on request and free of charge, the annual audited financial statements and interim financial reports relating to the Underlying Fund in which the Top Fund invests.

"Philip Anisman"
Commissioner
Ontario Securities Commission

"William Furlong"
Commissioner
Ontario Securities Commission

2.1.2 Impak Finance Inc.

Headnote

CSA Regulatory Sandbox – Application for relief from certain securities regulation requirements – Filer proposing to launch an initial coin offering by way of a private placement under the offering memorandum exemption – relief granted subject to certain terms and conditions set out in the decision – automated onboarding process – decision is time-limited to allow the Filer to operate in a test environment and will expire in two years – decision may be amended by the AMF on written notice to the Filer – relief granted based on the particular facts and circumstances of the application with the objective of fostering capital raising by innovative start-up businesses in Canada – decision should not necessarily be viewed as a precedent for other filers in the jurisdictions of Canada.

August 16, 2017

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the “Jurisdictions”)

AND

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

AND

IN THE MATTER OF
IMPAK FINANCE INC.
(the “Filer”)

DECISION

Background

The Canadian Securities Administrators (the “CSA”) have launched a regulatory sandbox to support financial technology (“fintech”) businesses seeking to offer innovative products, services and applications in Canada (the “CSA Sandbox”). The CSA Sandbox allows firms to obtain exemptive relief from the securities laws requirements that may be an impediment to their innovative business models, provided that investor protection is not compromised.

The Filer wishes to create *impak.eco*, an online collaborative social network wholly dedicated to the impact economy. In order to fund the creation of *impak.eco*, the Filer wishes to proceed with an “initial coin offering” of MPK (as defined below) (the “Offering”) by way of a private placement in reliance on the prospectus exemption contained in section 2.9 (the “Offering Memorandum Exemption”) of Regulation 45-106 respecting Prospectus Exemptions (“Regulation 45-106”).

In the context of the CSA Sandbox, the Filer submitted its business model and subsequently filed an application to be exempted from certain requirements from securities laws requirements. This Decision should not be viewed as a precedent for other filers in the Jurisdictions or in other jurisdictions.

The securities regulatory authority or regulator in each of the Jurisdictions (the “Decision Maker”) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for:

1. an exemption from the dealer registration requirement (the “Registration Relief”);
2. an exemption from the prospectus requirement on the first trade of MPK so that such requirement does not apply to a trade between a Participant and a Merchant (as defined below) (the “Prospectus Relief”);

(collectively, the “Exemption Sought”).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application (the “Principal Regulator”);

- (b) the Filer has provided notice that section 4.7(1) of *Regulation 11-102 respecting Passport System ("Regulation 11-102")* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, and Nova Scotia; and
- (c) the decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, Regulation 45-106, and Regulation 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:

The Filer

1. The Filer is an innovative fintech start-up company incorporated under the *Canada Business Corporations Act* on May 5, 2016. The head office of the Filer is located in Montreal, Québec.
2. The Filer is not, and has no current intention of becoming, a reporting issuer under the Legislation or the securities legislation of any other jurisdiction of Canada.
3. To the best of the Filer's knowledge, the Filer is not in default of securities legislation of any jurisdiction of Canada.
4. Neither the Filer's common shares nor the MPK that are proposed to be issued by the Filer in reliance on this Decision are listed or will be listed on any exchange, organized market or cryptocurrency exchange.
5. The Filer intends to issue Impak Coins, a new digital currency based on the Waves blockchain platform ("**MPK**"). The proceeds of the Offering are intended to fund the development of *impak.eco*, an online social network created by the Filer and entirely dedicated to the impact economy.
6. As described in the offering memorandum of the Filer (the "**Offering Memorandum**"), *impak.eco* participants (the "**Participants**") are separated into three categories, namely: (i) impact organizations (i.e. businesses, non-governmental organizations, not-for-profit corporations and social enterprises) ("**Merchants**"), (ii) individuals and (iii) capital partners (i.e. high net-worth individuals or professional investors).
7. Part of *impak.eco*'s objective is to allow Participants to pay in MPK for goods and services offered by Merchants and also to allow Merchants to reward Participants by transferring them MPK for purchasing goods and services from them at the time of such purchase.
8. At the time of the initial coin offering, the Filer will establish a governance body to oversee the value and use of MPK in the *impak.eco* network (the "**Governance Body**"). As outlined in the Offering Memorandum, the Governance Body will be composed of third-party members all active in the impact economy who are independent of the Filer.
9. In its determination of the value of the MPK, the Governance Body will consider, amongst others, the following indicators: the number of Participants, the number of Merchants, the volume of transactions and its growth rate, the demand for MPK from new Participants and the volume of MPKs converted into Canadian dollars.

The Offering

10. The Filer intends to distribute MPK directly to Participants interested in supporting the Filer's ecosystem via its secure web platform pursuant to the Offering Memorandum Exemption. All transactions will occur online, via the Filer's secure dedicated website.
11. The Offering will consist of the distribution of a minimum of 575,000 MPK and a maximum of 14,375,000 MPK issued by the Filer for total gross proceeds to the Filer of a minimum of \$500,000 and a maximum of \$10,000,000.
12. All proceeds from the Offering will be placed in the trust account of the legal counsel of the Filer pending the minimum raise of \$500,000 being achieved. All proceeds from the Offering will be returned to Participants if the minimum raise of \$500,000 is not reached by the Filer.

Decisions, Orders and Rulings

13. The MPK will not be delivered to the Participants until the Filer launches its digital wallet which will be used to store, send and receive MPK (“the **MPK eWallet**”). The MPK eWallet launch is expected to take place in May 2018.
14. Upon the launch of the MPK eWallet, MPK will be subject to an escrow schedule (25% of MPK tradable at MPK eWallet launch with additional tranches of 25% released each 6 months thereafter).
15. At the end of each month, the Filer will reward individuals with MPK based on a percentage of the flow of transactions executed by each Participant within the ecosystem. The reward will automatically be issued to the Participant’s MPK eWallet.
16. The Governance Body will set the conversion rate of MPK into Canadian dollars. Upon request from a Participant, the Filer will purchase MPK from the Participant at this rate, but the Filer does not guarantee the purchase or conversion of MPK to Participants.
17. No dealer or other registrant is, or is expected to be, involved in the Offering.
18. A MPK does not give the acquirer any equity or other interest in the Filer including, for greater certainty, a right to participate in the profits or the distribution of assets of the Filer, nor any voting rights in any meeting of the security holders of the Filer.
19. The Filer will make the following information reasonably available to all Participants via its website and on the [impak.eco](#) network, on a quarterly basis (the **“Quarterly Information”**):
 - (a) the value of MPK and the exchange rate for Canadian dollars;
 - (b) the description of the basket of goods and services used to determine the value of the MPK;
 - (c) the number of MPK outstanding;
 - (d) the number and value of MPK issued, repurchased or cancelled during the period;
 - (e) the modifications to the rewards structure; and
 - (f) the balance of the “reserve fund” maintained by the Governance Body, as described in the Offering Memorandum, for conversions of MPK into Canadian dollars.
20. The Filer will also provide to Participants updates regarding its short-term objectives, as described in the Offering Memorandum.

Registration Relief

21. Each Participant must set up a profile on the Filer’s web platform or [impak.eco](#), as applicable, and provide the Filer with the detailed personal information which is independently verified by an instant electronic identity verification service in order to comply with applicable regulations, including in relation to anti-money laundering and anti-terrorist financing.
22. The Filer will also conduct know-your-client and suitability reviews for each Participant both in respect of the Offering and any subsequent distributions of MPK on [impak.eco](#). The investment for each Participant will not exceed \$2,500 per investment or the equivalent in Bitcoin or Ether (the **“\$2,500 Limit”**). The Filer will determine, for each Participant who represents itself as either an accredited investor or an eligible investor and seeks to invest an amount exceeding the \$2,500 Limit, whether such Participant is an accredited investor or an eligible investor, as the case may be, and may exceed the \$2,500 Limit.
23. The Filer will take all reasonable measures to determine the value of Bitcoin or Ether at the time a Participant pledges the amount he wishes to invest. At the time of the actual payment, the Filer will reassess the value of Bitcoin or Ether to validate that the amount does not exceed the Participant’s applicable limit.

Prospectus Relief

24. In the absence of the Prospectus Relief, the first trade in MPK between a Participant and a Merchant as described in paragraph 7 of this Decision will be a distribution.

Decisions, Orders and Rulings

25. The prospectus exemption in section 2.5 of *Regulation 45-102 Resale of Securities* will not be available in connection with the first trade in MPK because the Filer is not, and has no intention of becoming, a reporting issuer in a jurisdiction of Canada.
26. The Filer will ensure that, at all times, MPK are only held by Participants.
27. The Filer will not permit any trades of MPK between Participants that are individuals and capital partners or between each of them.
28. All MPK transactions will be recorded on the Waves blockchain, as described in the Offering Memorandum, and the Filer will know the identity at all times of a holder of any given MPK and ensure that such holder fits within one or more of the foregoing categories of Participants. The Filer will be solely responsible to ensure adequate operation of the blockchain.
29. MPK are not currently listed for trading on any stock exchange, organized market or cryptocurrency exchange and there is no intention to have MPK so listed in Canada or elsewhere.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

1. With respect to the Registration Relief, the following conditions are met:
 - (a) The Filer will conduct know-your-client and suitability reviews for each Participant and will determine, for each Participant who represents itself as either an accredited investor or an eligible investor and seeks to invest an amount exceeding the \$2,500 Limit, whether the Participant is an accredited investor or an eligible investor, as the case may be;
 - (b) Neither the Filer nor any of its directors, officers, employees, agents or representatives will provide investment advice to the Participants with respect to a distribution in MPK;
 - (c) The Filer will deal fairly, honestly and in good faith with its Participants;
 - (d) The Filer will establish, maintain and apply policies and procedures that establish a system of controls and supervision sufficient to manage the risks associated with its business in accordance with prudent business practices, including with respect to the Waves Blockchain, cybersecurity and conflicts of interest between the Filer and Participants.
2. With respect to the Prospectus Relief, the prospectus requirement will apply to first trade in MPK, unless the first trade is made between a Participant and a Merchant as described in paragraph 7 of this Decision.
3. The Filer will make the Quarterly Information reasonably available to Participants, via its website and on the *impak.eco* network, within 10 days after the end of each quarter of the Filer's financial year.
4. MPK issued in the Offering and on *impak.eco* will not be listed and traded on any exchange, cryptocurrency exchange or organised market, unless such listing is done in accordance with applicable securities laws and approved in advance by the Principal Regulator.
5. The Filer will provide the Principal Regulator with any report, document or information that may be requested for the purpose of monitoring compliance with securities law and the conditions of this Decision, on a timely basis, in a format acceptable by the Principal Regulator.
6. This Decision may be amended by the Principal Regulator from time to time upon written notice to the Filer.
7. This Decision ceases to have effect 24 months after the date of the Decision.

DATED at Toronto, Ontario, this 16th day of August, 2017

"William Furlong"
Commissioner
Ontario Securities Commission

"Grant Vingoe"
Commissioner
Ontario Securities Commission

2.1.3 Norrep Capital Management Ltd. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization, exemptions from seed capital requirement and disclosure requirements to allow a Continuing Fund to use certain disclosure of a Terminating Fund – Relief from NI 81-101, NI 81-102 and NI 81-106.

Applicable Legislative Provisions

NI 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1, 5.5(1)(b).

NI 81-102 Investment Funds, s. 3.1.

NI 81-106 Investment Fund Continuous Disclosure, s. 4.4.

Citation: *Re Norrep Capital Management Ltd.*, 2017 ABASC 136

August 11, 2017

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

AND

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

AND

IN THE MATTER OF
NORREP CAPITAL MANAGEMENT LTD.
(the Manager)

AND

NORREP HIGH YIELD CLASS
(the Terminating Fund)

AND

NORREP HIGH INCOME FUND
(the Continuing Fund, and together with the Terminating Fund, the Funds)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) have received an application from the Manager and the Funds (collectively, the **Filers**) for a decision under the securities legislation (the **Legislation**) of the Jurisdictions:

- (a) Approving (the **Requested Approval**) the proposed reorganization (the **Proposed Reorganization**) of the Funds pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 *Investment Funds* (**NI 81-102**);
- (b) Granting an exemption from Section 3.1 of NI 81-102 to permit the Manager to withdraw its initial investment in the Continuing Fund pursuant to such section upon granting of the Exemption Sought (defined below) herein (the **Seed Capital Relief**); and

- (c) Granting an exemption from:
- (i) Section 2.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)* for the purposes of the exemption sought from Form 81-101F1 *Contents of Simplified Prospectus (Form 81-101F1)* and for the purposes of the exemption sought from Form 81-101F3 *Contents of Fund Facts Document (Form 81-101F3)* for the following:
 - (A) Sections 15.3(2), 15.6(1)(a), 15.6(1)(b), 15.6(1)(d), 15.8(2)(a), 15.8(3)(a), and 15.9(2)(d) of National Instrument 81-102 *Investment Funds (NI 81-102)* to permit the Continuing Fund to use performance data of the Terminating Fund in sales communications and other communications to securityholders (collectively, the **Fund Communications**);
 - (B) Item 5(b) of Part B of Form 81-101F1 to permit the Continuing Fund to disclose in its simplified prospectus for each applicable series of units of the Continuing Fund that such series' start date is the start date of the corresponding series of shares of the Terminating Fund;
 - (C) Section 13.2 of Part B of Form 81-101F1 to permit the Continuing Fund to use the information of the Terminating Fund for the purpose of calculating the information required under the heading "Fund Expenses Indirectly Borne by Investors" in the simplified prospectus of the Continuing Fund;
 - (D) Item 2 of Part 1 of Form 81-101F3 to permit each applicable series of the Continuing Fund to disclose the "date series started" (**Date Series Started**) date in the fund facts documents of the Continuing Fund as the date the corresponding series of the Terminating Fund was created;
 - (E) Item 4 of Part 1 of Form 81-101F3 to permit the Continuing Fund to present its risk disclosure as a continuation of the risk disclosure of the Terminating Fund; and
 - (F) Item 5 of Part 1 of Form 81-101F3 to permit the Continuing Fund to use performance data of the Terminating Fund in the "How Has the Fund Performed?" section of the fund facts documents of the Continuing Fund,

(collectively, the **Past Performance Relief**, and, together with the Requested Approval and the Seed Capital Relief, the **Exemption Sought**).

