

The Ontario Securities Commission

OSC Bulletin

January 10, 2019

Volume 42, Issue 2

(2019), 42 OSCB

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

The Ontario Securities Commission

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

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

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:

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

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

Fax: 416-593-8122
TTY: 1-866-827-1295

Fax: 416-593-2318



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

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

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

or call Thomson Reuters Canada Customer Support at 1-416-609-3800 (Toronto & International) or 1-800-387-5164 (Toll Free Canada & U.S.).

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

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

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2019 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.



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

Customer Support
1-416-609-3800 (Toronto & International)
1-800-387-5164 (Toll Free Canada & U.S.)
Fax 1-416-298-5082 (Toronto)
Fax 1-877-750-9041 (Toll Free Canada Only)
Email CustomerSupport.LegalTaxCanada@TR.com

Table of Contents

<p>Chapter 1 Notices 301</p> <p>1.1 Notices 301</p> <p>1.1.1 OSC Staff Notice 11-742 (Revised) Securities Advisory Committee..... 301</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 Notices from the Office of the Secretary 303</p> <p>1.4.1 Darren Scott Davidson 303</p> <p>1.4.2 Paul Webster..... 303</p> <p>1.4.3 Money Gate Mortgage Investment Corporation et al..... 304</p> <p>1.4.4 Money Gate Mortgage Investment Corporation et al..... 304</p> <p>1.5 Notices from the Office of the Secretary with Related Statements of Allegations (nil)</p> <p>Chapter 2 Decisions, Orders and Rulings 305</p> <p>2.1 Decisions 305</p> <p>2.1.1 CIBC Asset Management Inc. et al. 305</p> <p>2.1.2 Integra Capital Limited..... 309</p> <p>2.1.3 Frontenac Mortgage Investment Corporation..... 312</p> <p>2.1.4 Harvest Portfolios Group Inc. 314</p> <p>2.1.5 Stewards Canada 318</p> <p>2.1.6 MYM Nutraceuticals Inc. and GMP Securities L.P..... 322</p> <p>2.2 Orders..... 328</p> <p>2.2.1 Symbility Solutions Inc..... 328</p> <p>2.2.2 Prairie Provident Resources Canada Ltd. 329</p> <p>2.2.3 Franklin Advisers, Inc. et al. – s. 80 of the CFA 331</p> <p>2.2.4 The London Metal Exchange – s. 147 of the OSA and ss. 38 and 80 of the CFA 342</p> <p>2.2.5 Randgold Resources Limited 354</p> <p>2.2.6 Darren Scott Davidson – ss. 127(1), 127(10)..... 355</p> <p>2.2.7 Paul Webster – ss. 127(1), 127(10)..... 356</p> <p>2.2.8 Money Gate Mortgage Investment Corporation et al..... 357</p> <p>2.2.9 TSX Inc. – s. 147..... 358</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 359</p> <p>3.1 OSC Decisions..... 359</p> <p>3.1.1 Darren Scott Davidson – ss. 127(1), 127(10)..... 359</p> <p>3.1.2 Paul Webster – ss. 127(1), 127(10)..... 365</p> <p>3.2 Director’s Decisions..... (nil)</p>	<p>Chapter 4 Cease Trading Orders 371</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders..... 371</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders..... 371</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 371</p> <p>Chapter 5 Rules and Policies (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 373</p> <p>Chapter 9 Legislation..... (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings..... 535</p> <p>Chapter 12 Registrations..... 539</p> <p>12.1.1 Registrants..... 539</p> <p>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories 541</p> <p>13.1 SROs (nil)</p> <p>13.2 Marketplaces 541</p> <p>13.2.1 The London Metal Exchange – Application for Exemptive Relief – Notice of Commission Order..... 541</p> <p>13.2.2 Nasdaq CXC Limited – Introduction of the CX2 GEF Facility – Notice of Approval 542</p> <p>13.3 Clearing Agencies..... 546</p> <p>13.3.1 CDS – Material Amendments to CDS Participant Rules Related to Lines of Credit Requirements for Non-Contributing Receivers of Credit Making Canadian Dollar Settlements – Notice of Commission Approval..... 546</p> <p>13.4 Trade Repositories (nil)</p> <p>Chapter 25 Other Information (nil)</p> <p>Index..... 547</p>
---	---

Chapter 1

Notices

1.1 Notices

1.1.1 OSC Staff Notice 11-742 (Revised) Securities Advisory Committee

REVISED ONTARIO SECURITIES COMMISSION STAFF NOTICE 11-742 SECURITIES ADVISORY COMMITTEE

In a Notice published in the OSC Bulletin on October 25, 2018 the Commission invited applications for positions on the Securities Advisory Committee ("SAC"). SAC provides advice to the Commission and staff on a variety of matters including legislative and policy initiatives and important capital markets trends and brings various issues to the attention of the Commission and staff.

The Commission was very impressed with the number of highly qualified practitioners who applied for positions on SAC and would like to thank all those who applied.

The Commission is pleased to publish the names of the four new members who will be participating on SAC for the next three years.

- Linda Fuerst Norton Rose Fulbright Canada LLP
- Jennifer F. Longhurst Davies Ward Phillips Vineberg LLP
- Julie Mansi Borden Ladner Gervais LLP
- Leila Rafi McMillan LLP

The members of SAC have staggered terms. The continuing members of SAC are:

- Anita Anand University of Toronto
- Rhonda Goldberg IGM Financial Inc
- Margaret Gunawan BlackRock Asset Management
- Barbara Hendrickson Bax Securities Law
- Jeffrey Meade TD Bank Group
- Ron Schwass Wildeboer Dellelce LLP
- Julie Shin Toronto Stock Exchange
- Blair Wiley Wealthsimple Inc.

The Commission would like to take this opportunity to thank the four members of SAC, listed below, who completed their term in December 2018, having served on the Committee with great dedication over the last three years. Their advice and guidance on a range of issues has been very valuable to the Commission.

- Thomas Fenton Aird & Berlis LLP
- Ramandeep Grewal Stikeman Elliott LLP
- Eric Moncik Blake, Cassels & Graydon LLP
- Thomas Yeo Torys LLP

Notices

The Commission will publish a notice in Fall 2019 inviting applications for the next group of new SAC members, who will commence their terms in January 2020.

Reference: James Sinclair
General Counsel
Tel: 416-263- 3870
jsinclair@osc.gov.on.ca

1.4 Notices from the Office of the Secretary

1.4.1 Darren Scott Davidson

FOR IMMEDIATE RELEASE
January 7, 2019

DARREN SCOTT DAVIDSON,
File No. 2018-71

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision and the Order dated January 4, 2019 are 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)

1.4.2 Paul Webster

FOR IMMEDIATE RELEASE
January 7, 2019

PAUL WEBSTER,
File No. 2018-72

TORONTO – The Commission issued its Reasons and Decision and an Order pursuant to Subsections 127(1) and 127(10) of the *Securities Act* in the above noted matter.

A copy of the Reasons and Decision and the Order dated January 4, 2019 are 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)

1.4.3 Money Gate Mortgage Investment Corporation
et al.

FOR IMMEDIATE RELEASE
January 8, 2019

**MONEY GATE MORTGAGE
INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN,
File No. 2017-79**

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

A copy of the Order dated January 8, 2019 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)

1.4.4 Money Gate Mortgage Investment Corporation
et al.

FOR IMMEDIATE RELEASE
January 8, 2019

**MONEY GATE MORTGAGE
INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN,
File No. 2017-79**

TORONTO – Take notice that the hearing in the above
named matter scheduled to be heard on January 10, 2019
at 10:00 a.m. will be heard on January 10, 2019 at 9:30 a.m.

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 CIBC Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief to permit exchange-traded mutual fund prospectus to omit an underwriter's certificate – relief from take-over bid requirements for normal course purchases of securities on the TSX – relief granted to facilitate the offering of exchange-traded mutual funds.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 59(1), 147.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

December 14, 2018

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
CIBC ASSET MANAGEMENT INC.
(the Filer)

AND

CIBC ACTIVE INVESTMENT GRADE
FLOATING RATE BOND ETF,
CIBC ACTIVE INVESTMENT GRADE
CORPORATE BOND ETF,
CIBC MULTIFACTOR CANADIAN EQUITY ETF,
CIBC MULTIFACTOR U.S. EQUITY ETF
(the Proposed ETFs)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Proposed ETFs and any additional exchange-traded mutual funds (the **Future ETFs**), and together with the Proposed ETFs, the **ETFs**, each an **ETF**) established in the future for which the

Filer is the manager, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that:

- (a) exempts the Filer and each ETF from the requirement to include a certificate of an underwriter in an ETF's prospectus (the **Underwriter's Certificate Requirement**); and
- (b) exempts a person or company purchasing ETF Securities (as defined below) in the normal course through the facilities of the TSX (as defined below) or another Marketplace (as defined below) from the Take-Over Bid Requirements (as defined below).

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

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

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

Affiliate Dealer means a registered dealer that is an affiliate of an Authorized Dealer or Designated Broker and that participates in the re-sale of Creation Units (as defined below) from time to time.

Authorized Dealer means a registered dealer that has entered, or intends to enter, into an agreement with the manager of an ETF authorizing the dealer to subscribe for, purchase and redeem Creation Units from one or more ETFs on a continuous basis from time to time.

Basket of Securities means, in relation to an ETF, a group of securities or assets representing the constituents of the ETF.

Designated Broker means a registered dealer that has entered, or intends to enter, into an agreement with the Filer or an affiliate of the Filer, to perform certain duties in relation to the ETF Securities, including the posting of a liquid two-way market for the trading of the ETF Securities on the TSX or another Marketplace.

ETF Facts means a prescribed summary disclosure document required pursuant to NI 41-101 in respect of one or more classes or series of ETF Securities being distributed under a prospectus.

ETF Securities means securities of an ETF that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a prospectus prepared in accordance with NI 41-101 and Form 41-101F2.

Form 41-101F2 means Form 41-101F2 *Information Required in an Investment Fund Prospectus*.

Marketplace means a “marketplace” as defined in National Instrument 21-101 *Marketplace Operation* that is located in Canada.

NI 41-101 means National Instrument 41-101 *General Prospectus Requirements*.

NI 81-102 means National Instrument 81-102 *Investment Funds*.

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange traded funds that are not managed by the Filer and that has received relief under a Prospectus Delivery Decision.

Prescribed Number of ETF Securities means, in relation to an ETF, the number of ETF Securities of the ETF determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Securityholders means beneficial and registered holders of ETF Securities.

Take-Over Bid Requirements means the requirements of National Instrument 62-104 *Take-Over Bids and Issuer Bids* relating to take-over bids, including the requirement to file a report of a take-over bid and to pay the accompanying fee, in each Jurisdiction.

TSX means the Toronto Stock Exchange.

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 Canada, which is a wholly-owned subsidiary of Canadian Imperial Bank of Commerce, with its head office located in Toronto, Ontario.
2. The Filer is registered as: (i) a portfolio manager in all of the provinces and territories of Canada; (ii) an investment fund manager in Ontario, Québec and Newfoundland and Labrador; (iii) a derivatives portfolio manager in Québec; and (iv) a commodity trading manager in Ontario.
3. The Filer is, or will be, the investment fund manager of the ETFs.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.

The ETFs

5. Each Proposed ETF will be a mutual fund structured as a trust that is governed by the laws of the Province of Ontario. The Future ETFs will be either trusts or corporations governed by the laws of a Jurisdiction. Each ETF will be a reporting issuer in the Jurisdictions in which its securities are distributed.
6. Subject to any exemptions that have been, or may be, granted by the applicable securities regulatory authorities, each ETF will be an open-ended mutual fund subject to NI 81-102 and Securityholders of each ETF will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
7. The Filer will apply to list the ETF Securities of the ETFs on the TSX or another Marketplace. The Filer will not file a final prospectus for any of the ETFs in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
8. The Filer has prepared and filed a long form preliminary prospectus dated November 13, 2018 in respect of the Proposed ETFs, and will prepare and file a final long form prospectus in respect of the Proposed ETFs, in accordance with NI 41-101, subject to any exemptions that may be granted by the applicable securities regulatory authorities.

9. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a prospectus. ETF Securities may generally only be subscribed for or purchased directly from the ETFs (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.
10. In addition to subscribing for and re-selling Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.
11. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
12. The Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or the Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
13. Each ETF will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
14. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, ETF Securities generally will not

be able to be purchased directly from an ETF. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to ETF Security-holders upon a reinvestment of distributions of income or capital gains.

15. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.

Underwriter's Certificate Requirement

16. The Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.
17. The Filer will generally conduct its own marketing, advertising and promotion of the ETFs, to the extent permitted by its registrations.
18. The Authorized Dealers and Designated Brokers will not be involved in the preparation of an ETF's prospectus, will not perform any review or any independent due diligence as to the content of an ETF's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the ETFs or the Filer in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.

Take-Over Bid Requirements

19. As equity securities that will trade on the TSX or another Marketplace, it is possible for a person or company to acquire such number of ETF Securities so as to trigger the application of the Take-Over Bid Requirements. However:

- (a) it will not be possible for one or more Securityholders to exercise control or direction over an ETF, as the constating documents of each ETF will provide that there can be no changes made to the ETF which do not have the support of the Filer;
- (b) it will be difficult for the purchasers of ETF Securities to monitor compliance with the Take-Over Bid Requirements because the number of outstanding ETF Securities will always be in flux as a result of the ongoing issuance and redemption of ETF Securities by each ETF; and
- (c) the way in which ETF Securities will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium for outstanding ETF Securities because pricing for each ETF Security will generally reflect the net asset value of the ETF Securities.

As to the Exemption Sought from the Underwriter's Certificate Requirement:

"Anne Marie Ryan"
Commissioner
Ontario Securities Commission

"J.A. Leiper"
Commissioner
Ontario Securities Commission

As to the Exemption Sought from the Take-Over Bid Requirements:

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

20. The application of the Take-Over Bid Requirements to the ETFs would have an adverse impact on the liquidity of the ETF Securities because they could cause the Designated Brokers and other large Securityholders to cease trading ETF Securities once a Securityholder has reached the prescribed threshold at which the Take-Over Bid Requirements would apply. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the ETFs.

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.

- 1. The decision of the principal regulator is that the Exemption Sought in respect of the Underwriter's Certificate Requirement is granted.
- 2. The decision of the principal regulator is that the Exemption Sought from the Take-Over Bid Requirements is granted.

2.1.2 Integra Capital Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval for change of control of manager under s. 5.5(1)(a.1) of National Instrument 81-102 Investment Funds – transaction will not result in any material changes to operations and management of the manager or the funds it manages

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds,
ss. 5.5(1)(a.1), 19.1.

December 17, 2018

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
INTEGRA CAPITAL LIMITED
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval pursuant to section 5.5(1)(a.1) of National Instrument 81-102 *Investment Funds (NI 81-102)* of a change of control of the Filer (the **Approval Sought**).

Under National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

Interpretation

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

Representations

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

The Filer and the Funds

1. The Filer is a private corporation existing under the *Business Corporations Act* (Ontario) having its head office in Oakville, Ontario.
 2. The Filer is registered in Canada as:
 - (a) an investment fund manager (the **IFM**) in each of Ontario, Québec, and Newfoundland and Labrador;
 - (b) a portfolio manager and exempt market dealer in each Jurisdiction and territory, except Nunavut; and
 - (c) a commodity trading manager in Ontario.
 3. The Filer is wholly-owned, directly, by Integra Capital Management Corporation (the **Vendor**).
 4. The Filer is the IFM for each of the public investment funds that are listed in Exhibit A (each a **Fund** and collectively, the **Funds**). Each of the Funds is a conventional open-end mutual fund, organized as a trust pursuant to the laws of Ontario, a reporting issuer, and subject to NI 81-102, in each Jurisdiction. The Funds (except Integra Equity Fund) were offered in the Jurisdictions by a simplified prospectus dated August 23, 2011, but the Filer permitted the prospectus to lapse on August 23, 2012. Integra Equity Fund was offered in the Jurisdictions by a simplified prospectus dated August 26, 2006 that was permitted to lapse on August 26, 2007. Units of the Funds are now offered exclusively through the exempt market on a private placement basis.
 5. Neither the Filer, nor a Fund, is in default of applicable Canadian securities, commodity futures, or derivatives legislation in any of the Jurisdictions (collectively, **Securities Legislation**).
- #### *The Purchaser*
6. Willis International Limited (the **Purchaser**) is a private corporation existing under the laws of the United Kingdom having its head office in London, England.
 7. The Purchaser is an indirect, wholly-owned subsidiary of Willis Towers Watson Public Limited

Company (**WTW**), a corporation existing under the laws of Ireland. WTW is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, WTW has over 40,000 employees serving more than 140 countries. WTW's Investments business is focused on creating financial value for institutional investors through its expertise in risk assessment, strategic asset allocation, fiduciary management, and investment manager selection. As at June 30, 2018, it has over 850 colleagues worldwide, assets under advisory of over US\$2 trillion, and over US\$116 billion of assets under management. The common stock of WTW, the ultimate parent of the Purchaser, is traded publicly in the form of ordinary shares listed on the NASDAQ Global Select Market.

8. The Purchaser is not registered, nor operating under an exemption from registration, under Securities Legislation, nor the owner, directly or indirectly, of such a firm. Certain foreign affiliates of the Purchaser are relying on registration exemptions in certain Jurisdictions.

The Proposed Acquisition

9. Effective as of October 31, 2018, the Vendor and the Purchaser entered into an agreement for the Purchaser to purchase from the Vendor, for cash consideration,¹ all of the issued and outstanding shares of the Filer (the **Proposed Acquisition**).
10. Completion of the Proposed Acquisition is subject to customary closing conditions, including regulatory non-objections/approvals under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registration Obligations (NI 31-103)* and the Approval Sought.
11. Assuming timely receipt of all necessary regulatory non-objections/approvals and the satisfaction of all other conditions, the Proposed Acquisition is expected to be completed on or about January 1, 2019 or on such other later date when all of the conditions precedent have been satisfied or waived, and all non-objections/approvals have been obtained, subject to extension by the parties (the **Closing**). If completed as contemplated, following the Closing, the Purchaser will directly own of 100% of the outstanding shares of the Filer.

Change of Control of Filer

12. As the share ownership of the Filer will change such that after the Closing, the Purchaser will directly own 100% of the outstanding shares of the Filer, the Proposed Acquisition will result in a

change of control of the Filer and, accordingly, regulatory approval is required pursuant to section 5.5(1)(a.1) of NI 81-102.

Impact of the Proposed Acquisition

13. The Proposed Acquisition is not expected to result in any material changes to, or impact on, the business, operations and affairs of the Funds, the securityholders of the Funds, or the Filer.
14. Upon Closing, the Purchaser will become the direct parent of the Filer and will continue to act as the investment fund manager of the Funds in materially the same manner as the Filer did immediately prior to Closing. WTW will become the ultimate parent of the Filer.
15. The Filer will continue to act as the IFM of the Funds as a separate corporate entity performing its current role;
16. There is no current intention:
- (a) to make any substantive changes as to how the Filer operates or manages the Funds;
 - (b) to amalgamate or merge the Filer with any other investment fund managers; or
 - (c) to, immediately following the Closing, or within a foreseeable period of time, change the Filer, as manager of the Funds, to another investment fund manager.
17. There are no currently planned material changes to the names, investment objectives, investment strategies, or valuation procedures, of the Funds.
18. There are no currently planned changes to the trustee, custodian, auditor, or management fees or expenses, respectively, of the Funds.
19. Upon the completion of the Proposed Acquisition, the members of the Filer's investment review committee (**IRC**) will cease to be IRC members by operation of section 3.10(1)(c) of National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)*. Immediately following the completion of the Proposed Acquisition, the Filer intends to re-appoint each member of the IRC, in an effort to reconstitute the IRC with the same members, subject to such members being "independent" as defined in NI 81-107 at that time.

¹ A portion of the cash consideration is payable on the Closing (as defined below), with a subsequent earn-out payment three years following the Closing.

20. It is not expected that there will be any immediate changes to fund accounting and other administrative functions undertaken by the current providers, both internal and external, for the Filer or the Funds.
21. The Proposed Acquisition is not expected to adversely impact the financial stability of the Filer or its ability to fulfill its regulatory obligations. At this time, the Filer does not anticipate that the Proposed Acquisition will give rise to any conflicts of interest in addition to those that are currently managed in the ordinary course of each Fund's business.

Change of Chief Compliance Officer

22. The chief compliance officer (**CCO**) of the Filer, will be terminated in good standing as the CCO, an advising representative, and a dealing representative, respectfully, of the Filer effective as of the Closing. The new CCO who will be designated effective as of the Closing will have sufficient proficiencies, and experience with the Filer specifically, to adequately discharge his CCO functions.
23. The ultimate designated person (**UDP**) of the Filer, will not change.

Change of directors

24. Two of the three directors of the Filer will be resigning in good standing effective as of the Closing, as these two individuals are representatives of the Vendor. The UDP of the Filer, will remain a director of the Filer.
25. Effective as of the Closing, the Purchaser will add two new directors to the board of the Filer, both of whom will have the experience and integrity to adequately discharge these roles.

Retirement of dealing representatives

26. But for the retirement of three dealing representatives of the Filer, and the termination in good standing of the CCO of the Filer, effective as of the Closing, it is anticipated that all of the other individuals who are currently registered as advising or dealing representatives will remain at the Filer following the Closing.

Notice Requirements

27. On November 2, 2018, the Filer provided prior notice to unitholders of the Funds of the change of control of the Filer that will result from the completion of the Proposed Acquisition (the **Notice to Unitholders**) as required by section 5.8(1)(a) of NI 81-102, being at least 60 calendar days before the Closing.

28. Notice of the Proposed Acquisition was sent to the Compliance and Registrant Regulation branch of the OSC on November 5, 2018 pursuant to section 11.10 of NI 31-103.

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 Approval Sought is granted.

"Stephen Paglia"
Manager,
Investment Funds and Structured Products Branch
Ontario Securities Commission

EXHIBIT A

Funds

Integra Balanced Fund
Integra Bond Fund
Integra Canadian Value Growth Fund
Integra Equity Fund
Integra International Equity Fund
Lincluden Short Term Investment Fund
Integra U.S. Value Growth Fund
Acadian Core International Equity Fund
ICL Global Equity Fund

2.1.3 Frontenac Mortgage Investment Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual fund for extension of lapse date to January 14, 2019 – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

November 29, 2018

**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
FRONTENAC MORTGAGE
INVESTMENT CORPORATION
(the “Filer” or the “Fund”)**

DECISION

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (“**Legislation**”) that the time limits pertaining to filing the renewal prospectus of the Filer dated September 29, 2017 (the “**Current Prospectus**”) be extended as if the lapse date was January 14, 2019 (the “**Requested Relief**”).

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

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia and Newfoundland & Labrador (together with Ontario, the “**Jurisdictions**”).

Interpretation

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

Representations

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

1. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of securities legislation in any of the Jurisdictions.
2. Common shares of the Filer are qualified for distribution in each of the Jurisdictions on a continuous monthly basis under the Filer's long-form prospectus on Form 41-101F2 dated September 29, 2017.
3. The Filer has been in discussions with OSC Staff relating to the terms and conditions of the Filer's transition from oversight by the Investment Funds and Structured Products branch of the OSC as an investment fund issuer to oversight by the Corporate Finance branch of the OSC as a corporate issuer (the "**Transition**"). The Transition is expected to be completed by September 2019.
4. The lapse date of the Filer's Current Prospectus was September 29, 2018. A pro forma prospectus of the Filer was filed on August 28, 2018. As the Filer had not concluded its discussions with OSC Staff regarding the terms and conditions of the Transition that would be reflected in the Fund's 2018 renewal prospectus, the Filer was granted a lapse date extension to November 29, 2018.
5. Absent the Requested Relief, pursuant to the Legislation, the Filer's final prospectus would have to be filed by December 9, 2018, being 10 days after the extended lapse date, and a receipt for the final prospectus obtained by December 19, 2018, being 20 days after the extended lapse date in order for the distribution of the common shares of the Filer to continue without interruption.
6. The Filer and OSC Staff are continuing to have discussions regarding the terms and conditions of the Transition and believe that such discussions will not be concluded within such time as to permit the Filer to file its final 2018 renewal prospectus by December 9, 2018.
7. The Filer is seeking the Requested Relief in order to allow it additional time to conclude its discussions with OSC Staff regarding the terms and conditions of the Transition and to reflect same in the Filer's 2018 renewal prospectus without resulting in the Fund being forced to cease distribution of its common shares because the Current Prospectus has lapsed.

8. There have been no material changes in the affairs of the Filer since the date of the Current Prospectus. Accordingly, the Current Prospectus represents the current information of the Filer.
9. Given the disclosure obligations of the Filer, should any material changes occur, the Current Prospectus of the Filer will be amended as required under the Legislation.
10. The Requested Relief will not affect the accuracy of the information contained in the Current Prospectus and therefore will not be prejudicial to the public interest.

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.

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

2.1.4 Harvest Portfolios Group Inc.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Existing and future exchange-traded mutual funds granted relief from paragraphs 15.3(4)(c) and (f) of NI 81-102 Investment Funds to permit references to Fundata FundGrade A+ Awards and relief from paragraph 15.3(4)(c) to permit references to FundGrade Ratings in sales communications – Relief subject to conditions requiring specified disclosure and the requirement that the FundGrade A+ Awards being referenced not have been awarded more than 365 days before the date of the sales communication.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 15.3(4)(c) and (f), 19.1.

December 31, 2018

**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
HARVEST PORTFOLIOS GROUP INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Existing Funds and Future Funds (each defined below) (each a **Fund** and collectively, the **Funds**) of which the Filer is or becomes the investment fund manager, pursuant to section 19.1 of National Instrument 81-102 *Investment Funds (NI 81-102)*, for exemptive relief (**Requested Relief**) from the requirements set out in paragraphs 15.3(4)(c) (in respect of both the FundGrade A+ Awards and the FundGrade Ratings) and 15.3(4)(f) (in respect of the FundGrade A+ Awards only) of NI 81-102, which provide that a sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

- (a) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund;
- (b) the rating or ranking is to the same calendar month end that is
 - (i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and
 - (ii) not more than three months before the date of first publication of any other sales communication in which it is included;

in order to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to the Funds.

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

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

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

Interpretation

Terms defined in NI 81-102, 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. The head office of the Filer is located in Oakville, Ontario.
2. The Filer is registered as an investment fund manager in each of Ontario, Quebec and Newfoundland & Labrador and as a portfolio manager in Ontario.
3. The Filer is not in default of securities legislation in Ontario or any Other Jurisdiction.