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

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

Interpretation

Unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 81-101, and NI 81-102 have the same meaning if used in this decision.

Representations

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

The Manager and the Funds

1. The Manager is a corporation incorporated under the laws of the Province of Alberta with its head office in Calgary, Alberta.

2. The Manager is registered as an investment fund manager in Alberta, Newfoundland and Labrador, Ontario, and Québec, and a portfolio manager in Alberta and Ontario.
3. The Manager acts as investment fund manager and portfolio manager of the Terminating Fund and will act as investment fund manager and portfolio manager of the Continuing Fund.
4. The Terminating Fund is a separate class of special shares of Norrep Opportunities Corp. (**NOC**), a mutual fund corporation incorporated by articles of incorporation under the laws of the Province of Alberta.
5. The Continuing Fund was formed as an open-end mutual fund trust pursuant to an Amended and Restated Master Trust Agreement effective June 29, 2017.
6. Shares of the Terminating Fund and units of the Continuing Fund are currently, or will be, offered for sale in the Offering Jurisdictions under a simplified prospectus, annual information form, and fund facts document dated June 29, 2017.
7. The Continuing Fund will not be available for purchase by investors until following completion of the Proposed Reorganization.
8. Each of the Terminating Fund and the Continuing Fund is a reporting issuer under the applicable securities legislation of the Offering Jurisdictions and is subject to the requirements of NI 81-101 and NI 81-102.
9. Neither the Manager nor the Funds are in default of securities legislation in any jurisdiction of Canada.
10. Each of the Terminating Fund and the Continuing Fund follows the standard investment restrictions and practices in NI 81-102, except pursuant to the terms of any exemption that has been previously obtained.
11. The net asset value for each series of securities of each of the Terminating Fund and the Continuing Fund is or will be calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading (each, a **Business Day**) and securities of each of the Terminating Fund and the Continuing Fund are, or will be, generally redeemable on any Business Day.

The Proposed Reorganization

12. The Manager is proposing to reorganize the Terminating Fund as follows:
 - (a) NOC may declare, pay, and automatically reinvest ordinary dividends or capital gains dividends to shareholders of the Terminating Fund where determined fair and equitable by the Manager, and as approved by the board of directors of NOC;
 - (b) The value of the portfolio and other assets and liabilities of the Terminating Fund will be determined at the close of business on the Business Day immediately before the effective date (the **Effective Date**) of the Proposed Reorganization in accordance with the constating documents of the Terminating Fund;
 - (c) On the Effective Date, the Continuing Fund will acquire all or substantially all of the assets and assume all or substantially all of the liabilities attributed to the Terminating Fund from NOC in exchange for the issuance by the Continuing Fund to NOC of units of the Continuing Fund having an aggregate net asset value equal to the value of the assets and liabilities so transferred or assumed;
 - (d) Immediately following such transfer and assumption, NOC will redeem the shares of the Terminating Fund at their net asset value and distribute units of the corresponding series of the Continuing Fund in payment of the redemption proceeds on a series by series basis, such that the shareholders of the Terminating Fund will become unitholders of the Continuing Fund following such redemption and distribution; and
 - (e) As soon as reasonably possible following the Effective Date, the Terminating Fund will be terminated.
13. Upon completion of the Proposed Reorganization, the investment objectives, investment strategies, fee structures, valuation procedures, investment fund manager, and portfolio manager of the Continuing Fund will be identical, in all material respects, to those of the Terminating Fund, and the only material difference between the Funds will be that the Continuing Fund will be an open-end mutual fund trust whereas the Terminating Fund is a class of shares of a mutual fund corporation.
14. The Terminating Fund offers Series A, Series F, and Series I shares.

Decisions, Orders and Rulings

15. The Continuing Fund will offer Series A, Series F, Series F6, Series I, and Series T6 units. Series A, Series F and Series I are the series that correspond to the existing series of the Terminating Fund. Security holders of the Terminating Fund series will become security holders of the corresponding series in the Continuing Fund.
16. Upon completion of the Proposed Reorganization, the portfolio assets and liabilities referable to each series of shares of the Terminating Fund will become referable to a corresponding series of units of the Continuing Fund. The rights associated with each corresponding series of units of the Continuing Fund will be identical, in all material respects, to the rights formerly associated with the corresponding series of shares of the Terminating Fund.
17. Series F6 and series T6 will be new series of the Continuing Fund. There will be no securityholders of these series until after the Effective Date.

Requested Approval

18. The Manager presented the Proposed Reorganization to the investment review committee (**IRC**) for its recommendation on July 6, 2017. The IRC reviewed the Proposed Reorganization and recommended that it be put to shareholders of the Terminating Fund for their consideration and approval on the basis that the Proposed Reorganization would be fair and reasonable for the Terminating Fund's shareholders.
19. The Filers will file amendments to the simplified prospectus, annual information form, and fund facts documents of the Funds relating to the Proposed Reorganization.
20. A special meeting of shareholders of the Terminating Fund will be held to vote on the Proposed Reorganization, as required pursuant to paragraph 5.1(1)(f) of NI 81-102 and pursuant to the *Business Corporations Act* (Alberta) (the **ABCA**). The Proposed Reorganization must also be approved by the sole common shareholder of NOC, as required pursuant to the ABCA.
21. The management information circular (the **Circular**) in respect of such special meeting will contain a description of the Proposed Reorganization and of the Continuing Fund, a summary of the IRC's determination, the related Canadian federal income tax considerations for the Terminating Fund and its shareholders, and a description of the material differences between being a shareholder of a corporation and being a unitholder of a trust. The Circular will also include the most recently filed fund facts document of the Continuing Fund and will disclose that shareholders of the Terminating Fund may obtain, at no cost, the Continuing Fund's current simplified prospectus, annual information form, and fund facts document by contacting the Manager or by accessing the website of the Manager or SEDAR.
22. Units of the Continuing Fund received by shareholders of the Terminating Fund as a result of the Proposed Reorganization will have the same sales charge option and, for units corresponding to shares of the Terminating Fund purchased under a deferred sales charge option, the same remaining deferred sales charge schedule as such shares.
23. The Proposed Reorganization will not proceed if approval of shareholders of the Terminating Fund is not received at the special meeting.
24. If the requisite approvals are obtained, it is anticipated that the Proposed Reorganization will be implemented on the Effective Date.
25. Shareholders of the Terminating Fund will continue to have the right to redeem their shares or exchange their shares for securities of any other mutual funds in the Norrep family of mutual funds or to redeem their shares for cash at any time up to the close of business on the Business Day immediately before the Effective Date. Shareholders of the Terminating Fund who exchange their shares for securities of other mutual funds for which the Manager is the manager will not incur any charges. Shareholders of the Terminating Fund who redeem their shares may be subject to redemption charges.
26. The shareholders of the Terminating Fund will be permitted to dissent from the Proposed Reorganization pursuant to the provisions of the ABCA.
27. None of the costs and expenses associated with the Proposed Reorganization will be borne by the Funds. All such costs will be borne by the Manager. There are no charges payable by shareholders of the Terminating Fund who acquire units of the Continuing Fund as a result of the Proposed Reorganization.
28. Following the Proposed Reorganization, pre-authorized chequing plans, systematic withdrawal plans, and any other optional service that had been established with respect to the Terminating Fund will be re-established with respect to the Continuing Fund unless securityholders advise otherwise.

Decisions, Orders and Rulings

29. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the investment portfolio of the Terminating Fund.
30. Prior to the Effective Date, the portfolio assets and liabilities of the Terminating Fund to be acquired or assumed by the Continuing Fund must be acceptable to the portfolio adviser of the Continuing Fund and will be consistent with the investment objective and strategies of the Continuing Fund.
31. Following the Effective Date, the Continuing Fund will continue as a publicly offered open-end mutual fund trust and the Terminating Fund will be terminated as soon as reasonably possible.
32. The Filers have complied, or will comply, with section 11.2(1) of NI 81-106 in connection with the making of the decision to proceed with the Proposed Reorganization.
33. Section 5.6 of NI 81-102 is not available in these circumstances because the Proposed Reorganization will not be effected on a tax-deferred basis.
34. In light of the proposed disclosure in the Circular, investors will have all of the information necessary to determine whether the Proposed Reorganization is appropriate for them, including a description of the material differences between being a shareholder of a corporation and being a unitholder of a trust, and will have daily redemption or exchange rights under the terms of their shares or dissent rights pursuant to the ABCA to permit them to dispose of their shares of the Terminating Fund should they not wish to become unitholders of the Continuing Fund.

Seed Capital Relief

35. The Manager subscribed for \$150,000 of units of the Continuing Fund as required by Section 3.1 of NI 81-102 upon the filing of the simplified prospectus, annual information form, and fund facts document in respect of the Continuing Fund. However, the assets of the Terminating Fund (which will become the assets of the Continuing Fund upon the Effective Date) are significantly in excess of the \$150,000 seed capital requirement.

Past Performance Relief

36. The Continuing Fund is a new fund that was established on June 29, 2017. While the Continuing Fund will have the same assets and liabilities as the Terminating Fund following the Proposed Reorganization, since it is a new fund and will not be available for purchase by investors prior to the Effective Date, it will not have its own Financial Data prior to the Effective Date.
37. The Financial Data of the Terminating Fund is relevant for all investors in the Continuing Fund and is significant and meaningful information that can assist investors in determining whether to purchase or hold units of the Continuing Fund. In the absence of the Exemption Sought being granted, investors will have no historical financial information (such as past performance) on which to base such an investment decision in the Continuing Fund.
38. In connection with the Exemption Sought, the Filers propose:
 - (a) To include the performance data and risk disclosure of the Terminating Fund in the Continuing Fund's Fund Communications and fund facts documents, including in a manner such that the performance data and risk disclosure of the Continuing Fund is presented as a continuation of the performance data and risk disclosure of the Terminating Fund;
 - (b) That the simplified prospectus of the Continuing Fund:
 - (i) Incorporate by reference the Terminating Fund's annual and interim financial statements and MRFPs for the period ended April 30, 2017 and the period ending October 31, 2016, as applicable (collectively, the **Terminating Fund Disclosure**), until such Terminating Fund Disclosure is superseded by more current financial statements and MRFPs of the Continuing Fund;
 - (ii) State that the start date in the "Fund Details" table in Part B for each applicable series of the Continuing Fund is based upon the start date of the corresponding series of the Terminating Fund; and
 - (iii) Use information of the Terminating Fund for the purpose of calculating the information required under the "Fund Expenses Indirectly Borne by Investors" heading in Part B;

Decisions, Orders and Rulings

- (c) To state in the “Date Series Started” section under the heading “Quick Facts” in the fund facts documents for the Continuing Fund that each applicable series of the Continuing Fund was created on the date the corresponding series of the Terminating Fund was created; and
- (d) Where relevant, to include disclosure in the Continuing Fund’s Fund Communications, simplified prospectus and fund facts documents of the Proposed Reorganization.

39. The Filers have also applied for exemptive relief from certain provisions of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* and Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance* to enable the Continuing Fund to prepare annual and interim financial statements and MRFPs using the Terminating Fund’s historical financial data (the **NI 81-106 Exemption Sought**).

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that, in respect of the Past Performance Relief:

- (a) the Continuing Fund’s Fund Communications include the applicable performance data of the Terminating Fund prepared in accordance with Part 15 of NI 81-102;
- (b) the Continuing Fund’s simplified prospectus:
 - (i) incorporate by reference the Terminating Fund Disclosure, until such Terminating Fund Disclosure is superseded by more current financial statements and MRFPs of the Continuing Fund;
 - (ii) states that the start date for each series of the Continuing Fund is the start date of the corresponding series of the Terminating Fund; and
 - (iii) discloses the Proposed Reorganization where the start date for each series of the Continuing Fund is stated;
- (c) the fund facts documents of each series of the Continuing Fund:
 - (i) states that the Date Series Started date for each series of the Continuing Fund is the Date Series Started date of the corresponding series of the Terminating Fund;
 - (ii) includes the performance data of the Terminating Fund prepared in accordance with Part 15 of NI 81-102, including section 15.9(1) of NI 81-102; and
 - (iii) discloses the Proposed Reorganization where the Date Series Started date of each series of the Continuing Fund is stated; and
- (d) the Continuing Fund prepares its MRFPs in accordance with the NI 81-106 Exemption Sought.

“Stan Magidson”
Chair

“Tom Cotter”
Vice-Chair

2.1.4 Norrep Capital Management Ltd. et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization, exemptions from seed capital requirement and disclosure requirements to allow a Continuing Fund to use certain disclosure of a Terminating Fund – Relief from NI 81-101, NI 81-102 and NI 81-106.

Applicable Legislative Provisions

NI 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1, 5.5(1)(b).

NI 81-102 Investment Funds, s. 3.1.

NI 81-106 Investment Fund Continuous Disclosure, s. 4.4.

Citation: *Re Norrep Capital Management Ltd.*, 2017 ABASC 137

August 11, 2017

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

AND

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

AND

IN THE MATTER OF
NORREP CAPITAL MANAGEMENT LTD.

(the Manager)

AND

NORREP HIGH YIELD CLASS
(the Terminating Fund)

AND

NORREP HIGH INCOME FUND
(the Continuing Fund, and together with the Terminating Fund, the Funds)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) have received an application from the Manager and the Funds (collectively, the **Filers**) for a decision under the securities legislation (the **Legislation**) of the Jurisdictions granting an exemption from the following provisions of the Legislation to enable the Continuing Fund to include in its annual and interim management reports of fund performance (**MRFPs**) the performance data and information derived from the financial statements and other financial information (collectively, the **Financial Data**) of the Terminating Fund:

- (a) Section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* for the relief requested from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance (Form 81-106F1)* to permit the Continuing Fund to use the Financial Data of the Terminating Fund, as follows:
 - (i) Items 3.1(1), 3.1(7), 3.1(7.1) and 3.1(8) of Part B of Form 81-106F1 to permit the Continuing Fund to use the financial highlights of the Terminating Fund in its Form 81-106F1;

- (ii) Items 4.1(1), 4.1(2), 4.2(1), 4.2(2), 4.3(1)(a) and 4.3(1)(b) of Part B of Form 81-106F1 to permit the Continuing Fund to use the past performance data of the Terminating Fund in its Form 81-106F1; and
- (iii) Items 3(1) and 4 of Part C of Form 81-106F1 to permit the Continuing Fund to use the financial highlights and past performance data of the Terminating Fund in its Form 81-106F1;

(collectively, the **Exemption Sought**).

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

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

Interpretation

Unless otherwise defined herein, terms defined in National Instrument 14-101 *Definitions*, MI 11-102, and NI 81-102 have the same meaning if used in this decision.

Representations

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

The Manager and the Funds

1. The Manager is a corporation incorporated under the laws of the Province of Alberta with its head office in Calgary, Alberta.
2. The Manager is registered as an investment fund manager in Alberta, Newfoundland and Labrador, Ontario, and Québec, and a portfolio manager in Alberta and Ontario.
3. The Manager acts as investment fund manager and portfolio manager of the Terminating Fund and will act as investment fund manager and portfolio manager of the Continuing Fund.
4. The Terminating Fund is a separate class of special shares of Norrep Opportunities Corp. (**NOC**), a mutual fund corporation incorporated by articles of incorporation under the laws of the Province of Alberta.
5. The Continuing Fund was formed as an open-end mutual fund trust pursuant to an Amended and Restated Master Trust Agreement effective June 29, 2017.
6. Shares of the Terminating Fund and units of the Continuing Fund are currently or will be offered for sale in the Offering Jurisdictions under a simplified prospectus, annual information form, and fund facts document dated June 29, 2017.
7. The Continuing Fund will not be available for purchase by investors until following completion of the proposed reorganization, as described below.
8. Each of the Terminating Fund and the Continuing Fund is a reporting issuer under the applicable securities legislation of the Offering Jurisdictions and is subject to the requirements of NI 81-101 and NI 81-102.
9. Neither the Manager nor the Funds are in default of securities legislation in any jurisdiction of Canada.
10. Each of the Terminating Fund and the Continuing Fund follows the standard investment restrictions and practices in NI 81-102, except pursuant to the terms of any exemption that has been previously obtained.
11. The net asset value for each series of securities of each of the Terminating Fund and the Continuing Fund is or will be calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading (each, a **Business Day**).

and securities of each of the Terminating Fund and the Continuing Fund are, or will be, generally redeemable on any Business Day.

The Proposed Reorganization

12. The Manager is proposing to reorganize the Terminating Fund as follows:
 - (a) NOC may declare, pay, and automatically reinvest ordinary dividends or capital gains dividends to shareholders of the Terminating Fund where determined fair and equitable by the Manager, and as approved by the board of directors of NOC;
 - (b) The value of the portfolio and other assets and liabilities of the Terminating Fund will be determined at the close of business on the Business Day immediately before the effective date (the **Effective Date**) of the proposed reorganization in accordance with the constating documents of the Terminating Fund;
 - (c) On the Effective Date, the Continuing Fund will acquire all or substantially all of the assets and assume all or substantially all of the liabilities attributed to the Terminating Fund from NOC in exchange for the issuance by the Continuing Fund to NOC of units of the Continuing Fund having an aggregate net asset value equal to the value of the assets and liabilities so transferred or assumed;
 - (d) Immediately following such transfer and assumption, NOC will redeem the shares of the Terminating Fund at their net asset value and distribute units of the corresponding series of the Continuing Fund in payment of the redemption proceeds on a series by series basis, such that the shareholders of the Terminating Fund will become unitholders of the Continuing Fund following such redemption and distribution; and
 - (e) As soon as reasonably possible following the Effective Date, the Terminating Fund will be terminated.
13. Upon completion of the proposed reorganization, the investment objectives, investment strategies, fee structures, valuation procedures, investment fund manager, and portfolio manager of the Continuing Fund will be identical, in all material respects, to those of the Terminating Fund, and the only material difference between the Funds will be that the Continuing Fund will be an open-end mutual fund trust whereas the Terminating Fund is a class of shares of a mutual fund corporation.
14. The Terminating Fund offers Series A, Series F, and Series I shares.
15. The Continuing Fund will offer Series A, Series F, Series F6, Series I, and Series T6 units. Series A, Series F and Series I are the series that correspond to the existing series of the Terminating Fund. Security holders of the Terminating Fund series will become security holders of the corresponding series in the Continuing Fund.
16. Upon completion of the proposed reorganization, the portfolio assets and liabilities referable to each series of shares of the Terminating Fund will become referable to the corresponding series of units of the Continuing Fund. The rights associated with each corresponding series of units of the Continuing Fund will be identical, in all material respects, to the rights formerly associated with the corresponding series of shares of the Terminating Fund.
17. Series F6 and series T6 will be new series of the Continuing Fund. There will be no securityholders of these series until after the Effective Date.
18. Prior to the Effective Date, the portfolio assets and liabilities of the Terminating Fund to be acquired or assumed by the Continuing Fund must be acceptable to the portfolio adviser of the Continuing Fund and will be consistent with the investment objective and strategies of the Continuing Fund.
19. The Continuing Fund is a new fund that was established on June 29, 2017. While the Continuing Fund will have the same assets and liabilities as the Terminating Fund following the proposed reorganization, since it is a new fund and its series will not be available for purchase by investors prior to the Effective Date, it will not have its own Financial Data prior to the Effective Date.
20. The Financial Data of the Terminating Fund is relevant for all investors in the Continuing Fund and is significant and meaningful information that can assist investors in determining whether to purchase or hold units of the Continuing Fund. In the absence of the Exemption Sought being granted, investors will have no historical financial information (such as past performance) on which to base such an investment decision in the Continuing Fund.

Decisions, Orders and Rulings

21. In connection with the Exemption Sought, the Filers propose that:
- (a) The Continuing Fund will prepare annual MRFPs commencing with the year ending October 31, 2017 and interim MRFPs commencing with the period ending April 30, 2018 using the Terminating Fund's historical financial data;
 - (b) The Continuing Fund will prepare comparative annual financial statements commencing with the year ending October 31, 2017 and interim financial statements commencing with the period ending April 30, 2018 using the Terminating Fund's historical financial data; and
 - (c) Where relevant, the Continuing Fund will include in its MRFPs disclosure of the proposed reorganization.
22. The Filers have also applied for exemptive relief from certain provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, Form 81-101F1 *Contents of Simplified Prospectus*, Form 81-101F3 *Contents of Fund Facts Document* and NI 81-102 to permit the Continuing Fund to use Financial Data of the Terminating Fund in sales communications and other communications to securityholders (collectively, the **Fund Communications**), its simplified prospectus and fund facts documents and to permit the Continuing Fund to disclose the start date of the Terminating Fund as its start date (the **NI 81-101 and NI 81-102 Exemption Sought**).

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Makers to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- (a) the MRFP for each series of the Continuing Fund includes Financial Data of the corresponding series of the Terminating Fund and discloses the proposed reorganization for the relevant time period; and
- (b) the Continuing Fund prepares its simplified prospectus, fund facts documents and Fund Communications in accordance with the NI 81-101 and NI 81-102 Exemption Sought.

"Stan Magidson"
Chair

"Tom Cotter"
Vice-Chair

2.1.5 Caldwell Investment Management Ltd. and Caldwell Canadian Value Momentum Fund

Headnote

National Policy 11-203 – relief granted from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of National Instrument 81-102 Investment Funds to permit a mutual fund, that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months, to include in their sales communications performance data for the period when the fund was not a reporting issuer – relief also granted from section 2.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure for the purposes of the relief requested from Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document, to permit the mutual fund to include in its fund facts for certain series, the past performance data for the period when the fund was not a reporting issuer.

National Policy 11-203 – relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Form 81-106F1, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1, to permit a mutual fund that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months, to include in annual and interim management reports of fund performance the financial highlights and past performance of the fund that are derived from the fund's annual financial statements that pertain to time periods when the fund was not a reporting issuer.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1), 15.8(3)(a.1), 19.1.

National Instrument 81-101 Investment Fund Prospectus Disclosure, s. 2.1.

National Instrument 81-106 Mutual Fund Continuous Disclosure, ss. 4.4 and 17.1.

Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Part B, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2).

Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Part C, Items 3(1) and 4.

Form 81-101F3 Contents of Fund Facts Document, Part I, Item 5.

August 3, 2017

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

AND

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

AND

IN THE MATTER OF
CALDWELL INVESTMENT MANAGEMENT LTD.
(the Filer)

AND

IN THE MATTER OF
CALDWELL CANADIAN VALUE MOMENTUM FUND
(the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Series O units, Series F units and Series I units of the Fund (each, a **Series of Units** and collectively, the **Units**) from:

- (a) Sections 15.3(2), 15.6(1)(a)(i) and 15.6(1)(d) of National Instrument 81-102 *Investment Funds (NI 81-102)* to permit the Fund to include performance data in sales communications notwithstanding that:
 - (i) the performance data will relate to a period prior to the Fund offering its securities under a simplified prospectus; and
 - (ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months,
 - (b) Section 2.1 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)* for the purposes of relief requested herein from Form 81-101F3 *Contents of Fund Facts Document (Form 81-101F3)*; and
 - (c) Items 5(2), 5(3) and 5(4), and Instructions (1) and (5) of Part I of Form 81-101F3 in respect of the requirement to comply with sections 15.3(2), 15.6(1)(a)(i) and 15.6(1)(d) of NI 81-102 to permit the Fund to include in its fund facts the past performance data of the Fund notwithstanding that:
 - (i) such performance data relates to a period prior to the Fund offering its securities under a simplified prospectus; and
 - (ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months,
- (collectively, 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 the 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, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut.

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 Fund is an open-end unit trust established under the laws of the Province of Ontario and governed pursuant to an Amended and Restated Declaration of Trust dated as of March 28, 2014 (the **Inception Date**).
2. The Filer is the investment fund manager and the trustee of the Fund. The head office of the Filer is located in Toronto, Ontario.
3. The Filer is registered as a portfolio manager and investment fund manager in Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan.
4. Since the Inception Date, the Fund was distributed to investors on a prospectus-exempt basis in accordance with National Instrument 45-106 *Prospectus Exemptions (NI 45-106)* in all provinces and territories of Canada, except for Quebec (collectively, the **Jurisdictions**).
5. A simplified prospectus, annual information form and fund facts (the **Disclosure Documents**) has been filed to permit the Fund to distribute Series O Units, Series F Units and Series I Units to the public and become a reporting issuer under the securities legislation of each province and territory of Canada, other than Québec. Upon the issuance of the receipt for the Disclosure Documents, the Fund becomes subject to the requirements of NI 81-102 and National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* that apply only to investment funds that are reporting issuers.
6. The Filer and the Fund are not in default of securities legislation in any province or territory of Canada.