The Funds

4. The Filer is the manager of mutual funds (the **Existing Funds**) subject to the requirements of NI 81-102. The Filer, or an affiliate of the Filer, may in the future become the manager of additional mutual funds (the **Future Funds**, and together with the Existing Funds, the **Funds**) subject to the requirements of NI 81-102.
5. Each of the Funds is, or will be, an open-ended mutual fund established under the laws of a Jurisdiction. The securities of each of the Funds are, or will be, qualified for distribution pursuant to a prospectus that has been, or will be, prepared and filed in accordance with the securities legislation of each applicable Jurisdiction.
6. Each of the Funds is, or will be, a reporting issuer in one or more of the Jurisdictions.
7. Each of the Funds is, or will be, subject to the requirements of NI 81-102, including Part 15 of NI 81-102 which governs sales communications.
8. The Existing Funds are not in default of securities legislation of any Jurisdiction.

Fundata FundGrade A+ Awards Program

9. The Filer wishes to include in sales communications for the Funds references to the FundGrade Ratings and the FundGrade A+ Awards, where such Funds have been awarded a FundGrade A+ Award.
10. Fundata Canada Inc. (**Fundata**) is a 'mutual fund rating entity' as that term is defined in NI 81-102 and is not a member of the organization of the Funds. Fundata is a leader in supplying mutual fund information, analytical tools, and commentary. Fundata's fund data and analysis, fund awards designations and ratings information provide valuable insight to advisors, media and individual investors.
11. One of Fundata's programs is the FundGrade A+ Awards program. This program highlights funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers. The FundGrade A+ Awards designate award-winning funds in most individual fund classifications for the previous calendar year, and the awards are announced in January of each year. The categories for fund classification used by Fundata are those maintained by the Canadian Investment Funds Standards Committee (**CIFSC**) (or a successor to CIFSC), a Canadian organization that is independent of Fundata.
12. The FundGrade A+ Awards are based on a proprietary rating methodology developed by Fundata, the FundGrade Rating system. The FundGrade Rating system evaluates funds based on their risk-adjusted performance measured by three well-known and widely used metrics: the Sharpe Ratio, the Information Ratio, and the Sortino Ratio. The ratios are calculated for the two through ten year time periods for each fund. When there is more than one eligible series of a fund,

an average ratio is taken for each period. The ratios are ranked across all time periods and an overall score is calculated by equally weighting the yearly rankings.

13. The FundGrade Ratings are letter grades for each fund and are determined each month. The FundGrade Ratings for each month are released on the seventh business day of the following month. The top 10% of funds earn an A Grade; the next 20% of funds earn a B Grade; the next 40% of funds earn a C Grade; the next 20% of funds receive a D Grade; and the lowest 10% of funds receive an E Grade. Because the overall score of a fund is calculated by equally weighting the periodic rankings, to receive an A Grade, a Fund must show consistently high scores for all ratios across all time periods.
14. Fundata calculates a grade using only the retail series of each Fund. Institutional series or fee-based series of any Fund are not included in the calculation. A Fund must have at least two years of history to be included in the calculation. Once a letter grade is calculated for a Fund, it is then applied to all related series of that Fund.
15. At the end of each calendar year, Fundata calculates a "Fund GPA" for each Fund based on the full year's performance. The Fund GPA is calculated by converting each month's FundGrade Rating letter grade into a numerical score. Each A is assigned a grade of 4.0; each B is assigned a grade of 3.0; each C is assigned a grade of 2.0; each D is assigned a grade of 1.0; and each E is assigned a grade of 0. The total of the grades for each Fund is divided by 12 to arrive at the Fund's GPA for the year. Any Fund earning a GPA of 3.5 or greater earns a FundGrade A+ Award.
16. When a Fund is awarded a FundGrade A+ Award, Fundata will permit such Fund to make reference to the award in its sales communications.

Sales Communication Disclosure

17. The FundGrade Ratings fall within the definition of "performance data" under NI 81-102, as they constitute "a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund", given that the FundGrade Ratings are based on performance measures calculated by Fundata. The FundGrade A+ Awards may be considered to be "overall ratings or rankings", given that the awards are based on the FundGrade Ratings as described above. Therefore, references to FundGrade Ratings and FundGrade A+ Awards in sales communications relating to the Funds need to meet the applicable requirements in Part 15 of NI 81-102.
18. Paragraph 15.3(4)(c) of NI 81-102 imposes a "matching" requirement for performance ratings or rankings that are included in sales communications for mutual funds. If a performance rating or ranking is referred to in a sales communication, it must be provided for, or "match", each period for which standard performance data is required to be given for the fund, except for the period since the inception of the fund (i.e., for one, three, five and ten year periods, as applicable).
19. While FundGrade Ratings are based on calculations for a minimum of two years through to a maximum of ten years, and the FundGrade A+ Awards are based on a yearly average of monthly FundGrade Ratings, specific ratings for the three, five and ten year periods within the two to ten year measurement period are not given. This means that a sales communication referencing FundGrade Ratings cannot comply with the "matching" requirement contained in paragraph 15.3(4)(c) of NI 81-102. Relief from paragraph 15.3(4)(c) of NI 81-102 is, therefore, required in order for a Fund to use FundGrade Ratings in sales communications.
20. The exemption in subsection 15.3(4.1) of NI 81-102 for references to overall ratings or rankings of funds cannot be relied upon to reference the FundGrade A+ Awards in sales communications for the Funds because it is available only if a sales communication "otherwise complies" with the requirements of subsection 15.3(4). As noted above, sales communications referencing the FundGrade A+ Awards cannot comply with the "matching" requirement in subsection 15.3(4) because the underlying FundGrade Ratings are not available for the three, five and ten year periods within the two to ten year measurement period for the FundGrade Ratings, rendering the exemption in subsection 15.3(4.1) unavailable. Relief from paragraph 15.3(4)(c) is, therefore, required in order for the Funds to reference the FundGrade A+ Awards and the FundGrade Ratings in sales communications.
21. Paragraph 15.3(4)(f) of NI 81-102 imposes certain restrictions on disclosure in sales communications. This paragraph provides that in order for a rating or ranking such as a FundGrade A+ Award to be used in an advertisement, the advertisement must be published within 45 days of the calendar month end to which the rating or ranking applies. Further, in order for the rating or ranking to be used in any other sales communication, the rating or ranking must be published within three months of the calendar month end to which the rating or ranking applies.
22. Because the evaluation of Funds for the FundGrade A+ Awards will be based on data aggregated until the end of December in any given year and the results will be published in January of the following year, by the time a Fund receives

a FundGrade A+ Award in January, paragraph 15.3(4)(f) of NI 81-102 will only allow the FundGrade A+ Award to be used in an advertisement until the middle of February and in other sales communications until the end of March.

23. The Requested Relief is required in order for the FundGrade Ratings and the FundGrade A+ Awards to be referenced in sales communications relating to the Funds.
24. The Filer submits that the FundGrade A+ Awards and the FundGrade Ratings provide important tools for investors, as they provide investors with context when evaluating investment choices. The FundGrade A+ Awards and the FundGrade Ratings provide an objective, transparent and quantitative measure of performance that is based on the expertise of Fundata in fund analysis that alleviates any concern that references to them may be misleading and, therefore, contrary to paragraph 15.2(1)(a) of NI 81-102.

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted to permit the FundGrade A+ Awards and the FundGrade Ratings to be referenced in sales communications relating to a Fund provided that:

1. The sales communication that refers to the FundGrade A+ Awards and the FundGrade Ratings complies with Part 15 of NI 81-102 other than as set out herein and contains the following disclosure in at least 10 point type:
 - (a) the name of the category for which the Fund has received the award or rating;
 - (b) the number of mutual funds in the category for the applicable period;
 - (c) the name of the ranking entity, i.e., Fundata;
 - (d) the length of period and the ending date, or, the first day of the period and the ending date on which the FundGrade A+ Awards or the FundGrade Rating is based;
 - (e) a statement that FundGrade Ratings are subject to change every month;
 - (f) in the case of a FundGrade A+ Award, a brief overview of the FundGrade A+ Awards;
 - (g) in the case of a FundGrade Rating (other than FundGrade Ratings referenced in connection with a FundGrade A+ Award), a brief overview of the FundGrade Rating;
 - (h) disclosure of the meaning of the FundGrade Ratings from A to E (e.g., rating of A indicates a fund is in the top 10% of its category); and
 - (i) reference to Fundata's website (www.fundata.com) for greater detail on the FundGrade A+ Awards and the FundGrade Ratings;
2. The FundGrade A+ Award being referenced must not have been awarded more than 365 days before the date of the sales communication; and
3. The FundGrade A+ Awards and the FundGrade Ratings being referenced are calculated based on comparisons of performance of investment funds within a specified category established by the CIFSC (or a successor to the CIFSC).

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

2.1.5 Stewards Canada

Headnote

Subsection 74(1) of the Securities Act (Ontario) – interim relief from the dealer registration requirement in section 25(1) – applicant is a not-for-profit issuer – applicant sells bonds to facilitate the provision of mortgages to churches and other religious organizations – interim relief granted on strict terms and conditions including an investment limit and subject to a sunset clause – interim relief granted based on the particular facts and circumstances of the applicant – decision should not be viewed as a precedent for other not-for-profit issuers in Ontario or in other jurisdictions.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, ss. 25, 74.

December 21, 2018

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

AND

IN THE MATTER OF
STEWARDS CANADA
(the Filer)

DECISION

Background

On November 13, 2013, the Filer was granted Ontario-only, time-limited exemptive relief from the dealer registration requirement of the securities legislation of the Jurisdiction (the **Legislation**) in respect of the distribution by the Filer of debt securities of its own issue (the **Previous Decision**). The relief expired on November 13, 2018. The Filer and staff of the Ontario Securities Commission (the **Commission**) are currently engaged in discussions about (i) the registration of the Filer as a dealer in the category of restricted dealer with tailored terms and conditions, and (ii) the prospectus exemptions under which the Filer may distribute its debt securities.

The Commission has received an application from the Filer for an interim decision under the Legislation that the Filer be exempt from the dealer registration requirement of the Legislation in respect of the distribution by the Filer of debt securities of its own issue until March 31, 2019 (the **Requested Exemptive Relief**). The purpose of the Requested Exemptive Relief is to provide time-limited relief to facilitate the on going discussions and to enable the Filer to distribute debt securities on substantially the same terms and conditions as the Previous Decision.

This decision should not be considered a precedent.

Representations

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

1. The Filer is a non-share corporation and is a “charitable organization” for purposes of the *Income Tax Act* (Canada). The head office of the Filer is located in Ontario.
2. The Filer is restricted in the business it may carry on and the powers it may exercise to engaging exclusively in educational, charitable or religious activities. The Filer was established for the purpose of giving financial aid, including by way of mortgage financing, to Canadian evangelical Christian churches, camps, nursing homes and schools and similar institutions.
3. The Filer is primarily engaged in providing mortgage financing for Canadian Christian evangelical organizations that may otherwise be unable to obtain such financing from commercial lenders.
4. The business of the Filer is overseen by its board of directors and the day to day management is under the direction of the Executive Director, who is independent from the board.

5. The Filer was established in 1952 and has been distributing its own debt securities substantially in accordance with the representations in this order for over 60 years.
6. In order to raise the funds to advance by way of mortgages, the Filer issues bonds in reliance on the prospectus exemption found in section 2.38 of National Instrument 45-106 *Prospectus and Registration Exemptions (NI 45-106)*, which provides an exemption for not for profit issuers distributing their own securities subject to certain conditions. In connection with such distributions, the Filer believes that it is, and will be, in compliance with the conditions contained in section 2.38 of NI 45-106. Staff of the Commission are discussing with the Filer whether it may rely on this prospectus exemption. Compliance with prospectus exemptions rests with the Filer.
7. The bonds are sold to Canadian Christians and sales are not limited to accredited investors as defined in NI 45-106. Prior to the Previous Decision, investments were accepted in any amount and generally ranged between \$50,000 to \$100,000. Pursuant to the terms and conditions of the Previous Decision, an investor may not purchase any debt securities of the Filer if, as a result of the purchase, the investor would own debt securities of the Filer with an aggregate principal amount exceeding \$50,000. The bonds are demand variable rate bonds.
8. In a typical year, the Filer issues bonds in an aggregate principal amount of approximately \$2.5 million to between 25 to 40 purchasers.
9. As of June 30, 2018 there were bonds outstanding in the aggregate principal amount of \$26.1 million.
10. There is no active advertising or solicitation of bond purchases. No commission or other remuneration is paid in connection with the sale of the bonds. Purchasers of the bonds learn about the distribution program through word of mouth.
11. The Filer delivers to prospective purchasers an Information Memorandum which describes the bonds and the risks related to the purchase of them. The Information Memorandum provides investors with a right of rescission as well as a right of action for misrepresentation.
12. Prior to the coming into force of section 8.5 of NI 45-106, the Filer was able to distribute its securities and be exempt from the registration requirement in reliance on section 3.38 of NI 45-106, which provided for a dealer registration exemption corresponding to the prospectus exemption in section 2.38. The registration exemption previously available under section 3.38 of NI 45-106 no longer applies.
13. The Filer may be considered to be engaging in the business of trading in securities and as such would be required to register as a dealer.
14. The Filer undertakes not to rely on section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* to passport this decision into another Canadian jurisdiction without the prior written consent of the regulator or securities regulatory authority in that jurisdiction.

Decision

The Commission is satisfied that the test contained in the Legislation for the Commission to make the decision has been met.

The decision of the Commission under the Legislation is that the Requested Exemptive Relief is granted, on the following conditions:

- (a) The proceeds from the sale of debt securities of the Filer are used only to provide mortgage financing to Canadian evangelical Christian churches, camps, nursing homes, schools or similar institutions, and not to individuals;
- (b) In any fiscal year of the Filer, administrative and general expenses, not including legal and audit expenses, are limited to no more than 0.85% of the total principal amount of bonds outstanding as at the end of such fiscal year;
- (c) The Filer, each year, files its audited financial statements with the Commission within 90 days of the Filer's year end;
- (d) The Filer does not engage in any advertising or promotional activity with respect to the distribution of its debt securities including by providing such information on the Filer's public website.