Decisions, Orders and Rulings

7. Since its Inception Date, as a "mutual fund in Ontario", the Fund has prepared and sent audited annual and unaudited interim financial statements to all holders of its securities in accordance with NI 81-106.
8. Since its Inception Date, the Fund has complied with the investment restrictions and practices contained in NI 81-102, including not using leverage in the management of its portfolio.
9. The Fund will be managed substantially similarly as it was prior to becoming a reporting issuer. As a result of the Fund becoming a reporting issuer:
 - i. the Fund's investment objectives have not changed;
 - ii. the fee structure of Fund Units has not changed;
 - iii. the day-to-day administration of the Fund has not changed, other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which would have impacted the portfolio management of the Fund) and to provide additional features, such as a monthly investment plan, that are available to investors of the mutual funds managed by the Filer, as described in the Disclosure Documents; and
 - iv. the management expense ratio of the Units of the Fund has not increased by more than 0.10% for any Series of Units, which the Filer considers an immaterial amount.
10. The Filer proposes to present the performance data of each Series of Units of the Fund for the time periods since their respective inception in sales communications pertaining to the Fund.
11. Without the Requested Relief, the sales communications pertaining to the Fund cannot include performance data of the Fund that relate to a period prior to its becoming a reporting issuer.
12. Without the Requested Relief, sales communications pertaining to the Fund would not be permitted to include performance data until the Fund has distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months.
13. As a reporting issuer, the Fund will be required under NI 81-101 to prepare and file fund facts.
14. The Filer proposes to include in the fund facts for each Series of Units of the Fund, past performance data in the chart required by items 5(2), 5(3) and 5(4) under the sub-headings "Year-by-year returns", "Best and worst 3-month returns" and "Average return", respectively, related to periods prior to the Fund becoming a reporting issuer in a Jurisdiction. Without the Requested Relief, the fund facts of the Fund cannot include performance data of the Fund that relate to a period prior to its becoming a reporting issuer.
15. As a reporting issuer, the Fund will be required under NI 81-106 to prepare and send annual and interim management reports of fund performance (individually, an **MRFP** and collectively, the **MRFPs**) to all holders of its securities on an annual and interim basis.
16. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-106 (the NI 81-106 Relief) to enable the Fund to include in its MRFPs the performance data of each Series of Units of the Fund that relate to a period prior to its becoming a reporting issuer.
17. The performance data of the Fund for the time period before it became a reporting issuer is significant and meaningful information for existing and prospective investors of each Series of Units of the Fund.

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 Requested Relief is granted provided that:

- (a) any sales communication and any fund facts that contains performance data of a Series of Units of the Fund relating to a period prior to when the Fund was a reporting issuer:
 - (i) discloses that the Fund was not a reporting issuer during such period;

Decisions, Orders and Rulings

- (ii) discloses that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer; and
 - (iii) discloses performance data of the Series of Units of the Fund as applicable for 10, 5, 3 and one year periods as well as since its inception, until the since inception data includes a 10 year period.
- (b) the information contained under the heading "Fund Expenses Indirectly Borne by Investors" in Part B of the simplified prospectus of the Fund based on the management expense ratio (MER) for each Series of Units of the Fund for the financial year ended December 31, 2016 and December 31, 2017 be accompanied by disclosure that:
 - (i) in the case of MER for the financial year ended December 31, 2016, the information is based on the MER of the Fund for its last completed financial year when the Series of Units was offered privately;
 - (ii) in the case of MER for the financial year ended December 31, 2017, the information is based on the MER of the Fund for its last completed financial year when the Series of Units was offered privately during a period of time in such financial year; and
 - (iii) the MER of the Fund may increase as a result of the Fund offering the Series of Units under the simplified prospectus; and
- (c) the Fund prepare its MRFPs in accordance with the NI 81-106 Relief.

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

2.1.6 Caldwell Investment Management Ltd. and Caldwell Canadian Value Momentum Fund

Headnote

National Policy 11-203 – relief granted from sections 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1) and 15.8(3)(a.1) of National Instrument 81-102 Investment Funds to permit a mutual fund, that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months, to include in their sales communications performance data for the period when the fund was not a reporting issuer – relief also granted from section 2.1 of National Instrument 81-101 Mutual Fund Prospectus Disclosure for the purposes of the relief requested from Item 5 of Part I of Form 81-101F3 Contents of Fund Facts Document, to permit the mutual fund to include in its fund facts for certain series, the past performance data for the period when the fund was not a reporting issuer.

National Policy 11-203 – relief granted from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Form 81-106F1, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1, to permit a mutual fund that has not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months, to include in annual and interim management reports of fund performance the financial highlights and past performance of the fund that are derived from the fund’s annual financial statements that pertain to time periods when the fund was not a reporting issuer.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 15.3(2), 15.3(4)(c), 15.6(1)(a)(i), 15.6(1)(d), 15.8(2)(a.1), 15.8(3)(a.1), 19.1.
National Instrument 81-101 Investment Fund Prospectus Disclosure, s. 2.1.
National Instrument 81-106 Mutual Fund Continuous Disclosure, ss. 4.4 and 17.1.
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Part B, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2).
Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance, Part C, Items 3(1) and 4.
Form 81-101F3 Contents of Fund Facts Document, Part I, Item 5.

August 3, 2017

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

AND

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

AND

**IN THE MATTER OF
CALDWELL INVESTMENT MANAGEMENT LTD.
(the Filer)**

AND

**IN THE MATTER OF
CALDWELL CANADIAN VALUE MOMENTUM FUND
(the Fund)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Series O units, Series F units and Series I units of the Fund (each, a **Series of Units** and collectively, the **Units**) from:

- (a) Section 4.4 of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* for the purposes of relief requested herein from Form 81-106F1 *Contents of Annual and Interim Management Report of Fund Performance (Form 81-106F1)*; and
- (b) Items 3.1(7), 4.1(1) in respect of the requirement to comply with section 15.3(2) of National Instrument 81-102 *Investment Funds (NI 81-102)*, 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 and Items 3(1) and 4 of Part C of Form 81-106F1 to permit the Fund to include in its annual and interim management reports of fund performance the past performance data of the Fund notwithstanding that:
 - (i) such performance data relates to a period prior to the Fund offering its securities under a simplified prospectus; and
 - (ii) the Fund has not distributed its securities under a simplified prospectus for 12 consecutive months,(collectively, 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 the 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, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut.

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 Fund is an open-end unit trust established under the laws of the Province of Ontario and governed pursuant to an Amended and Restated Declaration of Trust dated as of March 28, 2014 (the **Inception Date**)
2. The Filer is the investment fund manager and the trustee of the Funds. The head office of the Filer is located in Ontario.
3. The Filer is registered as a portfolio manager and investment fund manager in Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan.
4. Since the Inception Date, the Fund was distributed to investors on a prospectus-exempt basis in accordance with National Instrument 45-106 *Prospectus Exemptions (NI 45-106)* in all provinces and territories of Canada, except for Quebec.
5. A simplified prospectus, annual information form and fund facts (the **Disclosure Documents**) has been filed to permit the Fund to distribute Series O Units, Series F Units and Series I Units to the public and become a reporting issuer under the securities legislation of each province and territory of Canada, other than Québec. Upon the issuance of the receipt for the Disclosure Documents, the Fund becomes subject to the requirements of NI 81-102 and NI 81-106 that apply only to investment funds that are reporting issuers.
6. The Filer and the Funds are not in default of securities legislation in any province or territory of Canada.
7. Since its Inception Date, as a "mutual fund in Ontario", the Fund has prepared and sent audited annual and unaudited interim financial statements to all holders of its securities in accordance with NI 81-106.
8. Since its Inception Date, the Fund has complied with the investment restrictions and practices contained in NI 81-102, including not using leverage in the management of its portfolio.
9. The Fund will be managed substantially similarly as it was prior to becoming a reporting issuer. As a result of the Fund becoming a reporting issuer:

Decisions, Orders and Rulings

- i. the Fund's investment objectives have not changed;
 - ii. the fee structure of Fund Units has not changed;
 - iii. the day-to-day administration of the Fund has not changed, other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which would have impacted the portfolio management of the Fund) and to provide additional features, such as a monthly investment plan, that are available to investors of the mutual funds managed by the Filer, as described in the Disclosure Documents; and
 - iv. the management expense ratio of the Units of the Fund has not increased by more than 0.10% for any Series of Units, which the Filer considers an immaterial amount.
10. As a reporting issuer, the Fund will be required under NI 81-106 to prepare and send annual and interim management reports of fund performance (individually, an **MRFP** and collectively, the **MRFPs**) to all holders of its securities on an annual and interim basis.
 11. Without the Requested Relief, the MRFP of the Fund cannot include financial highlights and performance data of the Fund that relate to a period prior to its becoming a reporting issuer.
 12. The Filer also proposes to present the performance data of each Series of Units of the Fund for the time period since its inception in sales communications and fund facts of the Fund. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-102 and Form 81-101F3 *Contents of Fund Facts Document* to permit the Fund, with respect to each of its Series of Units, to include its performance data since its inception in sales communications and fund facts (the **NI 81-102 and NI 81-101 Relief**).
 13. The performance data and other financial data of the Fund for the time period before it became a reporting issuer is significant and meaningful information for existing and prospective investors of each Series of Units of the Fund.

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 Requested Relief is granted provided that:

- (a) any MRFP that includes performance data of a Series of Units of the Fund relating to a period prior to when the Fund was a reporting issuer:
 - (i) discloses that the Fund was not a reporting issuer during such period;
 - (ii) discloses that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;
 - (iii) discloses that the financial statements of the Fund for such period are posted on the Fund's website and are available to investors upon request; and
 - (iv) discloses performance data of the Series of Units of the Fund as applicable for the 10, 5, 3 and one year periods as well as since its inception until the since inception data includes a 10 year period.
- (b) the Filer posts the financial statements of the Fund for the past 10 years, or since the Fund's inception, whichever period is lesser, on the Fund's website and makes those financial statements available to investors upon request; and
- (c) the Fund prepares sales communications and fund facts in accordance with the NI 81-102 and NI 81-101 Relief.

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

2.1.7 Encana Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

Issuer exempt from requirements in NI 51-101 that the qualified reserves evaluator or auditor be independent of the issuer, and that the qualified reserves evaluator or auditor executing Form 51-101F2 be independent of the issuer – issuer also relieved from the required form of Forms 51-101F2 and 51-101F3 to the extent necessary to reflect the relief from the independence requirement – all the foregoing relief subject to conditions.

Applicable Legislative Provisions

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, ss. 2.1, 3.2, 8.1.

Citation: *Re Encana Corporation*, 2017 ABASC 141

August 14, 2017

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

AND

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

AND

IN THE MATTER OF
ENCANA CORPORATION
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer:

- (a) be exempt from the requirement that each qualified reserves evaluator or qualified reserves auditor appointed under section 3.2 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) be independent of the Filer, and the requirement that each of the qualified reserves evaluators or qualified reserves auditors who execute the report required under item 2 of section 2.1 of NI 51-101 (the **Evaluator Report**) be independent of the Filer (together, the **Independent Evaluator Requirement**); and
- (b) be exempt from the required form of the Evaluator Report and the required form of the report required under item 3 of section 2.1 of NI 51-101 (the **Management Report**), to the extent necessary for such reports to reflect the exemption from the Independent Evaluator Requirement.

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; and

- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 51-101 or CSA Staff Notice 51-324 *Revised Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* as amended from time to time, have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is incorporated under the *Canada Business Corporations Act* and its head and registered offices are located in Calgary, Alberta.
2. The Filer is a reporting issuer in all provinces and territories of Canada and is not in default of securities legislation in any jurisdiction of Canada. The Filer is also subject to reporting obligations under the 1934 Act, and files regular periodic reports with the SEC.
3. The Filer is engaged in the business of the acquisition, development, production and marketing of oil, natural gas liquids and natural gas. The Filer holds a portfolio of oil and natural gas properties in Canada and the United States of America.
4. The Filer is an oil and gas issuer that produced an average of approximately 352,700 barrels of oil equivalent (converted pursuant to a ratio of six thousand cubic feet of natural gas to one barrel of oil) per day of oil, natural gas and natural gas liquids in its most recent financial year.
5. The Filer submitted in support of its application extensive information regarding its qualified reserves evaluators and qualified reserves auditors, and its processes, procedures and materials in respect of the internal generation of reserves data, contingent resources data and prospective resources data, as applicable.
6. The Filer's internally-generated reserves data, contingent resources data and prospective resources data, as applicable, is as reliable as if it were independently generated, for the following reasons:
 - (a) the Filer has qualified reserves evaluators or qualified reserves auditors within the meaning of NI 51-101;
 - (b) the Filer has a well-established evaluation process that is at least as rigorous as would be the case if it were to rely upon independent qualified reserves evaluators or independent qualified reserves auditors;
 - (c) the Filer has a technical quality assurance program in connection with the estimation of its internally generated reserves data, contingent resources data and prospective resources data, as applicable; and
 - (d) the Filer has written evaluation practices and procedures that are in accordance with the COGE Handbook.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- (a) **Explanatory and Cautionary Disclosure** – the Filer discloses:
 - (i) at least annually, its reasons for considering the reliability of its internally-generated reserves data, contingent resources data and prospective resources data, as applicable, to be not materially less than if the Independent Evaluator Requirement were adhered to, including a discussion of:
 - (A) factors that support the involvement of independent qualified reserves evaluators and independent qualified reserves auditors and why such factors are not considered compelling in the case of the Filer; and

- (B) the manner in which its internally-generated reserves data, contingent resources data and prospective resources data, as applicable, are determined, reviewed and approved, its relevant disclosure control procedures and the related role, responsibilities and composition of each of its responsible management, board of directors and (if applicable) reserves committee of its board of directors; and
- (ii) in each document that discloses any information from internally-generated reserves data, contingent resources data and prospective resources data, as applicable, and reasonably proximate to that disclosure, the fact that such data was internally-generated; and
- (b) **No Changes to Reliability of Internally Generated Information** – paragraph 6 above continues to be true.

“Denise Weeres”
Manager, Legal
Corporate Finance

2.2 Orders

2.2.1 Manulife Asset Management Limited et al. – ss. 78(1), 80 of the CFA

Headnote

Subsection 78(1) of the Commodity Futures Act (Ontario) – Order to revoke previous relief from paragraph 22(1)(b) of the CFA granted to sub-advisers headquartered in foreign jurisdictions in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions.

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirement of paragraph 22(1)(b) of the CFA granted to sub-advisers headquartered in foreign jurisdictions in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions – Relief mirrors exemption available in section 8.26.1 of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations made under the Securities Act (Ontario) – Relief is subject to a sunset clause.

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 1(1), 22(1)(b), 78(1), 80.

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25(3).

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.26.1.

Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.11.

Applicable Orders

In the Matter of Manulife Asset Management Limited and Manulife Asset Management (US) LLC and Manulife Asset Management (Hong Kong) Limited, dated August 14, 2012, (2012) 35 OSCB 7765.

In the Matter of Manulife Asset Management Limited and Manulife Asset Management (Europe) Limited, dated February 26, 2016, (2016) 39 OSCB 1991.

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

AND

**IN THE MATTER OF
MANULIFE ASSET MANAGEMENT LIMITED,
MANULIFE ASSET MANAGEMENT (US) LLC,
MANULIFE ASSET MANAGEMENT (HONG KONG) LIMITED, AND
MANULIFE ASSET MANAGEMENT (EUROPE) LIMITED**

ORDER

(Subsection 78(1) and Section 80 of the CFA)

UPON the application (the **Application**) of Manulife Asset Management Limited (the **Principal Adviser**), Manulife Asset Management (US) LLC, Manulife Asset Management (Hong Kong) Limited and Manulife Asset Management (Europe) Limited (each, a **Sub-Adviser** and together, the **Sub-Advisers**) to the Ontario Securities Commission (the **Commission**) for an order:

- (a) pursuant to subsection 78(1) of the CFA, revoking (i) the exemption order granted by the Commission to Manulife Asset Management (US) LLC and Manulife Asset Management (Hong Kong) Limited on August 14, 2012 (the **First Previous Order**) and (ii) the exemption order granted by the Commission to Manulife Asset Management (Europe) Limited on February 26, 2016 (the **Second Previous Order**); and
- (b) pursuant to section 80 of the CFA, that each Sub-Adviser and any individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of the Sub-Adviser in respect of the Sub-Advisory Services (as defined below) (the **Sub-Adviser Individuals**) be exempt, for a specified period of time, from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Adviser in respect of the Clients (as defined below) regarding commodity futures contracts and commodity futures options (collectively the **Contracts**) traded on commodity futures exchanges and cleared through clearing corporations;

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

AND UPON each Sub-Adviser and the Principal Adviser having represented to the Commission that:

1. The Principal Adviser is a corporation amalgamated under the laws of Canada with its head office located in Toronto, Ontario.
2. The Principal Adviser is registered under securities law as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador and as an adviser in the category of portfolio manager in each province and territory of Canada. The Principal Adviser is also registered in Ontario under the CFA as an adviser in the category of commodity trading manager and in Quebec under derivatives law as a derivatives portfolio manager.
3. Manulife Asset Management (US) LLC (**MAM US**) is a limited liability company existing under the laws of the State of Delaware, United States with its head office located in Boston, Massachusetts.
4. MAM US is currently registered as an investment adviser with the U.S. Securities and Exchange Commission and is exempted from registration as a commodity trading adviser and commodity pool operator with the U.S. Commodity Futures Trading Commission.
5. Manulife Asset Management (Hong Kong) Limited (**MAM HK**) is a company incorporated under the laws of Hong Kong with its head office located in Hong Kong.
6. MAM HK is currently licensed with the Securities and Futures Commission in Hong Kong to conduct various regulated activities in Hong Kong including advising in futures contracts.
7. Manulife Asset Management (Europe) Limited (**MAM Europe**) is a corporation incorporated under the laws of England and Wales with its head office located in London, England.
8. MAM Europe is authorized with the United Kingdom Financial Conduct Authority as a financial services firm authorized to advise on investments including commodity futures, commodity options and options on commodity futures.
9. The Sub-Advisers and the Principal Adviser are affiliates. MAM US is a direct subsidiary, and the Principal Adviser, MAM HK and MAM Europe are indirect subsidiaries, of Manulife Financial Corporation.
10. None of the Sub-Advisers is a resident of any province or territory of Canada.
11. Each Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the foreign jurisdiction (i.e., a jurisdiction outside of Canada) in which its head office or principal place of business is located that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario. As such, each Sub-Adviser is authorized and permitted to carry on the Sub-Advisory Services (as defined below) in their respective foreign jurisdiction.
12. Each Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located.
13. None of the Sub-Advisers is registered in any capacity under the securities legislation of Ontario or any other jurisdiction of Canada or under the CFA. Each Sub-Adviser acts in reliance on the exemption from the requirement to register as an adviser under the *Securities Act (Ontario)* (**OSA**) pursuant to section 8.26.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).
14. The Principal Adviser and the Sub-Advisers are not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction of Canada. Each Sub-Adviser is in compliance in all material respects with the securities laws, commodity futures laws and derivatives laws in each foreign jurisdiction in which its head office or principal place of business is located.
15. The Principal Adviser provides investment advice and/or discretionary portfolio management services in Ontario to (i) investment funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **Investment Funds**); (ii) pooled funds, the securities of which are sold on a private placement basis in Ontario and certain other provinces and territories of Canada pursuant to prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* (the **Pooled Funds**); (iii) clients who have entered into investment management agreements with the Principal Adviser to establish managed accounts (the **Managed Account Clients**); and (iv) other Investment Funds, Pooled Funds and Managed Account Clients that may

be established or retained in the future and in respect of which the Principal Adviser engages the Sub-Adviser to provide portfolio advisory services (the **Future Clients**) (each of the Investment Funds, Pooled Funds, Managed Account Clients and Future Clients being referred to individually as a **Client** and collectively as the **Clients**).

16. The Clients may, as part of their investment program, invest in Contracts. The Principal Adviser acts, or will act, as a commodity trading manager in respect of such Clients.
17. In connection with the Principal Adviser acting as an adviser to Clients in respect of the purchase or sale of Contracts, the Principal Adviser, pursuant to a written agreement made between the Principal Adviser and each respective Sub-Adviser, has retained the respective Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of Contracts in which that Sub-Adviser has experience and expertise by exercising discretionary authority on behalf of the Principal Adviser, in respect of all or a portion of the assets of the investment portfolio of the respective Client, including discretionary authority to buy or sell Contracts for the Client (the **Sub-Advisory Services**), provided that:
 - (a) in each case, the Contracts are cleared through an “acceptable clearing corporation” (as defined in National Instrument 81-102 *Investment Funds*, or any successor thereto (**NI 81-102**)) or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A of NI 81-102; and
 - (b) such investments are consistent with the investment objectives and strategies of the applicable Client.
18. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a representative or as a partner or an officer of a registered adviser and is acting on behalf of such registered adviser.
19. By providing the Sub-Advisory Services, each Sub-Adviser and the Sub-Adviser Individuals will be engaging in, or holding himself, herself or itself out as engaging in, the business of advising others in respect of Contracts and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.
20. There is presently no rule or regulation under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA that is similar to the exemption from the adviser registration requirement in subsection 25(3) of the OSA that is provided under section 8.26.1 of NI 31-103.
21. The relationship among the Principal Adviser, each Sub-Adviser and any Client is consistent with the requirements of section 8.26.1 of NI 31-103.
22. Each Sub-Adviser will only provide the Sub-Advisory Services as long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.
23. As would be required under section 8.26.1 of NI 31-103:
 - (a) the obligations and duties of each Sub-Adviser are set out in a written agreement with the Principal Adviser; and
 - (b) the Principal Adviser has entered, or will enter, into a written agreement with each of the Clients on whose behalf investment advice is or portfolio management services are being provided, agreeing to be responsible for any loss that arises out of the failure of the Sub-Adviser:
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and each Client; or
 - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**).
24. The written agreement between the Principal Adviser and each Sub-Adviser sets out the obligations and duties of each party in connection with the Sub-Advisory Services and permits the Principal Adviser to exercise the degree of supervision and control it is required to exercise over the Sub-Adviser in respect of the Sub-Advisory Services.
25. The Principal Adviser will deliver to the Clients all applicable reports and statements required under applicable securities, commodity futures and derivatives legislation.
26. The prospectus or other offering document (the **Offering Document**), if any, for each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services includes or will include the following disclosure (the **Required Disclosure**):

- (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and
 - (b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or any of its Sub-Adviser Individuals) because the Sub-Adviser is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.
27. Prior to purchasing any securities of one or more of the Clients that are Investment Funds or Pooled Funds directly from the Principal Adviser, all investors in these Clients who are Ontario residents will receive, or have received, the Required Disclosure in writing (which may be in the form of an Offering Document).
28. Each Client that is a Managed Account Client for which the Principal Adviser engages a Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchase of any Contracts for such Client.
29. The Principal Adviser, MAM US and MAM HK obtained substantially similar relief in the First Previous Order and the Principal Adviser and MAM Europe obtained substantially similar relief in the Second Previous Order, pursuant to which the Sub-Advisers provided Sub-Advisory Services to the Principal Adviser in respect of the Clients.
30. The expiry of the five year period set out in the First Previous Order has triggered the requested Order.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the relief requested;

IT IS ORDERED, pursuant to subsection 78(1) of the CFA, that the First Previous Order and the Second Previous Order are revoked; and

IT IS FURTHER ORDERED, pursuant to section 80 of the CFA, that each Sub-Adviser and its Sub-Adviser Individuals are exempt from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services, provided that at the time that such activities are engaged in:

- (a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;
- (b) the Sub-Adviser's head office or principal place of business is in a foreign jurisdiction;
- (c) the Sub-Adviser is registered in a category of registration, or operates under an exemption from registration, under the commodity futures or other applicable legislation of the foreign jurisdiction in which its head office or principal place of business is located, that permits it to carry on the activities in that jurisdiction that registration as an adviser under the CFA would permit it to carry on in Ontario;
- (d) the Sub-Adviser engages in the business of an adviser in respect of Contracts in the foreign jurisdiction in which its head office or principal place of business is located;
- (e) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;
- (f) the Principal Adviser has entered into a written agreement with each Client agreeing to be responsible for any loss that arises out of any failure of the Sub-Adviser to meet the Assumed Obligations;
- (g) the Offering Document of each Client that is an Investment Fund or a Pooled Fund and for which the Principal Adviser engages the respective Sub-Adviser to provide the Sub-Advisory Services will include the Required Disclosure;
- (h) prior to purchasing any securities of a Client that is an Investment Fund or a Pooled Fund directly from the Principal Adviser, each investor in any of these Clients who was or is an Ontario resident received, or will receive, the Required Disclosure in writing; and
- (i) each Client that is a Managed Account Client for which the Principal Adviser engages the Sub-Adviser to provide the Sub-Advisory Services will receive, or has received, the Required Disclosure in writing prior to the purchase of any Contracts for such Client; and

IT IS FURTHER ORDERED that this Order will terminate on the earliest of:

- (a) the expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
- (b) six months, or such other transition period as may be provided by law, after the coming into force of any amendment to Ontario commodity futures law (as defined in the CFA) or Ontario securities law (as defined in the OSA) that affects the ability of any Sub-Adviser to act as a sub-adviser to the Principal Adviser in respect of the Sub-Advisory Services; and
- (c) five years after the date of this Order.

DATED at Toronto, Ontario, this 11th day of August, 2017

“William Furlong”
Commissioner
Ontario Securities Commission

“Philip Anisman”
Commissioner
Ontario Securities Commission

2.2.2 Silver Bear Resources Inc.

and Labrador (the Reporting Jurisdictions).