Decisions, Orders and Rulings

- (e) An investor may not purchase any debt securities of the Filer if as a result of the purchase the investor would own debt securities of the Filer with an aggregate principal amount exceeding \$50,000;
- (f) An investor does not borrow to purchase debt securities of the Filer and the purchaser acknowledges that in the subscription agreement for debt securities;
- (g) An investor executes and delivers to the Filer a risk acknowledgement statement in the form set out in Appendix A to this decision and that statement is included on the front page of the subscription agreement;
- (h) The Filer delivers an information statement to prospective purchasers of debt securities which describes the debt securities and the risks associated with purchasing the debt securities and contains a contractual right of rescission and a right of action for misrepresentation; and
- (i) The Filer only distributes debt securities of the Filer in Ontario (and, accordingly, the Filer does not distribute these debt securities in any other jurisdiction of Canada).

It is further the decision of the Commission that the Requested Exemptive Relief shall expire on March 31, 2019.

DATED: December 21, 2018

“Grant Vingoe”
Vice-Chair
Ontario Securities Commission

“Deborah Leckman”
Commissioner
Ontario Securities Commission

Appendix A

Risk Acknowledgement

I acknowledge that:

- This is a risky investment and I am investing entirely at my own risk.
- I could lose all the money I invest.
- I am not borrowing to invest in these securities.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the Information Memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and will not assess whether this investment is suitable for me.
- Under securities laws, I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- The securities are expressed to be redeemable, but I may only be able to redeem them in limited circumstances.
- No one other than Stewards Canada has any obligation to repay my investment in these securities.

Date

Signature of Purchaser

Print name of Purchaser

2.1.6 MYM Nutraceuticals Inc. and GMP Securities L.P.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriters, acting as agents for the issuer, to enter into equity distribution agreements to make "at the market" (ATM) distributions of common shares over the facilities of a marketplace in Canada – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus. Decision and application also held in confidence by decision makers until the earlier of the entering into of an equity distribution agreement, waiver of confidentiality or 90 days from the date of the decision.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 71, 147.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1 and Item 20 of Form 44-101F1.

National Instrument 44-102 Shelf Distributions, s. 6.7, Part 9, s 11.1, s. 2.2 of Part 2 of Appendix A.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

October 5, 2018

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
MYM NUTRACEUTICALS INC.
(the Issuer)**

AND

**GMP SECURITIES L.P.
(the Agent and, together with the Issuer, the Filers)**

DECISION

Background

- 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application (the Application) from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for the following relief (the Exemption Sought):
 - (a) that the requirement that a dealer, not acting as agent of the purchaser who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, send or deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement) and any amendment to the prospectus (the Prospectus Delivery Requirement) does not apply to the Agent or any other registered investment dealer acting on behalf of the Agent as a selling agent (a Selling Agent) in connection

with the at-the-market distribution of common shares of the Issuer (the ATM Distribution) as defined in National Instrument 44-102 *Shelf Distributions* (NI 44-102) made by the Issuer pursuant to one or more substantially identical equity distribution agreements (an Equity Distribution Agreement) to be entered into between the Filers;

- (b) that the requirements (collectively, the Prospectus Form Requirements) to include in the statements specified in items 2 and 3 of 5.5 of NI 44-102 in a base shelf prospectus to be filed in respect of an ATM Distribution, and the requirements to include in a prospectus supplement each of the following:
- (i) a forward-looking issuer certificate in the form specified in section 2.1 of Appendix A to NI 44-102;
 - (ii) a forward-looking agent's certificate in the form specified in section 2.2 of Appendix A to NI 44-102; and
 - (iii) a statement respecting purchasers' statutory rights of withdrawal and remedies for rescission or damages in substantially the form prescribed by Item 20 of Form 44-101F1 *Short Form Prospectus*,

do not apply to a prospectus of the Issuer (including the applicable prospectus supplement(s)), to be filed in respect of the sale of common shares of the Issuer (the Common Shares) pursuant to ATM Distributions.

The Decision Makers have also received a request from the Filers for a decision that the Application and this decision (the Confidential Material) be kept confidential and not made public until the earliest of (i) the date on which the Issuer and the Agent enter into the Equity Distribution Agreement, (ii) the date on which the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (iii) the date that is 90 days after the date of this decision (the Confidentiality Relief).

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

- (a) the British Columbia Securities Commission is the principal regulator for this Application;
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; 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

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

Representations

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

MYM Nutraceuticals Inc.

- 1. the Issuer is a company established under the laws of the Province of British Columbia; the head office of the Issuer is located in Vancouver, British Columbia;
- 2. the Issuer is currently a reporting issuer or the equivalent under the securities legislation of British Columbia, Alberta and Ontario and is not in default of any requirements under applicable securities legislation in any of the jurisdictions of Canada, except that it has not filed a business acquisition report in respect of the acquisition of the brand and assets from HempMed, a Toronto based developer and marketer of hemp-based cannabidiol extracts and oil-infused nutraceutical products on April 11, 2017 (the HempMed Business)
- 3. Item 11.1(1)6(b) of NI 44-101F1 requires an issuer to incorporate by reference a business acquisition report filed by the issuer under Part 8 of NI 51-102 for acquisitions completed since the beginning of the financial year in respect of which the issuer's current AIF is filed unless the issuer incorporated at least 9 months of the acquired business into the issuer's current annual financial statements;
- 4. the Issuer has filed its audited financial statements for the year-ended May 31, 2018 that include more than nine months of the financial results of the HempMed Business, therefore a business acquisition report for the

acquisition of the HempMed Business is not required to be incorporated by reference in any future prospectus of the Issuer;

5. the Common Shares are listed on the Canadian Securities Exchange (CSE), quoted on the OTCQX Best Market and quoted on the Open Market of the Frankfurt Stock Exchange;

GMP Securities L.P.

6. the Agent is a limited partnership established under the laws of Manitoba;
7. the Agent is registered as an investment dealer under the Legislation of each of the Jurisdictions, and is a member of the Investment Industry Regulatory Organization of Canada;
8. the Agent is not in default of securities legislation in any jurisdiction of Canada;

Proposed ATM Distribution

9. subject to mutual agreement on terms and conditions, the Filers propose to enter into Equity Distribution Agreements for the purpose of one or more ATM Distributions involving the periodic sale of Common Shares by the Issuer through the Agent, as agent, under the shelf prospectus procedures prescribed by Part 9 of NI 44-102;
10. prior to making an ATM Distribution, the Issuer will have filed in each province of Canada other than Quebec: (i) a final short form base shelf prospectus (the Shelf Prospectus) providing for distribution from time to time of securities of the Issuer, including Common Shares; and (ii) a prospectus supplement describing the terms of the ATM Distribution, including the Equity Distribution Agreements, and otherwise supplementing the disclosure in the Shelf Prospectus (the Prospectus Supplement and, together with the Shelf Prospectus as supplemented or amended and including any documents incorporated by reference therein, the Prospectus);
11. the Issuer will include in the Shelf Prospectus a forward-looking certificate of the Issuer in the form prescribed by section 1.1 of Appendix A to NI 44-102;
12. upon entering into the Equity Distribution Agreement, the Issuer will immediately:
 - (a) issue and file a news release pursuant to section 3.2 of NI 44-102 announcing that the Equity Distribution Agreement has been entered into by the Issuer and indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and specifying where and how purchasers may obtain copies of each; and
 - (b) file the Equity Distribution Agreement on SEDAR;
13. under the proposed Equity Distribution Agreements the Issuer may conduct one or more ATM Distributions subject to the 10% limitation set out in subsection 9.1(1) of NI 44-102;
14. the Issuer will conduct ATM Distributions through the Agent, as agent, directly, or through another registered investment dealer acting on behalf of the Agent as a Selling Agent through the facilities of the CSE or any other "marketplace" (as defined in National Instrument 21-101 *Marketplace Operation*) in Canada (each, a Canadian Marketplace);
15. the Agent will act as the sole agent on behalf of the Issuer in connection with an ATM Distribution on the CSE or any other Canadian Marketplace, and will be the sole entity paid an agency fee or commission by the Issuer in connection with such sales; the Agent will sign an agent's certificate in the Prospectus Supplement filed on SEDAR;
16. the Agent will effect ATM Distributions on Canadian Marketplaces, either itself or through a Selling Agent; if the sales are effected through a Selling Agent, the Selling Agent will be paid a customary seller's commission for effecting the trades on behalf of the Agent; a purchaser's rights and remedies under the Legislation against the Agent, as an agent for an ATM Distribution, will not be affected by a decision to effect the sale directly or through a Selling Agent;
17. the aggregate number of Common Shares sold on one or more Canadian Marketplaces pursuant to an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Common Shares on all Canadian Marketplaces on that day;

18. the Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Issuer will represent to the Agent that the Prospectus, including the documents incorporated by reference therein and as supplemented by any subsequent amendment or supplement to the Prospectus contains full, true and plain disclosure of all material facts relating to the Issuer and the Common Shares being distributed; the Issuer would therefore be unable to initiate sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Common Shares or the Issuer;
19. if, after the Issuer delivers a sell notice to the Agent directing the agent to sell Common Shares on the Issuer's behalf pursuant to the Equity Distribution Agreement (a Sell Notice), the sale of the Common Shares specified in the notice, taking into consideration prior sales, would constitute a material fact or material change, the Issuer would be required to suspend sales under the Equity Distribution Agreement until either: (i) it has filed a material change report or amended the Prospectus, or (ii) circumstances have changed so that the sales would no longer constitute a material fact or a material change;
20. in determining whether the sale of Common Shares specified in a Sell Notice would constitute a material fact or a material change, the Issuer will take into account a number of factors, including, without limitation: (i) the parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution; (ii) the percentage of the outstanding Common Shares that the number of Common Shares proposed to be sold pursuant to the Sell Notice represents; (iii) sales under earlier Sell Notices; (iv) trading volume and volatility of the Common Shares; (v) recent developments in the business, affairs and capital structure of the Issuer; and (vi) prevailing market conditions generally;
21. the Agent will monitor closely the market's reaction to trades made on any Marketplace in Canada pursuant to the ATM Distribution in order to evaluate the likely market impact of future trades; the Agent has experience and expertise in managing sell orders to limit downward pressure on the price of the securities being sold; if the Agent has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Common Shares, the Agent will recommend against effecting the trade at that time; it is in the interest of both the Issuer and the Agent to minimize the market impact of sales under the ATM Distribution;

Disclosure of Sales in Monthly Report and Interim Report

22. within seven calendar days after the end of each calendar month in which the Issuer sells Common Shares under an ATM Distribution, the Issuer will file on SEDAR a report disclosing the number and average selling price of the Common Shares distributed through a Marketplace in Canada pursuant to an ATM Distribution, as well as commissions and gross and net proceeds;
23. furthermore, the Issuer will disclose in the Issuer's annual and interim financial statements and related management discussion and analysis filed on SEDAR in respect of that financial period, the number and average selling price of the Common Shares distributed pursuant to the ATM Distribution during that annual or interim period, as well as commissions and gross and net proceeds;

Prospectus Delivery Requirement

24. pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits;
25. delivery of the Prospectus is not practicable in the circumstances of an ATM Distribution as neither the Agent nor any Selling Agent effecting the trade will know the identity of the purchasers;
26. although purchasers under the ATM Distribution would not physically receive a printed prospectus, the Prospectus (together with all documents incorporated by reference therein) will be filed and readily available to all purchasers electronically via SEDAR; in addition, as stated in paragraph 12 above, the Issuer will issue a news release that specifies where and how copies of the Shelf Prospectus and the Prospectus Supplement can be obtained;
27. the liability of an issuer or an agent (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement, because purchasers of securities offered by a prospectus during the period of distribution

have a right of action for damages or rescission, without regard to whether the purchaser relied on the misrepresentation or in fact received a copy of the prospectus;

Withdrawal Right and Right of Action for Non-Delivery

28. pursuant to the Legislation, an agreement to purchase securities in respect of a distribution to which the prospectus requirement applies is not binding on the purchaser if a dealer receives, not later than midnight on the second day exclusive of Saturdays, Sundays and holidays, after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchase (the Withdrawal Right);
29. pursuant to the Legislation, a purchaser of a security to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirements, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirements (the Right of Action for Non-Delivery);
30. neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of an ATM Distribution because the Prospectus will not be delivered to a purchaser of Common Shares thereunder;

Prospectus Form Requirements

31. to reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following issuer certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such issuer certificate to supersede and replace the issuer certificate in the Shelf Prospectus solely with regard to the ATM Offering:

The short form prospectus, as supplemented by the foregoing, together with the documents incorporated in the prospectus by reference as of the date of a particular distribution of securities offered by the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada other than Quebec.

32. the Prospectus Supplement and any amendment thereto will include the following agents certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102):

To the best of our knowledge, information and belief, the short form prospectus, as supplemented by the foregoing, together with the documents incorporated in the prospectus by reference as of the date of a particular distribution of securities offered by the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada other than Quebec.

33. a different statement of purchasers' rights than that required by the Legislation is necessary in order to allow the Prospectus to accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

Securities legislation in certain of the provinces of Canada provide purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to the securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of the Common Shares under an at-the-market distribution by the Issuer will not have any right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revision of the price or damages for non-delivery of the prospectus because the prospectus, prospectus supplements relating to the Common Shares purchased by such purchasers and any amendment relating to Common Shares purchased by such purchasers will not be delivered as permitted under a decision dated , 2018 and granted pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities legislation in certain of the provinces of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to the securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation in the jurisdictions that a purchaser of the Common Shares under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to the securities purchased by a purchaser or any amendment contain a misrepresentation remain unaffected by the non-delivery of the prospectus and the decision referred to above.