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – application for a decision that the issuer is not a reporting issuer under securities legislation – issuer in default due to non-compliance with technical report form requirements – parent company will remedy the default

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).
National Policy 11-206 Process for Cease to be a Reporting Issuer Applications.
National Instrument 43-101 Standards of Disclosure for Mineral Projects.

August 14, 2017

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

AND

IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS

AND

IN THE MATTER OF
SILVER BEAR RESOURCES INC.
(the Filer)

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the laws of the *Business Corporations Act* (Ontario).
2. The Filer's head office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.
3. The Filer is a reporting issuer under the laws of each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.
4. At a special meeting of the shareholders of the Filer held on June 23, 2017, requisite shareholder approval was received in connection with a statutory plan of arrangement (the **Arrangement**) whereby all of the issued and outstanding common shares of the Filer were exchanged for ordinary shares of Silver Bear Resources Plc (the **Parent**) and all convertible securities of the Filer were exchanged for convertible securities of the Parent. The Arrangement was approved by the Ontario Superior Court of Justice (Commercial List) on June 27, 2017, and completed on June 30, 2017. All convertible securities of the Filer, including debt securities, were cancelled after the exchange under the Arrangement, such that the only outstanding securities of the Filer are common shares.
5. As a result of the Arrangement, all of the outstanding common shares of the Filer are beneficially owned, directly or indirectly, by the Parent.
6. Following the Filer's application to the Toronto Stock Exchange (the **TSX**) on June 30, 2017, the Filer's common shares were delisted from the TSX effective as of the opening of business on July 5, 2017. Accordingly, no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.

7. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
8. The Filer has no intention to seek public financing by way of an offering of securities in any jurisdiction in Canada.
9. The Filer is not in default of the securities legislation in any of the Reporting Jurisdictions, except for the Filer's technical report filed on April 13, 2017 not being in compliance with Form 43-101F1 *Technical Report* as required under National Instrument 43-101 *Standards of Disclosure for Mineral Projects (NI 43-101 Requirements)*;
10. Upon completion of the Arrangement, the Parent became a reporting issuer in the Reporting Jurisdictions. The Parent is therefore subject to continuous disclosure and other reporting issuer obligations, including the filing of relevant technical reports under NI 43-101 Requirements.
11. The underlying property of the technical report is the same for the Parent and the Filer. The Parent's filing of a compliant technical report on its SEDAR profile will effectively remedy the Filer's default.
12. The Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it is in default for not being in compliance with NI 43-101 Requirements.
13. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions in Canada in which it is a reporting issuer.
14. Upon granting of the Order Sought, the Filer will not be a reporting issuer in any jurisdiction in Canada.

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

"William Furlong"
Commissioner
Ontario Securities Commission

"Philip Anisman"
Commissioner
Ontario Securities Commission

2.2.3 Silver Bear Resources Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act(Ontario).

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.
Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

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

AND

**IN THE MATTER OF
SILVER BEAR RESOURCES INC.
(the Applicant)**

**ORDER
(Subsection 1(6) of the OBCA)**

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an "offering corporation" as defined in the OBCA, and has an authorized capital consisting of an unlimited number of common shares (**Common Shares**) and an unlimited number of preference shares (**Preference Shares**).
2. The Applicant's head office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1.
3. The Applicant entered into an arrangement agreement with Silver Bear Resources Plc (the **Parent**) on May 15, 2017 providing for the exchange of all of the issued and outstanding Common Shares for ordinary shares of the Parent and for the exchange of all convertible securities of the Applicant for convertible securities of the Parent.
4. The Arrangement was approved by the shareholders of the Applicant at a special meeting of shareholders held on June 23, 2017 and by the Ontario Superior Court of Justice (Commercial List) on June 27, 2017.

5. The Arrangement was completed on June 30, 2017.
6. The Common Shares were delisted from the Toronto Stock Exchange on July 5, 2017. The convertible securities of the Applicant were cancelled after the exchange.
7. As of the date of this decision, all of the issued and outstanding Common Shares of the Applicant (which are the only outstanding securities of the Applicant) are beneficially owned, directly or indirectly, by the Parent.
8. The Applicant has no intention to seek public financing by way of an offering of securities.
9. On August 11, 2017, the Applicant was granted an order pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

AND UPON the Commission being satisfied that 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 is deemed to have ceased to be offering its securities to the public.

DATED at Toronto on this 14th day of August, 2017.

“William Furlong”
Commissioner
Ontario Securities Commission

“Philip Anisman”
Commissioner
Ontario Securities Commission

2.2.4 Money Gate Mortgage Investment Corporation et al. – s. 127(8)

**IN THE MATTER OF
MONEY GATE MORTGAGE
INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN**

Timothy Moseley, Chair of the Panel

August 16, 2017

**ORDER
(Subsection 127(8))**

WHEREAS the Ontario Securities Commission held a hearing in writing, in relation to a motion by Staff of the Commission (**Staff**) for an order that paragraph 1 of the order issued April 27, 2017 in this matter (the **Temporary Order**) and extended until May 29, 2017, be extended until December 31, 2017;

ON READING the materials filed by Staff; and considering the respondents' consent to the making of this Order;

IT IS ORDERED THAT pursuant to subsection 127(8) of the *Securities Act*, RSO 1990, c S.5, paragraph 1 of the Temporary Order is extended to December 31, 2017.

“Timothy Moseley”

2.2.5 R Split III Corp.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to 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).

June 28, 2017

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

AND

**IN THE MATTER OF
THE PROCESS FOR CEASE TO BE
A REPORTING ISSUER APPLICATIONS**

AND

**IN THE MATTER OF
R SPLIT III CORP.
(the Filer)**

ORDER

Background

The principal regulator in the Jurisdiction has received an application from the Filer for an order under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a passport application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the Provinces and Territories of Canada (other than Ontario).

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, 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;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

Order

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

The decision of the principal regulator under the Legislation is that the Order Sought is granted.

“Vera Nunes”
Manager
Ontario Securities Commission

2.2.6 R Split III Corp. – s. 1(6) of the OBCA

Headnote

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

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
R SPLIT III CORP.
(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 deeming it to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an “offering corporation” as defined in the OBCA;
2. The Applicant’s registered address is located at 40 King Street West, Scotia Plaza, 26th Floor, P.O. Box 4085, Toronto, Ontario, M5W 2X6;
3. The issued and outstanding Class A Capital Shares (“**Capital Shares**”) and Class B Preferred Shares, Series 1 (“**Preferred Shares**”) of the Applicant were redeemed on May 31, 2017;
4. Following the redemption, the only issued and outstanding shares are now owned by R Split III Holdings Corp. (**Class J Shares**) and Scotia Capital Inc. (**Class S Shares**), and no other shares are currently issued and outstanding;
5. The Applicant’s Capital Shares and Preferred Shares were de-listed from the TSX effective the close of trading on May 31, 2017;
6. The Applicant has no intention to seek public financing by way of an offering of securities;
7. On June 28, 2017, the Applicant was granted an order that it is not a reporting issuer in Ontario pursuant to subclause 1(10)(a)(ii) of the *Securities Act* (Ontario), and is not a reporting issuer or the

equivalent in any other jurisdiction of Canada in accordance with the procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

AND UPON the Commission being satisfied that 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 is deemed to have ceased to be offering its securities to the public.

DATED at Toronto on July 14, 2017.

“Mark Sandler”
Commissioner
Ontario Securities Commission

“Frances Kordyback”
Commissioner
Ontario Securities Commission

2.2.7 Silcom Systems Inc. – s. 144

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
SILCOM SYSTEMS INC.

ORDER
(Section 144 of the Act)

WHEREAS the securities of Silcom Systems Inc. (the “Applicant”) are subject to a cease trade order dated May 25, 2015 issued by the Director of the Ontario Securities Commission (the “Commission”) pursuant to paragraph 2 of subsection 127(1) of the Act (the “Ontario Cease Trade Order”), directing that all trading in the securities of the Applicant, whether direct or indirect, cease until the Ontario Cease Trade Order is revoked by the Director;

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

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act to revoke the Ontario Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was formed on October 8, 2013 under the *Business Corporations Act* (British Columbia).
2. The Applicant's head office is located at 137 Ranelagh Avenue, Burnaby, BC, V5B 3N2.
3. The Applicant is a reporting issuer under the securities legislation of the provinces of British Columbia, Alberta and Ontario (“Reporting Jurisdictions”) and is not a reporting issuer in any other jurisdiction.

4. The Applicant's authorized share capital consists of an unlimited number of common shares (the “Common Shares”). As of the date hereof, there are 4,797,129 Common Shares issued and outstanding.
5. The Applicant does not have any outstanding debt securities.
6. The Applicant is also subject to a cease trade order issued by the British Columbia Securities Commission dated May 8, 2015 (the “BC Cease Trade Order”) and a cease trade order issued by the Alberta Securities Commission on August 7, 2015 (the “Alberta Cease Trade Order”) (collectively, together with the Ontario Cease Trade Order, the “Cease Trade Orders”). The Applicant has concurrently applied for revocation of the BC Cease Trade Order and Alberta Cease Trade Order.
7. The Cease Trade Orders were issued as a result of the Applicant's failure to file its audited annual financial statements and related management's discussion & analysis (“MD&A”) for the year ended December 31, 2014 within the prescribed time frame as required under National Instrument 51-102 *Continuous Disclosure Obligations* and related certifications (the “NI 52-109 Certificates”) as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.
8. Since the issuance of the Cease Trade Orders, the Applicant has filed the following continuous disclosure documents with the Reporting Jurisdictions:
 - (a) audited annual financial statements, MD&A and NI 52-109 Certificates for the year ended December 31, 2016; and
 - (b) unaudited interim financial statements, MD&A and NI 52-109 Certificates for the three month period ended March 31, 2017.
9. The Applicant has not filed the following:
 - (a) the audited annual financial statements, MD&A and NI 52-109 Certificates for the years ended December 31, 2014 and December 31, 2015; and
 - (b) the unaudited interim financial statements, MD&A and NI 52-109 Certificates for the periods ended March 31, 2015 to September 30, 2016(collectively, the “Outstanding Filings”).
10. The Applicant has filed all outstanding continuous disclosure documents that are required to be filed

- in the Reporting Jurisdictions other than the Outstanding Filings.
11. The Applicant has requested that the Commission exercise its discretion in accordance with sections 6 and 7 of National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order* and elect not to require the Applicant to file the Outstanding Filings.
 12. Except for the failure to file the Outstanding Filings, the Applicant (i) is up-to-date with all of its other continuous disclosure obligations; (ii) is not in default of any of its obligations under the Ontario Cease Trade Order; and (iii) is not in default of any requirements under the Act or the rules and regulations made pursuant thereto, other than as set out in paragraph 18 below.
 13. The Applicant's securities are not listed or quoted on any other exchange or market in Canada or elsewhere.
 14. As of the date hereof, the Applicant has paid all outstanding activity, participation and late filing fees that are required to be paid to the Commission and has filed all forms associated with such payments.
 15. Since the issuance of the Cease Trade Orders, the Applicant has been dormant and there have not been any material changes in the business, operations or affairs of the Applicant that have not been disclosed to the public.
 16. As of the date hereof, the Applicant's profiles on the System for Electronic document Analysis and Retrieval ("**SEDAR**") and the System for Electronic Disclosure by Insiders ("**SEDI**") are current and accurate.
 17. The Applicant has given the Commission a written undertaking that the Applicant will hold an annual meeting of shareholders within three months after the date on which the Ontario Cease Trade Order is revoked.
 18. On April 4, 2017, the Applicant issued a news release announcing an option agreement with Cypress Development Corp. ("**Cypress**") to acquire an 80% interest in Cypress' 100% owned Gunman Zinc-Silver Project in White Pine County, Nevada in consideration of an aggregate of US\$550,000 cash, the issuance of 2,000,000 common shares of the Applicant and expenditures of US\$2,950,000 in exploration expenses (the "**Option Agreement**"). Staff of the Commission have advised that this may have been an act in furtherance of a trade in contravention of the Ontario Cease Trade Order. All prospective investors have been made aware of the Cease Trade Orders. Closing of the Option Agreement remains subject to revocation of the Cease Trade

Orders. Except for the announcement of the Option Agreement, there have been no material changes in the business, operations or affairs of the Applicant since the issuance of the Cease Trade Orders.

19. The Applicant is not considering nor, except as described in paragraph 18 above, is it involved in any discussions related to, a reverse takeover, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
20. Other than the Cease Trade Orders, the Applicant has not previously been subject to a cease trade order issued by any securities regulatory authority.
21. Upon the revocation of the Ontario Cease Trade Order, the Applicant will issue a news release and concurrently file a material change report on SEDAR announcing the revocation of the Ontario Cease Trade Order and outlining the Applicant's future plans.

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

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

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

DATED at Toronto, this 16th day of August, 2017.

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

2.2.8 **Dennis L. Meharchand and Valt.X Holdings Inc.**
– s. 127(1)

**IN THE MATTER OF
DENNIS L. MEHARCHAND and
VALT.X HOLDINGS INC.**

Timothy Moseley, Chair of the Panel

August 22, 2017

**ORDER
(Subsection 127(1) of the
Securities Act, RSO 1990, c S.5)**

WHEREAS on August 21, 2017, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario for the third appearance in this matter; and

ON HEARING the submissions of the representative for Staff and counsel representing Dennis L. Meharchand and Valt.X Holdings Inc. (the **Respondents**) and considering the Respondents' stated intention to make a motion before the hearing on the merits;

IT IS ORDERED THAT:

1. the Respondents' motion shall be heard on October 16, 2017 at 10:00 a.m. and the parties shall adhere to the following timeline for the delivery of the motion materials:
 - a. the Respondents shall serve and file moving motion materials by no later than September 15, 2017;
 - b. Staff shall serve and file responding motion materials by no later than September 29, 2017; and
 - c. the Respondents shall serve and file reply materials, if any, by no later than October 6, 2017.
2. a further pre-hearing conference shall be heard on October 16, 2017, immediately following the hearing of the Respondents' motion;
3. by no later than December 1, 2017, the Respondents shall provide to Staff their preliminary witness list and summaries of the witnesses' anticipated evidence and shall indicate to Staff any intent to call an expert witness, including the name of the expert and the issue on which the expert will be giving evidence;
4. by no later than December 1, 2017, all parties shall deliver to every other party copies of the documents that they intend to produce or enter as evidence at the hearing on the merits;
5. the final interlocutory appearance shall be heard on December 18, 2017 at 10:00 a.m.; and
6. the hearing on the merits shall be heard on January 15, 16, 22, 24, 25, 26, 29, 30, and 31, and February 1 and 2, 2018, commencing at 10:00 a.m. on each scheduled day, or such other dates as may be agreed to by the parties and set by the Office of the Secretary.

"Timothy Moseley"

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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
Silcom Systems Inc.	12 May 2015	25 May 2015	25 May 2015	16 August 2017

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation

THERE IS NOTHING TO REPORT THIS WEEK.

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	

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
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	
Plaintree Systems Inc.	01 August 2017	
The Canadian Bioceutical Corporation	01 August 2017	

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Alignvest Top 20 Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated August 15, 2017
NP 11-202 Preliminary Receipt dated August 16, 2017

Offering Price and Description:

Class A and F Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Alignvest Capital Management Inc.
Project #2661588

Issuer Name:

Dynamic iShares Active Global Financial Services ETF
Dynamic iShares Active Tactical Bond ETF
Dynamic iShares Active U.S. Mid Cap ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated August 14, 2017
NP 11-202 Preliminary Receipt dated August 15, 2017

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A
Project #2660657

Issuer Name:

CC&L Core Income and Growth Fund
CC&L Equity Income and Growth Fund
CC&L Global Alpha Fund
CC&L High Yield Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
August 21, 2017
Received on August 21, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Connor, Clark & Lunn Funds Inc.
Project #2588520

Issuer Name:

DFA Canadian Vector Equity Fund
DFA U.S. Vector Equity Fund
DFA International Vector Equity Fund
Principal Regulator - British Columbia

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
August 16, 2017
Received on August 16, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Dimensional Fund ADvisors Canada ULC
Project #2626638

Issuer Name:

Fidelity American High Yield Currency Neutral Investment Trust
Fidelity American High Yield Investment Trust
Fidelity Asset Allocation Currency Neutral Private Pool
Fidelity Asset Allocation Private Pool
Fidelity Balanced Currency Neutral Private Pool
Fidelity Balanced Income Currency Neutral Private Pool
Fidelity Balanced Income Private Pool
Fidelity Balanced Private Pool
Fidelity Canadian Equity Investment Trust
Fidelity Canadian Equity Private Pool
Fidelity Canadian Real Return Bond Index Investment Trust
Fidelity Canadian Short Term Fixed Income Investment Trust
Fidelity Concentrated Canadian Equity Investment Trust
Fidelity Concentrated Canadian Equity Private Pool
Fidelity Concentrated Value Investment Trust
Fidelity Concentrated Value Private Pool
Fidelity Conservative Income Private Pool
Fidelity Convertible Securities Investment Trust
Fidelity Emerging Markets Debt Investment Trust
Fidelity Emerging Markets Equity Investment Trust
Fidelity Emerging Markets Investment Trust
Fidelity Floating Rate High Income Investment Trust
Fidelity Global Bond Currency Neutral Investment Trust
Fidelity Global Bond Investment Trust
Fidelity Global Credit Investment Trust
Fidelity Global Equity Currency Neutral Private Pool
Fidelity Global Equity Investment Trust
Fidelity Global Equity Private Pool
Fidelity Global High Yield Investment Trust
Fidelity Global Real Estate Investment Trust
Fidelity High Income Commercial Real Estate Investment Trust
Fidelity Insights Investment Trust
Fidelity International Disciplined Equity Investment Trust
Fidelity International Equity Currency Neutral Private Pool
Fidelity International Equity Investment Trust
Fidelity International Equity Private Pool
Fidelity International Growth Investment Trust
Fidelity Premium Fixed Income Private Pool
Fidelity Premium Fixed Income Private Pool Class
Fidelity Premium Money Market Private Pool
Fidelity Premium Tactical Fixed Income Private Pool
Fidelity U.S. Bond Investment Trust
Fidelity U.S. Dividend Private Pool
Fidelity U.S. Equity Currency Neutral Private Pool
Fidelity U.S. Equity Investment Trust
Fidelity U.S. Equity Private Pool
Fidelity U.S. Growth and Income Private Pool
Fidelity U.S. Money Market Investment Trust
Fidelity U.S. Multi-Cap Investment Trust
Fidelity U.S. Small/Mid Cap Equity Investment Trust
Principal Regulator - Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated August 14, 2017
NP 11-202 Preliminary Receipt dated August 15, 2017

Offering Price and Description:

Series O Securities

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC

Promoter(s):

Fidelity Investments Canada ULC

Project #2661253

Issuer Name:

Fidelity Canadian Equity Private Pool
Fidelity Concentrated Canadian Equity Private Pool
Fidelity U.S. Equity Private Pool
Fidelity U.S. Equity Currency Neutral Private Pool
Fidelity International Equity Private Pool
Fidelity International Equity Currency Neutral Private Pool
Fidelity Global Equity Private Pool
Fidelity Global Equity Currency Neutral Private Pool
Fidelity Concentrated Value Private Pool
Fidelity U.S. Dividend Private Pool
Fidelity Balanced Income Private Pool
Fidelity Balanced Income Currency Neutral Private Pool
Fidelity Balanced Private Pool - 2 -
Fidelity Balanced Currency Neutral Private Pool
Fidelity Asset Allocation Private Pool
Fidelity Asset Allocation Currency Neutral Private Pool
Fidelity U.S. Growth and Income Private Pool
Fidelity Conservative Income Private Pool
Fidelity Premium Fixed Income Private Pool
Fidelity Premium Money Market Private Pool
Fidelity Premium Fixed Income Private Pool Class
Fidelity Premium Tactical Fixed Income Private Pool
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus and Amendment #5 to Annual Information Form dated August 18, 2017

Received on August 18, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC

Promoter(s):

Fidelity Investments Canada ULC

Project #2515520

Issuer Name:

First Trust AlphaDEX Canadian Dividend ETF
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated August 16, 2017

Received on August 16, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

FT Portfolios Canada Co.

Promoter(s):

FT Portfolios Canada Co.

Project #2600148

Issuer Name:

Franklin LibertyQT Emerging Markets Index ETF
Franklin LibertyQT Global Dividend Index ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated August 16, 2017
NP 11-202 Preliminary Receipt dated August 17, 2017

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Franklin Templeton Investments Corp.

Project #2661826

Issuer Name:

Friedberg Asset Allocation Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated to Final Long Form Prospectus
dated August 14, 2017
Received on August 15, 2017

Offering Price and Description:

U.S. Denominated Series Units and Canadian
Denominated Series Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Friedberg Mercantile Group Ltd.

Promoter(s):

Friedberg Mercantile Group Ltd.

Project #2592227

Issuer Name:

Sentry All Cap Income Fund
Sentry Canadian Income Class
Sentry Canadian Income Fund
Sentry Diversified Equity Class
Sentry Diversified Equity Fund
Sentry Global Growth and Income Class
Sentry Global Growth and Income Fund
Sentry Global Infrastructure Fund
Sentry Global Mid Cap Income Fund
Sentry Growth and Income Fund
Sentry Small/Mid Cap Income Class
Sentry Small/Mid Cap Income Fund
Sentry U.S. Growth and Income Class
Sentry U.S. Growth and Income Currency Neutral Class
Sentry U.S. Growth and Income Fund
Sentry Canadian Resource Class
Sentry Energy Fund
Sentry Global REIT Class
Sentry Global REIT Fund
Sentry Precious Metals Class
Sentry Precious Metals Fund
Sentry Alternative Asset Income Fund
Sentry Conservative Balanced Income Class
Sentry Conservative Balanced Income Fund
Sentry Conservative Monthly Income Fund
Sentry Global Monthly Income Fund
Sentry U.S. Monthly Income Fund
Sentry Canadian Bond Fund
Sentry Corporate Bond Class
Sentry Corporate Bond Fund
Sentry Global High Yield Bond Class
Sentry Global High Yield Bond Fund
Sentry Money Market Class
Sentry Money Market Fund
Sentry Growth Portfolio
Sentry Growth and Income Portfolio
Sentry Balanced Income Portfolio
Sentry Conservative Income Portfolio
Sentry Defensive Income Portfolio
Sentry Canadian Equity Income Private Pool Class
Sentry Canadian Equity Income Private Trust
Sentry Global Equity Income Private Pool Class
Sentry International Equity Income Private Pool Class
Sentry International Equity Income Private Trust
Sentry U.S. Equity Income Private Pool Class
Sentry U.S. Equity Income Currency Neutral Private Pool
Class
Sentry U.S. Equity Income Private Trust
Sentry Energy Private Trust
Sentry Global Infrastructure Private Trust
Sentry Global Real Estate Private Trust
Sentry Precious Metals Private Trust
Sentry Balanced Yield Private Pool Class
Sentry Global Balanced Yield Private Pool Class
Sentry Canadian Fixed Income Private Pool
Sentry Canadian Core Fixed Income Private Trust
Sentry Global Core Fixed Income Private Trust
Sentry Global High Yield Fixed Income Private Trust
Sentry Global Investment Grade Private Pool Class
Sentry Global Tactical Fixed Income Private Pool
Sentry Real Growth Pool Class
Sentry Real Long Term Income Pool Class

Sentry Real Long Term Income Trust
Sentry Real Mid Term Income Pool Class
Sentry Real Mid Term Income Trust
Sentry Real Short Term Income Pool Class
Sentry Real Short Term Income Trust
Sentry Real Income1941-45 Class
Sentry Real Income 1946-50 Class
Sentry Real Income1951-55 Class
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated August 18, 2017

Received on August 18, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Sentry Investments Inc.

Promoter(s):

Sentry Investments Inc.

Project #2622242

Issuer Name:

BMO S&P/TSX Equal Weight Banks Index ETF
BMO S&P/TSX Equal Weight Global Base Metals Hedged to CAD Index ETF
BMO S&P/TSX Equal Weight Global Gold Index ETF
BMO S&P/TSX Equal Weight Industrials Index ETF
BMO S&P/TSX Equal Weight Oil & Gas Index ETF
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated August 9, 2017

NP 11-202 Receipt dated August 17, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

BMO Asset Management Inc.

Project #2569190

Issuer Name:

BMO International Equity Fund
BMO Japan Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated August 10, 2017

NP 11-202 Receipt dated August 15, 2017

Offering Price and Description:

Series A, F, I and Advisor Series securities

Underwriter(s) or Distributor(s):

BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #2646170

Issuer Name:

Dividend 15 Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus (NI 44-101) dated August 17, 2017

NP 11-202 Receipt dated August 21, 2017

Offering Price and Description:

\$87,403,800

4,182,000 Preferred Shares and 4,182,000 Class A Shares
Prices: \$10.00 per Preferred Share; \$10.90 per Class A Share

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
Raymond James Ltd.
Desjardins Securities Inc.
Echelon Wealth Partners Inc.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
Manulife Securities Incorporated

Promoter(s):

N/A

Project #2658032

Issuer Name:

Evolve Active Canadian Preferred Share ETF
Evolve Active Floating Rate Loan ETF
Evolve Active Short Duration Bond ETF
Evolve Active US Core Equity ETF
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated August 14, 2017

NP 11-202 Receipt dated August 15, 2017

Offering Price and Description:

Unhedged Units and Hedged Units @ net asset value

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Evolve Funds Group Inc.

Project #2642578

Issuer Name:

Friedberg Asset Allocation Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated to Final Long Form Prospectus
dated August 14, 2017

NP 11-202 Receipt dated August 18, 2017

Offering Price and Description:

U.S. Denominated Series Units and Canadian
Denominated Series Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Friedberg Mercantile Group Ltd.

Promoter(s):

Friedberg Mercantile Group Ltd.