Purchasers should refer to the applicable provisions of the securities legislation and the decision referred to above for the particulars of their rights or consult with a legal advisor.

34. the Prospectus Supplement will disclose that, in respect of ATM Distributions under the Prospectus Supplements, the statement prescribed in paragraph 33 above supersedes and replaces the statement of purchasers' rights contained in the Shelf Prospectus;
35. the statements required by subsections items 2 and 3 of 5.5 of NI 44-102 to be included in the Shelf Prospectus will be qualified by adding the following, ", except in cases where an exemption from such delivery requirements has been obtained."

Decision

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

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

- (a) the Issuer makes the disclosure described in sections 22, 23, 31, 32, 33, 34 and 35; and
- (b) the Issuer complies with the representations in section 2, 10, 11, 12, 13, 14, 17, 18, 19 and 20 and the Agent complies with the representations in sections 7, 8, 13, 14, 15, 16, 17, and 21.

This decision will terminate 25 months after the issuance of the receipt for the Shelf Prospectus.

The further decision of the Decision Makers is that the Confidentiality Relief is granted.

“John Hinze”
Director, Corporate Finance
British Columbia Securities Commission

2.2 Orders

2.2.1 Symbility Solutions Inc.

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).

January 2, 2019

**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
SYMBILITY SOLUTIONS INC.
(the "Filer")**

ORDER

Background

The securities regulator in the Jurisdiction ("**Decision Maker**") 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 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 of the jurisdictions of Canada in which it is a reporting issuer.
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 Decision Maker to make the order.

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

"Sonny Randhawa"
Deputy Director
Ontario Securities Commission

2.2.2 Prairie Provident Resources Canada Ltd.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Application for an order that the issuer is not a reporting issuer under applicable securities laws – The issuer is not an OTC reporting issuer; the outstanding securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide; no securities of the issuer are traded on a marketplace in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents – relief granted.

Applicable Legislative Provisions

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

Citation: *Re Prairie Provident Resources Canada Ltd.*, 2018 ABASC 190

December 21, 2018

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

AND

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

AND

IN THE MATTER OF
PRAIRIE PROVIDENT RESOURCES CANADA LTD.
(the Filer)

ORDER

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (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 dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (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, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and
- (c) this order is the order 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* or 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:

Decisions, Orders and Rulings

1. The Filer is a corporation amalgamated under the *Business Corporations Act* (Alberta) (**ABCA**) and is a reporting issuer in each province of Canada.
2. The Filer's head office is located in Calgary, Alberta.
3. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.
4. On November 21, 2018, Prairie Provident Resources Inc. (**Prairie Provident**) acquired all of the outstanding common shares (the **Marquee Shares**) of Marquee Energy Ltd. (**Marquee**) pursuant to an arrangement (the **Arrangement**) under section 193 of the ABCA involving Prairie Provident, Marquee and the Marquee shareholders, in exchange for common shares of Prairie Provident. Completion of the Arrangement resulted in Marquee becoming a wholly-owned subsidiary of Prairie Provident.
5. The Arrangement was approved by a majority of approximately 98% of votes cast by the Marquee shareholders at a shareholders' meeting held on November 19, 2018, and by the Court of Queen's Bench of Alberta pursuant to the ABCA on November 20, 2018.
6. Marquee subsequently amalgamated with another wholly-owned subsidiary of Prairie Provident and continued as the Filer.
7. Trading in the Marquee Shares on the TSX Venture Exchange was halted on November 20, 2018. The Marquee Shares were delisted from the TSX Venture Exchange effective at the close of business on November 29, 2018.
8. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*.
9. 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.
10. 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.
11. The Filer has no current intention to seek public financing by way of an offering of its securities in Canada.
12. The Filer is not in default of its obligations as a reporting issuer under the securities legislation of any jurisdiction of Canada, other than its obligation to file (i) interim financial statements and management's discussion and analysis for the interim period ended September 30, 2018, as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and (ii) related certifications as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, which were due to be filed on or before November 29, 2018 (the **Post-Acquisition Defaults**).
13. The Filer is not eligible to use the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because of the Post-Acquisition Defaults.
14. The Filer, upon grant of the Order Sought, will no longer be a reporting issuer in any jurisdiction of Canada.

Order

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

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

"Timothy Robson"
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.2.3 Franklin Advisers, Inc. et al. – s. 80 of the CFA

Headnote

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

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

Subsection 78(1) of the Commodity Futures Act (Ontario) – Order also revokes prior order of the Commission dated October 11, 2018, *In the Matter of Franklin Advisers, Inc. et al.*

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, ss. 1.1, 8.26.

Ontario Securities Commission Rule 13-502 Fees, Part 3 and s. 6.4.

Applicable Order

In the Matter of Franklin Advisers, Inc. et al., dated October 11, 2018, (2018) 41 OSCB 8406

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

AND

**IN THE MATTER OF
FRANKLIN ADVISERS, INC., (FAI) AND
FRANKLIN TEMPLETON INSTITUTIONAL, LLC (FTI LLC) AND
FRANKLIN MUTUAL ADVISERS, LLC (FMA) AND
TEMPLETON GLOBAL ADVISORS LIMITED (TGAL) AND
K2/D&S MANAGEMENT CO., LLC (K2) AND
FRANKLIN TEMPLETON INVESTMENT MANAGEMENT LIMITED (FTIML) AND
TEMPLETON INVESTMENT COUNSEL, LLC (TIC) AND
FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à.r.l. (FTIS) AND
FRANKLIN ADVISORY SERVICES, LLC (FASL)
(each an “Applicant”, and collectively, the “Applicants”)**

**ORDER
(Section 80 of the CFA)**

UPON the joint application (the **Application**) of the Applicants to the Ontario Securities Commission (the **Commission**) for:

- a. an order, pursuant to subsection 78(1) of the CFA, revoking the exemption order granted by the Commission to the Previous Applicants (as defined below) on October 11, 2018 (the **Previous Order**); and
- b. orders, pursuant to section 80 of the CFA, that each provide an exemption for each Applicant and any individuals engaging in, or holding themselves out as engaging in, the business of advising others as to trading in Contracts (as defined below) on that Applicant’s behalf (the **Representatives**), for a specified period of time, from the adviser registration requirement in paragraph 22(1)(b) of the CFA, subject to certain terms and conditions (where the order for each of the Applicants is referred to as the **FAI Order**, **FTI LLC Order**, **FMA Order**, **TGAL Order**, **K2 Order**, **FTIML Order**, **TIC Order**, **FTIS Order** and **FASL Order** respectively, and, collectively, as the **Order**);

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

AND WHEREAS for the purposes of this Order:

“**CFA Adviser Registration Requirement**” means the provisions of section 22 of the CFA that prohibit a person or company from acting as an adviser with respect to trading in Contracts unless the person or company is registered in the appropriate category of registration under the CFA;

“**CFTC**” means the Commodity Futures Trading Commission of the United States;

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

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

“**Home Jurisdiction**” means the jurisdiction outside of Canada in which each Applicant’s head office is located;

“**International Adviser Exemption**” means the exemption set out in section 8.26 of NI 31-103 from the OSA Adviser Registration Requirement;

“**NI 31-103**” means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, as amended from time to time;

“**OSA**” means the *Securities Act*, R.S.O. 1990, c. S.5, as amended from time to time;

“**OSA Adviser Registration Requirement**” means the provisions of section 25 of the OSA that prohibit a person or company from acting as an adviser with respect to investing in, buying or selling securities unless the person or company is registered in the appropriate category of registration under the OSA;

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

“**Previous Applicants**” means FAI, FTI LLC, FMA, TGAL, K2, FTIML, TIC and FTIS;

“**SEC**” means the Securities and Exchange Commission of the United States;

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

“**United States**” means the United States of America; and

“**United States Advisers Act**” means the *Investment Advisers Act of 1940* of the United States, as amended from time to time.

AND UPON the Applicants having represented to the Commission that:

1. FAI is a corporation incorporated under the laws of the State of California. FAI is resident in the United States, with a principal office and place of business at One Franklin Parkway, San Mateo, California, USA. FAI provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies, other financial institutions, pension and profit sharing plans, and governmental entities. FAI offers advice with respect to a broad range of securities, derivatives and other financial instruments.
2. FAI is registered as an investment adviser with the SEC and as a commodity trading adviser and commodity pool operator with the CFTC.
3. FTI LLC is a limited liability company organized and existing under the laws of the State of Delaware. FTI LLC is resident in the United States, with a principal office and place of business at 600 Fifth Avenue, New York, New York, USA. FTI LLC provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies, pension and profit sharing plans, and governmental entities. FTI LLC offers advice with respect to a broad range of securities, derivatives and other financial instruments.

4. FTI LLC is registered as an investment adviser with the SEC and is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC.
5. FMA is a limited liability company organized and existing under the laws of the State of Delaware. FMA is resident in the United States, with a principal office and place of business at 51 John F. Kennedy Parkway, Short Hills, New Jersey, USA. FMA provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies. FMA offers advice with respect to a broad range of securities, derivatives and other financial instruments.
6. FMA is registered as an investment adviser with the SEC and is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC.
7. TGAL is a company organized and existing under the laws of the Commonwealth of the Bahamas. TGAL is resident in the Bahamas, with a principal office and place of business at Lyford Cay, Nassau, Bahamas. TGAL provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies and charitable organizations. TGAL offers advice with respect to a broad range of securities, derivatives and other financial instruments.
8. TGAL is registered as an investment fund administrator with the Securities Commission of the Bahamas, as an investment adviser with the SEC, and it is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC.
9. K2 is a limited liability company organized and existing under the laws of the State of Delaware. K2 is resident in the United States of America, with a principal office and place of business at 300 Atlantic Street, 12th Floor, Stamford, Connecticut, USA. K2 provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as banking and thrift institutions, pension and profit sharing plans, and governmental entities. K2 offers advice with respect to a broad range of securities, derivatives and other financial instruments.
10. K2 is registered as an investment adviser with the SEC and is registered as a commodity trading adviser and commodity pool operator with the CFTC.
11. FTIML is a company organized and existing under the laws of England. FTIML is resident in England with a principal office and place of business at Cannon Place, 78 Cannon Street, London, England. FTIML provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies, other financial institutions, and governmental entities. FTIML offers advice with respect to a broad range of securities, derivatives and other financial instruments.
12. FTIML is an investment management company registered as an investment adviser with the SEC and is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC. FTIML is a foreign equivalent of an investment advisor in England and is regulated by the Financial Conduct Authority of the United Kingdom.
13. TIC is a limited liability company organized and existing under the laws of the State of Delaware. TIC is a resident of the United States, with a principal office and place of business at 300 Southeast 2nd Street, Fort Lauderdale, Florida, USA. TIC provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies, other financial institutions, pension and profit sharing plans, and governmental entities. TIC offers advice with respect to a broad range of securities, derivatives and other financial instruments.
14. TIC is registered as an investment adviser with the SEC and it is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC.
15. FTIS is a limited liability company with its registered office at 8A, rue Albert Borschette, L-1246 Luxembourg, Grand-Duchy of Luxembourg. FTIS creates, promotes, administers and manages an undertaking for collective investment in transferable securities (**UCITS**) and alternative investment funds and provides services such as discretionary portfolio management, investment advice and receipt and transmission of orders in relation to financial instruments.

Decisions, Orders and Rulings

16. FTIS is exempt from registration as an investment adviser with the SEC, but pursuant to such exemption does report limited information to the SEC as an Exempt Reporting Adviser. Additionally, FTIS is exempt from registration as a commodity trading adviser and commodity pool operator with the CFTC.
17. FTIS is registered with the Luxembourg Trade and Companies Register and is authorized by the Commission de Surveillance du Secteur Financier (Luxembourg), acting in its capacity of management company and alternative investment fund manager, for the offering of its UCITS funds.
18. FASL is a limited liability company organized and existing under the laws of the State of Delaware. FASL is a resident of the United States, with a principal office and place of business at 101 John F. Kennedy Parkway, Short Hills, New Jersey, 07078, USA. FASL provides a variety of discretionary advisory services for clients such as: (1) certain investment companies registered under the *Investment Company Act of 1940*, as amended; (2) unregistered funds and other pooled investment vehicles; and (3) institutions, such as insurance companies.
19. FASL is registered as an investment adviser with the SEC and it is exempted from registration as a commodity trading adviser and commodity pool operator with the CFTC.
20. The Applicants are affiliates, as defined in the OSA. Each Applicant is either directly or indirectly wholly-owned by its parent company, Franklin Resources, Inc. (the Applicants collectively with other affiliates, **Franklin Templeton Investments**).
21. Franklin Templeton Investments, as a global corporate group, offers specialized investment management expertise, with various investment teams that have their own approaches and processes, which teams reside within various Franklin Templeton Investments affiliates, including the Applicants. The Canadian business of Franklin Templeton Investments is directed principally by its principal Canadian affiliate, Franklin Templeton Investments Corp. (**FTIC**), which is registered under the OSA as an investment fund manager, portfolio manager, mutual fund dealer and exempt market dealer and under the CFA as a commodity trading manager. FTIC facilitates the engagement of the Applicants as needed and where appropriate to serve client needs.
22. The Applicants are not registered in any capacity under the CFA or the OSA.
23. The Previous Applicants relied on the Previous Order and have complied with all the terms and conditions of the Previous Order.
24. The Applicants are not in default of securities legislation, commodity futures legislation or derivatives legislation in any jurisdiction in Canada. The Applicants are in compliance in all material respects with securities laws, commodity futures laws and derivatives laws of their Home Jurisdiction.
25. Certain investment funds in Ontario that are Permitted Clients engage, or may in the future engage, the Applicants as discretionary portfolio managers for purposes of implementing certain specialized investment strategies.
26. The Applicants act, or in the future may act, as discretionary portfolio managers on behalf of Permitted Clients. The proposed advisory services would include the use of specialized investment strategies employing Foreign Contracts.
27. Were the proposed advisory services limited to securities (as defined in subsection 1(1) of the OSA), the Applicants would be able to rely on the International Adviser Exemption and carry out such activities for Permitted Clients on a basis that would be exempt from the OSA Adviser Registration Requirement.
28. There is currently no exemption from the CFA Adviser Registration Requirement that is equivalent to the International Adviser Exemption. Consequently, in order to advise Permitted Clients as to trading in Foreign Contracts, in the absence of this Order, an Applicant would be required to satisfy the CFA Adviser Registration Requirement by applying for and obtaining registration in Ontario as an adviser under the CFA in the category of commodity trading manager.
29. To the best of each Applicant's knowledge, each Applicant confirms that there are currently no regulatory actions of the type contemplated by the *Notice of Regulatory Action* attached as Appendix "B", other than those previously filed with the Commission in respect of the Previous Applicants.

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

IT IS ORDERED, pursuant to subsection 78(1) of the CFA, that the Previous Order is revoked;

IT IS FURTHER ORDERED, pursuant to section 80 of the CFA, and in respect of each of the FAI Order, FTI LLC Order, FMA Order, TGAL Order, K2 Order, FTIML Order, TIC Order, FTIS Order and FASL Order, that each Applicant and its Representatives are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of providing advice to Permitted Clients as to the trading of Foreign Contracts provided that:

- (a) each Applicant provides advice to Permitted Clients only as to trading in Foreign Contracts and does not advise Permitted Clients as to trading in Contracts that are not Foreign Contracts, unless providing such advice is incidental to their providing advice on Foreign Contracts;
- (b) each Applicant's head office or principal place of business is in their Home Jurisdiction;
- (c) each of the Applicants is registered in a category of registration, or operates under an exemption from registration, under the applicable securities or commodity futures legislation of their Home Jurisdiction that permits it to carry on the activities in their Home Jurisdiction that registration under the CFA as an adviser in the category of commodity trading manager would permit it to carry on in Ontario;
- (d) each of the Applicants continues to engage in the business of an adviser (as defined in the CFA) in its Home Jurisdiction;
- (e) as at the end of each Applicant's most recently completed financial year, not more than 10% of the aggregate consolidated gross revenue of each Applicant, its affiliates and its affiliated partnerships (excluding the gross revenue of an affiliate or affiliated partnership of an Applicant if the affiliate or affiliated partnership is registered under securities legislation, commodity futures legislation or derivatives legislation of a jurisdiction of Canada) was derived from the portfolio management activities of each Applicant, its affiliates and its affiliated partnerships in Canada (which, for greater certainty, includes both securities-related and commodity-futures-related activities);
- (f) before advising a Permitted Client with respect to Foreign Contracts, each Applicant notifies the Permitted Clients of all of the following:
 - (i) the Applicant is not registered in Ontario to provide the advice described in paragraph (a) of this Order;
 - (ii) the foreign jurisdiction in which the Applicant's head office or principal place of business is located;
 - (iii) all or substantially all of the Applicant's assets may be situated outside Canada;
 - (iv) there may be difficulty enforcing legal rights against the Applicant because of the above; and
 - (v) the name and address of the Applicant's agent for service of process in Ontario;
- (g) each of the Applicants has submitted to the Commission a completed *Submission to Jurisdiction and Appointment of Agent for Service* in the form attached at Appendix "A";
- (h) each Applicant notifies the Commission of any regulatory action after the date of this Order with respect to the Applicant, or to the best of each Applicant's knowledge and after reasonable inquiry, any predecessors or the specified affiliates of each Applicant by filing Appendix "B" within 10 days of the commencement of each such action, provided that each Applicant may also satisfy this condition by filing with the Commission,
 - i. within 10 days of the date of this Order, a notice making reference to and incorporating by reference the disclosure made by each Applicant pursuant to federal securities laws of the United States that is identified on the Investment Adviser Public Disclosure Website, and
 - ii. promptly, a notification of any Form ADV amendment and/or filing with the SEC that relates to legal and/or regulatory actions; and
- (i) if each Applicant is not subject to the requirement to pay a participation fee in Ontario because it is not registered under the OSA and does not rely on the International Adviser Exemption, by December 31st of each year, each Applicant pays a participation fee based on its specified Ontario revenues for its previous financial year in compliance with the requirements of Part 3 and section 6.4 of Ontario Securities Commission Rule 13-502 *Fees* as if each Applicant relied on the International Adviser Exemption; and

IT IS FURTHER ORDERED that each of the FAI Order, FTI LLC Order, FMA Order, TGAL Order, K2 Order, FTIML Order, TIC Order, FTIS Order and FASL 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 an Applicant to act as an adviser to a Permitted Client; and
- (c) five years after the date of the FAI Order, FTI LLC Order, FMA Order, TGAL Order, K2 Order, FTIML Order, TIC Order, FTIS Order and FASL Order.

DATED at Toronto, Ontario, this 21st day of December, 2018.

“Deborah Leckman”
Commissioner
Ontario Securities Commission

“Robert P. Hutchison”
Commissioner
Ontario Securities Commission

APPENDIX "A"

SUBMISSION TO JURISDICTION AND
APPOINTMENT OF AGENT FOR SERVICE

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

1. Name of person or company ("International Firm"):
2. If the International Firm was previously assigned an NRD number as a registered firm or an unregistered exempt international firm, provide the NRD number of the firm:
3. Jurisdiction of incorporation of the International Firm:
4. Head office address of the International Firm:
5. The name, e-mail address, phone number and fax number of the International Firm's individual(s) responsible for the supervisory procedure of the International Firm, its chief compliance officer, or equivalent.

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

 Section 8.18 [international dealer]

 Section 8.26 [international adviser]

 Other [specify]:
7. Name of agent for service of process (the "Agent for Service"):
8. Address for service of process on the Agent for Service:
9. The International Firm designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a "Proceeding") arising out of or relating to or concerning the International Firm's activities in the local jurisdiction and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
10. The International Firm irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of the local jurisdiction in any Proceeding arising out of or related to or concerning the International Firm's activities in the local jurisdiction.
11. Until 6 years after the International Firm ceases to rely on the Relief Order, the International Firm must submit to the regulator
 - a. a new Submission to Jurisdiction and Appointment of Agent for Service in this form no later than the 30th day before the date this Submission to Jurisdiction and Appointment of Agent for Service is terminated;
 - b. an amended Submission to Jurisdiction and Appointment of Agent for Service no later than the 30th day before any change in the name or above address of the Agent for Service; and
 - c. a notice detailing a change to any information submitted in this form, other than the name or above address of the Agent for Service, no later than the 30th day after the change.
12. This Submission to Jurisdiction and Appointment of Agent for Service is governed by and construed in accordance with the laws of the local jurisdiction.

Decisions, Orders and Rulings

Dated: _____

(Signature of the International Firm or authorized signatory)

(Name of signatory)

Title of signatory)

Acceptance

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

Dated: _____

(Signature of the Agent for Service or authorized signatory)

(Name of signatory)

(Title of signatory)

This form, and notice of a change to any information submitted in this form, is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

<https://www.osc.gov.on.ca/filings>

APPENDIX “B”

NOTICE OF REGULATORY ACTION¹

1. Settlement agreements

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

Yes No

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

Name of entity
Regulator/organization
Date of settlement (yyyy/mm/dd)
Details of settlement
Jurisdiction

2. Disciplinary history

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

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

¹ Terms defined for the purposes of Form 33-506F6 *Firm Registration* to Ontario Securities Commission Rule 33-506 (*Commodity Futures Act*) *Registration Information* have the same meaning if used in this Appendix except that any reference to “firm” means the person or company relying on relief from the requirement to register as an adviser or dealer under the *Commodity Futures Act* (Ontario).

If yes, provide the following information for each action:

Name of Entity	
Type of Action	
Regulator/organization	
Date of action (yyyy/mm/dd)	Reason for action
Jurisdiction	

3. Ongoing investigations

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

Yes No

If yes, provide the following information for each investigation:

Name of entity
Reason or purpose of investigation
Regulator/organization
Date investigation commenced (yyyy/mm/dd)
Jurisdiction

Authorized signing officer or partner

Name of firm
Name of firm's authorized signing officer or partner
Title of firm's authorized signing officer or partner
Signature
Date (yyyy/mm/dd)

Witness

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

Name of witness
Title of witness
Signature
Date (yyyy/mm/dd)

This form is to be submitted through the Ontario Securities Commission's Electronic Filing Portal:

<https://www.osc.gov.on.ca/filings>

2.2.4 The London Metal Exchange – s. 147 of the OSA and ss. 38 and 80 of the CFA

Headnote

Application for an order exempting The London Metal Exchange from the requirement to be recognized as an exchange and registered as a commodity futures exchange in Ontario and for relief from the requirements under section 22 and section 33 of the Commodity Futures Act. – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 147.

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 15, 22, 33, 38, 80.

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

AND

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

AND

**IN THE MATTER OF
THE LONDON METAL EXCHANGE**

ORDER

(Section 147 of the OSA and sections 38 and 80 of the CFA)

WHEREAS London Metal Exchange (**LME**) has filed an application (**Application**) with the Ontario Securities Commission (**OSC**) requesting:

- (a) an order under Section 147 of the OSA exempting the LME from the requirement to be recognized as an exchange under Section 21(1) of the OSA (**the OSA Relief**);
- (b) an order under Section 80 of the CFA exempting the LME from the requirement to be registered as a commodity futures exchange under Section 15(1) of the CFA (**the Section 15 Relief**);
- (c) an order under Section 38 of the CFA exempting trades in contracts on the LME by a “hedger”, as defined in subsection 1(1) of the CFA (**Hedger**), from the registration requirements under Section 22 of the CFA (**Hedger Relief**);
- (d) an order under Section 38 of the CFA exempting trades in contracts on the LME by a bank listed in Schedule I to the *Bank Act* (Canada) (**Bank**) entering orders as principal and for its own account only from the registration requirements under Section 22 of the CFA (**Bank Relief**); and
- (e) an order under Section 38 of the CFA exempting trades in LME contracts by a participant in Ontario from the trading restrictions under Section 33 of the CFA (**the Section 33 Relief**, and together with the OSA Relief and the Section 15 Relief the **Requested Relief**).

AND WHEREAS OSC Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario* exempts trades of commodity futures contracts or commodity futures options made on commodity futures exchanges not registered with or recognized by the OSC under the CFA from sections 25 and 53 of the OSA;

AND WHEREAS the deemed rule titled *In the Matter of Trading in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside Canada Other Than Commodity Futures Exchanges in the United States of America* provides that Section 33 of the CFA does not apply to trades in certain contracts made by and with

certain Ontario Participants on the LME but is limited in scope and so may not exempt certain trades by certain other participants in Ontario from the restrictions under Section 33;

AND WHEREAS LME has represented to the OSC that:

1. The LME is a private company registered in England and Wales (registered number 2128666) whose registered office is at 10 Finsbury Square, London, EC2A 1AJ, United Kingdom (UK). The LME has no subsidiaries;
2. The LME is a wholly-owned subsidiary of LME Holdings Limited, a private limited company registered in England and Wales (registered number 4081218). LME Holdings Limited has no trading subsidiaries other than the LME;
3. LME Holdings Limited (the sole shareholder of the LME) in turn is a wholly owned subsidiary of HKEx Investment (UK) Limited, which is a wholly owned subsidiary of HKEx International Limited (a public limited company) registered in Hong Kong. HKEx International Limited is wholly owned by Hong Kong Exchanges and Clearing Limited, a publicly listed company registered in Hong Kong and listed on the Hong Kong stock exchange;
4. The LME receives a majority of its revenue from transaction fees for contracts executed through the LME;
5. The LME is subject to a comprehensive regulatory regime in the UK and Europe. As a UK Recognized Investment Exchange (**RIE**), the LME is subject to the UK *Financial Services and Markets Act 2000* (**FSMA**) and is regulated by the Financial Conduct Authority (**FCA**). The FCA fulfils its regulatory responsibilities within the framework established by FSMA and related legislation. As an RIE, the LME is also exempt from the general prohibition in respect of any "regulated activity" which is carried on as part of the LME's business as an investment exchange;
6. The LME operates futures and options markets in thirteen industrial, base metals: (1) copper, (2) tin, (3) lead, (4) zinc, (5) primary aluminium, (6) nickel, (7) aluminium alloy, (8) NASAAC, steel billet, (9) cobalt, (10) molybdenum, (11) cash settled steel scrap, (12) cash settled steel rebar, and (13) regional aluminium. LME also offers London precious metal contracts in gold and silver futures (LMEprecious). The majority of all global non-ferrous trading business is conducted on the LME and the prices discovered on the LME's trading platforms are used as global reference prices;
7. The LME may be described as an on-exchange forwards market. LME contracts (i.e. contracts under which metal is traded in accordance with the LME rules and regulations (**LME Rules**)) are based on physical settlement by the transfer of ownership of metal stored in listed warehouses; this guarantees price convergence as the far futures settlement dates converge on the cash settlement date (i.e. two days forward);
8. London Metal Exchange members (**Members**) who have specific permission from LME may trade LME contracts. All LME contracts are entered into on a principal to principal basis. LME contracts have at least one party being a Member of LME. LME participants who enter into LME contracts therefore deal off their own book, entering into an equivalent contract with customers for whom they are acting. In addition, organizations or an individual admitted to membership of the LME in accordance with the LME Rules will typically have entered into a separate contractual arrangement with their customers setting out the basis on which trades will be executed on the instructions of customers;
9. LME Clear Limited (**LME Clear**) has been established to act as the central counterparty in relation to all classes of contracts that are traded on the LME. LME Clear was incorporated on 21 April 2011 by LME as part of its global strategy to expand its clearing activities. LME Clear is also applying to the OSC for exemptive relief from recognition as a clearing agency under Section 21.2 of the OSA.
10. The LME does not have any offices or maintain other physical installations in Ontario or any other Canadian province or territory;
11. The LME proposes to offer prospective participants in Ontario access to the LMEselect system, the Inter-office Market and to Ring-dealing on the LME and to clearing support services. To obtain direct access to the LME, a prospective member in Ontario must execute a membership agreement in which the prospective member agrees to abide by the LME Rules and consent to submit to the jurisdiction of the Exchange. Prospective members in Ontario once admitted as members by LME (**Ontario Participants**) may access the Exchange. The LME Rules provide clear and transparent access criteria and requirements for all market participants, as well as minimum financial requirements for participants to maintain the financial integrity of the LME. The LME applies these criteria to all participants in an impartial manner;
12. The LME is requesting the Hedger Relief and the Bank Relief in order for Ontario Participants (who are either Hedgers, Banks or other participants in Ontario who are exempt from the registration requirement under the CFA) to be able to access trading on the LME directly, without having to be registered as dealers under the CFA. The LME is requesting the s33 relief in order to enable participants in Ontario (who are either compliant with or exempt from the registration requirement under the CFA) to be permitted to enter into LME contracts;