Project #2592227

Issuer Name:

Sentry All Cap Income Fund
Sentry Canadian Income Class
Sentry Canadian Income Fund
Sentry Diversified Equity Class
Sentry Diversified Equity Fund
Sentry Global Growth and Income Class
Sentry Global Growth and Income Fund
Sentry Global Infrastructure Fund
Sentry Global Mid Cap Income Fund
Sentry Growth and Income Fund
Sentry Small/Mid Cap Income Class
Sentry Small/Mid Cap Income Fund
Sentry U.S. Growth and Income Class
Sentry U.S. Growth and Income Currency Neutral Class
Sentry U.S. Growth and Income Fund
Sentry Canadian Resource Class
Sentry Energy Fund
Sentry Global REIT Class
Sentry Global REIT Fund
Sentry Precious Metals Class
Sentry Precious Metals Fund
Sentry Alternative Asset Income Fund
Sentry Conservative Balanced Income Class
Sentry Conservative Balanced Income Fund
Sentry Conservative Monthly Income Fund
Sentry Global Monthly Income Fund
Sentry U.S. Monthly Income Fund
Sentry Canadian Bond Fund
Sentry Corporate Bond Class
Sentry Corporate Bond Fund
Sentry Global High Yield Bond Class
Sentry Global High Yield Bond Fund
Sentry Money Market Class
Sentry Money Market Fund
Sentry Growth Portfolio
Sentry Growth and Income Portfolio
Sentry Balanced Income Portfolio
Sentry Conservative Income Portfolio
Sentry Defensive Income Portfolio
Sentry Canadian Equity Income Private Pool Class
Sentry Canadian Equity Income Private Trust
Sentry Global Equity Income Private Pool Class
Sentry International Equity Income Private Pool Class
Sentry International Equity Income Private Trust
Sentry U.S. Equity Income Private Pool Class
Sentry U.S. Equity Income Currency Neutral Private Pool
Class
Sentry U.S. Equity Income Private Trust
Sentry Energy Private Trust
Sentry Global Infrastructure Private Trust
Sentry Global Real Estate Private Trust
Sentry Precious Metals Private Trust
Sentry Balanced Yield Private Pool Class
Sentry Global Balanced Yield Private Pool Class
Sentry Canadian Fixed Income Private Pool
Sentry Canadian Core Fixed Income Private Trust
Sentry Global Core Fixed Income Private Trust
Sentry Global High Yield Fixed Income Private Trust
Sentry Global Investment Grade Private Pool Class
Sentry Global Tactical Fixed Income Private Pool
Sentry Real Growth Pool Class
Sentry Real Long Term Income Pool Class

Sentry Real Long Term Income Trust
Sentry Real Mid Term Income Pool Class
Sentry Real Mid Term Income Trust
Sentry Real Short Term Income Pool Class
Sentry Real Short Term Income Trust
Sentry Real Income 1941-45 Class
Sentry Real Income 1946-50 Class
Sentry Real Income 1951-55 Class
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated August 18, 2017

NP 11-202 Receipt dated August 21, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Sentry Investments Inc.

Promoter(s):

Sentry Investments Inc.

Project #2622242

Issuer Name:

TD Emerald Canadian Treasury Management Fund
TD Emerald Canadian Treasury Management - Government of Canada Fund
TD Emerald Canadian Short Term Investment Fund
TD Emerald Canadian Bond Index Fund
TD Emerald Balanced Fund
TD Emerald Canadian Equity Index Fund
TD Emerald U.S. Market Index Fund
TD Emerald International Equity Index Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated August 10, 2017

NP 11-202 Receipt dated August 16, 2017

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

TD Asset Management Inc.

Project #2584656

Issuer Name:

Sprott Canadian Equity Fund
Sprott Diversified Bond Class
Sprott Diversified Bond Fund
Sprott Energy Fund
Sprott Enhanced Balanced Class
Sprott Enhanced Balanced Fund
Sprott Enhanced Equity Class
Sprott Enhanced U.S. Equity Class
Sprott Focused Global Balanced Class
Sprott Focused Global Dividend Class
Sprott Focused U.S. Balanced Class
Sprott Focused U.S. Dividend Class
Sprott Global Infrastructure Fund
Sprott Global Real Estate Fund
Sprott Gold and Precious Minerals Fund
Sprott Real Asset Class
Sprott Resource Class
Sprott Short-Term Bond Class
Sprott Short-Term Bond Fund
Sprott Silver Equities Class
Sprott Small Cap Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated August 9, 2017

NP 11-202 Receipt dated August 21, 2017

Offering Price and Description:

Series A, Series F, Series I, Series T, Series FT, Series P, Series PT, Series PF, Series PFT, Series Q, Series QT, Series QF and Series QFT Securities

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2595269

NON-INVESTMENT FUNDS

Issuer Name:

Magna International Inc.

Type and Date:

Preliminary Shelf Prospectus dated August 15, 2017
 Received on August 16, 2017

Offering Price and Description:

U.S. \$2,000,000,000.00

Senior Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2661360

Issuer Name:

Patriot One Technologies Inc.

Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated August 14, 2017
 NP 11-202 Preliminary Receipt dated August 15, 2017

Offering Price and Description:

\$4,628,750.00 - 6,612,500 Common Shares and 3,306,250
 Warrants

Issuable on Exercise of 6,612,500 Special Warrants

Price: \$0.70 per Special Warrant

32,250 Common Shares and 16,125 Warrants

Issuable on Exercise of 32,250 Agency Fee Special
 Warrants

462,875 Broker Warrants

Issuable on Exercise of 462,875 Broker Special Warrants

53,571 Common Shares

Issuable on Exercise of 53,571 Corporate Finance Special
 Warrants

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Mackie Research Capital Corporation

Promoter(s):

-

Project #2661292

Issuer Name:

Pattern Energy Group Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus - MJDS dated August 14, 2017
 NP 11-202 Preliminary Receipt dated August 15, 2017

Offering Price and Description:

Class A Common Stock, Preferred Stock, Debt Securities,
 Warrants, Purchase Contracts, Subscription Receipts,
 Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2661067

Issuer Name:

Titan Mining Corporation

Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated August 18, 2017
 NP 11-202 Preliminary Receipt dated August 18, 2017

Offering Price and Description:

Cdn\$ *

* Common Shares

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Richard W. Warke

Project #2662712

Issuer Name:

Woodbridge Ventures Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated August 16, 2017
 NP 11-202 Preliminary Receipt dated August 16, 2017

Offering Price and Description:

Maximum Offering: \$500,000.00 or 5,000,000 Common
 Shares

Minimum Offering: \$350,000.00 or 3,500,000 Common
 Shares

Price: \$0.10 per Common Share

Agent's Option (as hereinafter defined)

Incentive Stock Options (as hereinafter defined)

Underwriter(s) or Distributor(s):

Chippingham Financial Group

Promoter(s):

Velibor Colovic

Project #2661639

Issuer Name:

Aequus Pharmaceuticals Inc.

Principal Regulator - British Columbia

Type and Date:

Final Shelf Prospectus dated August 15, 2017
 NP 11-202 Receipt dated August 16, 2017

Offering Price and Description:

\$20,000,000.00 - Common Shares, Preferred Shares, Debt
 Securities, Subscription, Receipts, Units, Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2651963

Issuer Name:

MJ Opportunity Corp.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated August 15, 2017
NP 11-202 Receipt dated August 17, 2017

Offering Price and Description:

Minimum of \$500,000.00 - 2,500,000 Common Shares
Maximum of \$1,000,000.00 - 5,000,000 Common Shares
Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

ECHELON WEALTH PARTNERS INC.

Promoter(s):

-

Project #2646966

Issuer Name:

NioCorp Developments Ltd.
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Shelf Prospectus dated December 16, 2016
Amended and Restated Preliminary Shelf Prospectus dated
March 20, 2017
Withdrawn on August 21, 2017

Offering Price and Description:

\$400,000,000.00 - Common Shares, Warrants, Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2568538

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Our Family Office Inc.	Portfolio Manager and Exempt Market Dealer	August 15, 2017
Name Change	From: Dominick Inc. To: Dominick Capital Corporation	Investment Dealer	July 24, 2017
New Registration	Constance Financial Inc.	Portfolio Manager and Investment Fund Manager	August 17, 2017
New Registration	Resolute Asset Management Inc.	Portfolio Manager and Exempt Market Dealer	August 18, 2017
Name Change	From: Caledon Capital Management Inc. To: CBRE Caledon Capital Management Inc.	Portfolio Manager and Exempt Market Dealer	August 10, 2017
Amalgamation	From: HollisWealth Advisory Services Inc. and Investia Financial Services Inc. To form: Investia Financial Services Inc.	Mutual Fund Dealer and Exempt Market Dealer	August 4, 2017

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Chapter 25

Other Information

25.1 Approvals

25.1.1 Hillmount Capital Management Inc. – s. 213(3)(b) of the LTCA

Headnote:

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager that is registered as an investment fund manager, portfolio manager and exempt market dealer under the Securities Act, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

August 18, 2017

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario M5H 4E3

Attention: Matthew P. Williams

Dear Sirs/Mesdames:

Re: Hillmount Capital Management Inc. (the “Applicant”)

Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Application No. 2017/0155

Further to your application dated March 15, 2017 (the “**Application**”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Hillmount Mortgage Fund, Hillmount Alternative Lending Fund, Fusion Private Equity Fund and any other future mutual fund trusts that the Applicant may establish and manage from time to time, the securities of which will be offered pursuant to prospectus exemptions, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or a qualified affiliate of such bank or trust company, the Ontario Securities Commission (the “**Commission**”) makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Hillmount Mortgage Fund, Hillmount Alternative Lending Fund, Fusion Private Equity Fund and any other future mutual fund trusts which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

“Deborah Leckman”
Commissioner

“Philip Anisman”
Commissioner

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Index

Caldwell Canadian Value Momentum Fund		
Decision	7259	
Decision	7263	
Caldwell Investment Management Ltd.		
Decision	7259	
Decision	7263	
Caledon Capital Management Inc.		
Name Change.....	7363	
Canadian Bioceutical Corporation (The)		
Cease Trading Order	7283	
CBRE Caledon Capital Management Inc.		
Name Change.....	7363	
Chan, Allen		
Notice from the Office of the Secretary	7237	
Constance Financial Inc.		
New Registration.....	7363	
CSA Staff Notice 46-307 Cryptocurrency Offerings		
Notice.....	7231	
Dominick Capital Corporation		
Name Change.....	7363	
Dominick Inc.		
Name Change.....	7363	
Encana Corporation		
Decision	7266	
Hillmount Capital Management Inc.		
Decision	7239	
Approval – s. 213(3)(b) of the LTCA	7365	
Hillmount Mortgage Fund		
Decision	7239	
Ho, George		
Notice from the Office of the Secretary	7237	
HollisWealth Advisory Services Inc.		
Amalgamation	7363	
Horsley, David		
Notice from the Office of the Secretary	7237	
Hung, Alfred C.T.		
Notice from the Office of the Secretary	7237	
Impak Finance Inc.		
Decision	7244	
Investia Financial Services Inc.		
Amalgamation	7363	
Ip, Albert		
Notice from the Office of the Secretary	7237	
Katanga Mining Limited		
Cease Trading Order.....	7283	
Katebian, Morteza		
Notice from the Office of the Secretary	7237	
Order – s. 127(8)	7276	
Katebian, Payam		
Notice from the Office of the Secretary	7237	
Order – s. 127(8)	7276	
Manulife Asset Management (Europe) Limited		
Order – ss. 78(1), 80 of the CFA	7269	
Manulife Asset Management (Hong Kong) Limited		
Order – ss. 78(1), 80 of the CFA	7269	
Manulife Asset Management (US) LLC		
Order – ss. 78(1), 80 of the CFA	7269	
Manulife Asset Management Limited		
Order – ss. 78(1), 80 of the CFA	7269	
Meharchand, Dennis L.		
Notice from the Office of the Secretary	7238	
Order – s. 127(1)	7281	
Money Gate Corp.		
Notice from the Office of the Secretary	7237	
Order – s. 127(8)	7276	
Money Gate Mortgage Investment Corporation		
Notice from the Office of the Secretary	7237	
Order – s. 127(8)	7276	
Norrep Capital Management Ltd.		
Decision.....	7249	
Decision.....	7255	
Norrep High Income Fund		
Decision.....	7249	
Decision.....	7255	
Norrep High Yield Class		
Decision.....	7249	
Decision.....	7255	
Our Family Office Inc.		
New Registration	7363	

Performance Sports Group Ltd.	
Cease Trading Order	7283
Plaintree Systems Inc.	
Cease Trading Order	7283
R Split III Corp.	
Order	7277
Order – s. 1(6) of the OBCA.....	7278
Resolute Asset Management Inc.	
New Registration.....	7363
Silcom Systems Inc.	
Order – s. 144	7279
Cease Trading Order	7283
Silver Bear Resources Inc.	
Order.....	7274
Order – s. 1(6) of the OBCA.....	7275
Sino-Forest Corporation	
Notice from the Office of the Secretary	7237
Valt.X Holdings Inc.	
Notice from the Office of the Secretary	7238
Order – s. 127(1).....	7281
Yeung, Simon	
Notice from the Office of the Secretary	7237