13. All contracts traded on the LME fall under the definitions of “commodity futures contract” or “commodity futures option” set out in section 1 of the CFA. The LME is therefore considered a “commodity futures exchange” as defined in section 1 of the CFA and is prohibited from carrying on business in Ontario unless it is registered or exempt from registration under section 15 of the CFA. The LME seeks to provide Ontario market participants with direct, electronic access to trading in LME contracts and may therefore be considered to be “carrying on business as a commodity futures exchange” in Ontario;
14. The LME is not registered with or recognized by the OSC as a commodity futures exchange under the CFA and no LME contracts have been accepted by the Director (as defined in the OSA) under the CFA. Therefore, LME contracts are considered “securities” under paragraph (p) of the definition of “security” set out in subsection 1(1) of the OSA and the LME is considered an “Exchange” under the OSA. Therefore, LME is prohibited from carrying on business in Ontario unless it is recognized or exempt from recognition under subsection 21(1) of the OSA. The LME seeks to provide Ontario market participants with direct, electronic access to trading in LME contracts and may therefore be considered to be “carrying on business as an Exchange” in Ontario;
15. The LME ensures that all applicants to become Members must satisfy certain criteria, including, among other things: validly organized and in good standing, good reputation, business integrity and adequate financial resources to assume the responsibilities and privileges of being a Member. Members are responsible for, among other things, compliance with the LME Rules, as those rules relate to the entering and executing of transactions, and to comply with all applicable laws pertaining to the use of the LME;

AND WHEREAS the OSC will monitor developments in international and domestic capital markets and the LME’s activities on an ongoing basis to determine whether it is appropriate for the OSC to continue to grant the Requested Relief and, if so, whether it is appropriate for the Requested Relief to continue to be granted subject to the terms and conditions set out in Schedule A to this order;

AND WHEREAS the LME has acknowledged to the OSC that the scope of the Requested Relief and the terms and conditions imposed by the OSC set out in Schedule A to this order may change as a result of its monitoring of developments in international and domestic capital markets or the LME’s activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives, commodity futures contracts, commodity futures options or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgements of the LME to the OSC, the OSC has determined that:

- a. The LME satisfies the criteria for exemption set out in Appendix 1 of Schedule A; and
- b. The granting of the Requested Relief would not be prejudicial to the public interest.

IT IS HEREBY ORDERED by the OSC that:

- a. Pursuant to Section 147 of the OSA, the LME is exempt from the requirement to be recognized as an exchange under Section 21(1) of the OSA;
- b. Pursuant to Section 80 of the CFA, the LME is exempt from the requirement to be registered as a commodity futures exchange under Section 15(1) of the CFA;
- c. Pursuant to Section 38 of the CFA, trades in contracts on the LME by Hedgers who are Ontario Participants are exempt from the registration requirements under Section 22 of the CFA;
- d. Pursuant to Section 38 of the CFA, trades in contracts on the LME by Banks who are Ontario Participants entering orders as principal and only for their own accounts are exempt from the registration requirements under Section 22 of the CFA; and
- e. Pursuant to Section 38 of the CFA, trades in LME contracts by a participant in Ontario are exempt from the trading restrictions under Section 33 of the CFA;

PROVIDED THAT

- a. LME complies with the terms and conditions attached hereto as Schedule A; and

- b. The Bank Relief shall expire on the earliest of:
- (i) The expiry of any transition period as may be provided by law, after the effective date of the repeal of the CFA;
 - (ii) 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 dealer registration requirements in the CFA; and
 - (iii) Five years after the date of this order.

DATED this 21st day of December 2018.

“Deborah Leckman”

“Robert P. Hutchison”

Schedule A

TERMS AND CONDITIONS

Meeting Criteria for Exemption

- 1 LME will continue to meet the criteria for exemption included in Appendix 1 to this Schedule A.

Regulation and Oversight of the LME

- 2 The LME will maintain its registration as a Recognised Investment Exchange (**RIE**) in accordance with the UK Financial Services and Markets Act (**FSMA**) and will continue to be subject to the regulatory oversight of the UK Financial Conduct Authority (**FCA**).
- 3 The LME will continue to comply with the ongoing requirements applicable to it as an RIE.
- 4 The LME must do everything within its control, which would include cooperating with the OSC as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the OSA, as a commodity futures exchange exempted from registration under subsection 15(1) of the CFA, and in compliance with Ontario securities law and Ontario commodity futures law.

Access

- 5 LME will maintain and operate an electronic trading system where Members trade on a principal-to-principal basis. Members may also trade on the LME's inter-office market or in the LME's open-outcry dealing floor (the **Ring**).
- 6 The LME will not provide direct access to an Ontario Participant unless the Ontario Participant is appropriately registered to trade in LME contracts, is a Hedger, is a Bank, or has otherwise obtained an exemption from registration under the CFA; in making this determination, LME may reasonably rely on a written representation from the Ontario Participant that specifies that it is appropriately registered to trade in LME contracts or that it is a Hedger, is a Bank or has an exemption from registration, and LME will notify such Ontario Participant that this representation is deemed to be repeated each time it enters an order for a LME contract.
- 7 Each Ontario Participant that intends to rely on the Hedger Relief will be required to, as part of its application or continued access to trading in LME contracts:
 - (a) represent that it is a Hedger (the **Hedger Representation**);
 - (b) acknowledge that LME deems the Hedger representation to be repeated by the Ontario Participant each time it enters an order for a LME contract and that the Ontario Participant must be a Hedger for the purposes of each trade resulting from such an order;
 - (c) agree to notify LME if it ceases to be a Hedger;
 - (d) represent that (insofar as it relies upon the Hedger Relief) it will only enter orders for its own account;
 - (e) acknowledge that it is a market participant under the CFA and is subject to applicable requirements; and
 - (f) acknowledge that its ability to continue to rely on the Hedger Relief in accessing trading on LME will be dependent on the OSC continuing to grant the relief and may be affected by changes to the terms and conditions imposed in connection with the Hedger Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities.
- 8 Each Ontario Participant that intends to rely on the Bank Relief will be required to, as part of its application documentation or continued access to trading in LME contracts:
 - (a) represent that (insofar as it relies on the Bank Relief) it will only enter orders as principal and for its account only;
 - (b) represent that it is a Bank (the **Canadian Bank Representation**);

Decisions, Orders and Rulings

- (c) acknowledge that LME deems the Canadian Bank Representation to be repeated by the Ontario Participant each time it enters an order for a LME contract and that the Ontario Participant must be a Bank for the purposes of each trade resulting from such an order;
 - (d) agree to notify LME if it ceases to be a Bank;
 - (e) acknowledge that the Bank Relief may be affected by changes to the terms and conditions imposed in connection with the Bank Relief or by changes to Ontario securities laws or Ontario commodity futures laws pertaining to derivatives, commodity futures contracts, commodity futures options or securities; and
 - (f) represent that it is not engaging in activities prohibited by its governing legislation.
- 9 The LME will require Ontario Participants to notify LME if their applicable registration or exemption from registration has been revoked, suspended or amended by the OSC (if applicable) or if they have ceased to be a Bank and, following notice from the Ontario Participant or the OSC and subject to applicable laws, LME will promptly restrict the Ontario Participant's access to the LME if the Ontario Participant is no longer appropriately registered or exempt from registration with the OSC or is no longer a Bank.
- 10 The LME must make available to Ontario Participants appropriate training for each person who has access to trade in LME contracts.

Trading by Ontario Participants

- 11 The LME will not provide access to an Ontario Participant to trading in exchange-traded products of an exchange other than those of the LME, unless such other exchange has sought and received appropriate regulatory standing in Ontario.
- 12 The LME will not provide access to an Ontario Participant to trading in LME contracts other than those that meet the definition of "commodity futures contract" or "commodity futures option" as defined in subsection 1(1) of the CFA, and which also fall under paragraph (p) of the definition of "security" in subsection 1(1) of the OSA, without prior OSC approval or pursuant to the Requested Relief.

Submission to Jurisdiction and Agent for Service

- 13 With respect to a proceeding brought by the OSC arising out of, related to, concerning or in any other manner connected with the OSC's regulation and oversight of the activities of the LME in Ontario, the LME will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.
- 14 The LME will file with the OSC a valid and binding appointment of Norton Rose Fulbright Canada LLP as the agent for service in Ontario upon which the OSC may serve a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning the OSC's regulation and oversight of the LME's activities in Ontario.

Disclosure

- 15 The LME will provide to its Ontario Participants disclosure that states that:
- (a) rights and remedies against the LME may only be governed by the laws of England and Wales, rather than the laws of Ontario, and may be required to be pursued in England and Wales rather than in Ontario;
 - (b) the rules applicable to trading on the LME may be governed by the laws of the UK, rather than the laws of Ontario; and
 - (c) the LME is regulated by the FCA, rather than the OSC.

Filings with the FCA

- 16 The LME will promptly provide staff of the OSC copies of all material rules of the LME, and material amendments to those rules, that it files with the FCA.
- 17 The LME will promptly provide staff of the OSC copies of all material contract specifications and material amended contract specifications that it files with the FCA.

Decisions, Orders and Rulings

- 18 The LME will promptly provide staff of the OSC the following information to the extent it is required to file such information with the FCA:
- (a) the annual Board of Directors' report regarding the activities of the Board and its committees;
 - (b) the annual financial statements of the LME;
 - (c) details of any material legal proceeding instituted against the LME;
 - (d) notification that the LME has instituted a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate the LME or has a proceeding for any such petition instituted against it; and
 - (e) the appointment of a receiver or the making of any voluntary arrangement with creditors.

Prompt Notice or Filing

- 19 The LME will promptly notify staff of the OSC of any of the following:
- (a) any material change to its business or operations or the information provided in the Application, including, but not limited to:
 - (i) changes to the regulatory oversight by the FCA;
 - (ii) the corporate governance structure of the LME;
 - (iii) the access model, including eligibility criteria, for Ontario Participants;
 - (iv) systems and technology; and
 - (v) the clearing and settlement arrangements for the LME;
 - (b) any change in the LME's regulations or the laws, rules and regulations in the UK relevant to futures and options where such change may materially affect its ability to meet the criteria set out in Appendix 1 to this schedule;
 - (c) any condition or change in circumstances whereby the LME is unable or anticipates it will not be able to continue to meet its obligations under any applicable requirements of the FCA or the FSMA regulations;
 - (d) any revocation or suspension of, or amendment to, the LME's registration as an RIE by the FCA or if the basis on which the LME's registration as a RIE was granted has significantly changed;
 - (e) any known investigations of, or disciplinary action against, the LME by the FCA or any other regulatory authority to which it is subject;
 - (f) any matter known to the LME that may affect its financial or operational viability, including, but not limited to, any significant system failure or interruption; and
 - (g) any default, insolvency, or bankruptcy of any Member known to the LME or its representatives that may have a material, adverse impact upon the LME or any Ontario Participant.
- 20 LME will promptly file with staff of the OSC copies of any enforcement reports regarding LME once issued as final by the FCA.

Quarterly Reporting

- 21 LME will maintain the following updated information and submit such information in a manner and form acceptable to the OSC on a quarterly basis (within 30 days of the end of each calendar quarter), and at any time promptly upon the request of staff of the OSC:
- (a) a current list of all Ontario Participants, specifically identifying for each Ontario Participant:
 - (i) its status as LME or LME Clear Members, and

Decisions, Orders and Rulings

- (ii) the basis upon which it represented to the LME that it could be provided with direct access (i.e. that it is appropriately registered to trade in the LME contracts or benefits from another form of exemption);
- (b) a list of all Ontario Participants against whom disciplinary action has been taken in the last quarter by the LME or, to the best of LME's knowledge, by any non-Canadian regulatory bodies with respect to such Ontario Participants' activities on the LME;
- (c) a list of all referrals to the LME Head of Risk, Regulation and Compliance by the LME surveillance team concerning Ontario Participants;
- (d) a list of all Ontario applicants for status as an Ontario Participant who were denied such status or access to the LME during the quarter;
- (e) a list of all new by-laws, rules, and contract specifications, and changes to by-laws, rules and contract specifications, not already reported;
- (f) a list of all LME contracts available for trading during the quarter, identifying any additions, deletions or changes since the prior quarter;
- (g) for each LME contract,
 - (i) the total trading volume and value originating from Ontario Participants, presented on a per Ontario Participant basis, and
 - (ii) the proportion of worldwide trading volume and value on the LME conducted by Ontario Participants, presented in the aggregate for such Ontario Participants; and
- (h) a list outlining each incident of a significant system outage that occurred at any time during the quarter for any system impacting Ontario Participants' trading activity, including trading, routing or data, specifically identifying the date, duration and reason for the outage, and noting any corrective action taken.

Annual Reporting

- 22 LME will arrange to have the annual audited financial statements of the LME filed with the OSC promptly after their issuance.

Reporting

- 23 If an IT Service Auditor's Report (**Report**) is prepared for the LME, the LME will promptly file with the OSC the Report after the Report is issued as final by its independent auditor.

Information Sharing

- 24 The LME will provide information (including additional periodic reporting) as may be requested from time to time by, and otherwise cooperate with, the OSC or its staff, subject to any applicable privacy or other laws (including solicitor-client privilege) governing the sharing of information and the protection of personal information.

APPENDIX 1

CRITERIA FOR EXEMPTION

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The exchange is regulated in an appropriate manner in another jurisdiction by a foreign regulator (**Foreign Regulator**).

1.2 Authority of the Foreign Regulator

The Foreign Regulator has the appropriate authority and procedures for oversight of the exchange. This includes regular, periodic oversight reviews of the exchange by the Foreign Regulator.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the exchange ensure:

- (a) effective oversight of the exchange,
- (b) that business and regulatory decisions are in keeping with its public interest mandate,
- (c) fair, meaningful and diverse representation on the board of directors (**Board**) and any committees of the Board, including:
 - (i) appropriate representation of independent directors, and
 - (ii) a proper balance among the interests of the different persons or companies using the services and facilities of the exchange,
- (d) the exchange has policies and procedures to appropriately identify and manage conflicts of interest, and
- (e) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors, officers and employees of the exchange.

2.2 Fitness

The exchange has policies and procedures under which it will take reasonable steps, and has taken such reasonable steps, to ensure that each director and officer is a fit and proper person.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are reviewed by the Foreign Regulator, and are either approved by the Foreign Regulator or are subject to requirements established by the Foreign Regulator that must be met before implementation of a product or changes to a product.

3.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

3.3 Risks Associated with Trading Products

The exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the exchange including, but not limited to, margin requirements, intra-day margin calls, daily trading limits, price limits, position limits, and internal controls.

PART 4 ACCESS

4.1 Fair Access

- (a) The exchange has established appropriate written standards for access to its services including requirements to ensure
 - (i) participants are appropriately registered as applicable under Ontario securities laws or Ontario commodity futures laws, or exempted from these requirements,
 - (ii) the competence, integrity and authority of systems users, and
 - (iii) systems users are adequately supervised.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.
- (c) The exchange does not unreasonably prohibit, condition or limit access by a person or company to services offered by it.
- (d) The exchange does not
 - (i) permit unreasonable discrimination among participants, or
 - (ii) impose any burden on competition that is not reasonably necessary and appropriate.

PART 5 REGULATION OF PARTICIPANTS ON THE EXCHANGE

5.1 Regulation

The exchange has the authority, resources, capabilities, systems and processes to allow it to perform its regulation functions, whether directly or indirectly through a regulation services provider, including setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of exchange requirements.

PART 6 RULEMAKING

6.1 Purpose of Rules

- (a) The exchange has rules, policies and other similar instruments (**Rules**) that are designed to appropriately govern the operations and activities of participants.
- (b) The Rules are not contrary to the public interest and are designed to
 - (i) ensure compliance with applicable legislation,
 - (ii) prevent fraudulent and manipulative acts and practices,
 - (iii) promote just and equitable principles of trade,
 - (iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in the products traded on the exchange,
 - (v) provide a framework for disciplinary and enforcement actions, and
 - (vi) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

For any decision made by the exchange that affects a participant, or an applicant to be a participant, including a decision in relation to access, exemptions, or discipline, the exchange ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) it keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 8 CLEARING AND SETTLEMENT

8.1 Clearing Arrangements

The exchange has appropriate arrangements for the clearing and settlement of transactions through a clearing house.

8.2 Regulation of the Clearing House

The clearing house is subject to acceptable regulation.

8.3 Authority of Regulator

A foreign regulator has the appropriate authority and procedures for oversight of the clearing house. This includes regular, periodic regulatory examinations of the clearing house by the foreign regulator.

8.4 Access to the Clearing House

- (a) The clearing house has established appropriate written standards for access to its services.
- (b) The access standards for clearing members and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

8.5 Sophistication of Technology of Clearing House

The exchange has assured itself that the information technology used by the clearing house has been adequately reviewed and tested and provides at least the same level of safeguards as required of the exchange.

8.6 Risk Management of Clearing House

The exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the exchange to properly carry on its business. Critical systems are those that support the following functions:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting,
- (e) trade comparison,
- (f) data feeds,
- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

9.2 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 10 FINANCIAL VIABILITY

10.1 Financial Viability

The exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 TRANSPARENCY

11.1 Transparency

The exchange has adequate arrangements to record and publish accurate and timely trade and order information. This information is provided to all participants on an equitable basis.

PART 12 RECORD KEEPING

12.1 Record Keeping

The exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the exchange, audit trail information on all trades, and compliance with, and/or violations of exchange requirements.

PART 13 OUTSOURCING

13.1 Outsourcing

Where the exchange has outsourced any of its key services or systems to a service provider, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 14 FEES

14.1 Fees

- (a) All fees imposed by the exchange are reasonable and equitably allocated and do not have the effect of creating an unreasonable condition or limit on access by participants to the services offered by the exchange.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 15 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

15.1 Information Sharing and Regulatory Cooperation

The exchange has mechanisms in place to enable it to share information and otherwise co-operate with the OSC, self-regulatory organizations, other exchanges, clearing agencies, investor protection funds, and other appropriate regulatory bodies.

15.2 Oversight Arrangements

Satisfactory information sharing and oversight agreements exist between the OSC and the Foreign Regulator.

PART 16 IOSCO PRINCIPLES

16.1 IOSCO Principles

To the extent it is consistent with the laws of the foreign jurisdiction, the exchange adheres to the standards of the International Organisation of Securities Commissions including those set out in the "Principles for the Regulation and Supervision of Commodity Derivative Markets" (2011).

2.2.5 Randgold Resource Limited

Headnote

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

January 3, 2019

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
RANDGOLD RESOURCES LIMITED
(the Filer)**

ORDER

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (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 dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (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 Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, and

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

Interpretation

2 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

3 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 of 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

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

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

“Carla-Marie Hait”
Acting Director, Corporate Finance
British Columbia Securities Commission

2.2.6 Darren Scott Davidson – ss. 127(1), 127(10)

FILE NO.: 2018-71

IN THE MATTER OF
DARREN SCOTT DAVIDSON

Lawrence P. Haber, Commissioner and Chair of the Panel

January 4, 2019

ORDER

(Subsections 127(1) and 127(10) of the
Securities Act, RSO 1990, c S.5)

WHEREAS the Ontario Securities Commission (the **Commission**) held a hearing in writing, to consider a request by Staff of the Commission (**Staff**) for an order imposing sanctions against Darren Scott Davidson (**Davidson**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

ON READING the Settlement Agreement between Davidson and the British Columbia Securities Commission (the **BCSC**) dated July 24, 2018 and on reading the materials filed by Staff, Davidson not having filed any materials, although properly served;

IT IS ORDERED THAT:

1. until the later of July 24, 2030, or the date on which the amount in paragraph 2(3) of the Order of the BCSC dated July 24, 2018 (the **BCSC Order**) has been paid:
 - (a) pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities, by Davidson cease, except that:
 - i. he may trade in securities or derivatives through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name, if he first provides copies of the BCSC Order and this Order to the registrant; and
 - ii. Davidson may also participate in an employee share investment plan through his employer;
 - (b) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Davidson;
 - (c) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Davidson resign any positions that he holds as a director or officer of any issuer or registrant;
 - (d) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Davidson be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that Davidson may become or act as an officer or director of a company of which he owns all the shares; and
 - (e) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Davidson be prohibited from becoming or acting as a registrant or promoter.

“Lawrence P. Haber”

2.2.7 Paul Webster – ss. 127(1), 127(10)

FILE NO.: 2018-72

IN THE MATTER OF
PAUL WEBSTER

Lawrence P. Haber, Commissioner and Chair of the Panel

January 4, 2019

ORDER

(Subsections 127(1) and 127(10) of the
Securities Act, RSO 1990, c S.5)

WHEREAS the Ontario Securities Commission (the **Commission**) held a hearing, in writing, to consider a request by Staff of the Commission (**Staff**) for an order imposing sanctions against Paul Webster (**Webster**) pursuant to subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

ON READING the Settlement Agreement between Webster and the British Columbia Securities Commission (the **BCSC**) dated July 24, 2018 and on reading the materials filed by Staff, Webster not having filed any materials, although properly served;

IT IS ORDERED THAT:

1. until the later of July 24, 2030, or the date on which the amount in paragraph 2(3) of the Order of the BCSC dated July 24, 2018 (the **BCSC Order**) has been paid:
 - (a) pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities, by Webster cease, except that he may trade in securities or derivatives through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name, if he first provides copies of the BCSC Order and this Order to the registrant;
 - (b) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Webster;
 - (c) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Webster resign any positions that he holds as a director or officer of any issuer or registrant;
 - (d) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Webster be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that Webster may become or act as an officer or director of a company of which he owns all the shares; and
 - (e) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Webster be prohibited from becoming or acting as a registrant or promoter.

“Lawrence P. Haber”

2.2.8 Money Gate Mortgage Investment Corporation et al.

FILE NO.: 2017-79

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

Timothy Moseley, Vice-Chair and Chair of the Panel
Lawrence P. Haber, Commissioner
M. Cecilia Williams, Commissioner

January 8, 2019

ORDER

WHEREAS on January 7, 2019, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, to consider a request by Money Gate Corp., Morteza Katebian and Payam Katebian (the **Moving Respondents**) to adjourn the hearing on the merits in this matter, and a request by the Moving Respondents to vacate certain previously scheduled hearing dates due to scheduling conflicts;

ON READING the motion record filed by the Moving Respondents, and the responding motion record filed by Staff of the Commission, and on hearing the submissions of the representatives for the Moving Respondents and for Staff;

IT IS ORDERED THAT:

1. the motion for an adjournment is dismissed;
2. the previously scheduled hearing dates of January 28, 29, and 30, and February 21 and 22, 2019, are hereby vacated;
3. the following dates shall be added to the previously scheduled dates for the hearing on the merits: May 22, 23, 24, 30, and 31, 2019; and
4. as a result of the foregoing changes, the hearing on the merits shall continue on January 9, 10, 11, 14, 15, 16, and 18, February 25 and 27, March 4, 6, 7 and 8, and May 1, 2, 3, 6, 8, 10, 22, 23, 24, 30, and 31, 2019, commencing at 10:00 a.m. on each scheduled day, or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary.

"Timothy Moseley"

"Lawrence P. Haber"

"M. Cecilia Williams"

2.2.9 TSX Inc. – s. 147

Headnote

Application under section 147 of the Securities Act (Ontario), exempting person or company from any requirement of Ontario securities law – exemption from requirement for TSX Inc. to notify the Commission if it anticipates not maintaining the required financial leverage ratio.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s.147.

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

AND

**IN THE MATTER OF
TSX INC.**

**ORDER
(Section 147 of the Act)**

WHEREAS the Ontario Securities Commission (Commission) issued an order dated July 4, 2012, which was varied on April 24, 2015, September 29, 2015 and June 22, 2018, recognizing each of Maple Group Acquisition Corporation (now TMX Group Limited), TMX Group Inc., TSX Inc., Alpha Trading Systems Limited Partnership, and Alpha Exchange Inc. as exchanges under section 21 of the Act (Recognition Order);

AND WHEREAS under subparagraph 36(a)(iii) of Schedule 5 to the Recognition Order, TSX Inc. (TSX) is required to calculate, on a monthly basis, a financial leverage ratio, being the ratio of total assets to shareholders' equity;

AND WHEREAS under subparagraph 36(c)(iii) of Schedule 5 to the Recognition Order, if TSX determines that it does not have, or anticipates that, in the next twelve months, it will not have, on a consolidated or non-consolidated basis, a financial leverage ratio of less than or equal to 4.0/1, it shall immediately notify the Commission of the ratio that it is not maintaining, or that it anticipates that it will not maintain, the reasons and an estimate of the length of time before the ratio will be compliant;

AND WHEREAS effective January 1, 2019, TSX will be required to utilize International Financial Reporting Standards (IFRS), including IFRS 16, in connection with the requirement under subparagraph 36(a)(iii) of the Recognition Order to calculate a financial leverage ratio;

AND WHEREAS, solely as a result of utilizing IFRS 16 in connection with the requirement under subparagraph 36(a)(iii) of the Recognition Order to calculate a financial leverage ratio, TSX anticipates that it will not have a financial leverage ratio of less than or equal to 4.0/1, as required by subparagraph 36(c)(iii) of the Recognition Order;

AND WHEREAS TSX has applied to the Commission under section 147 of the Act for an order exempting TSX from the requirement at subparagraph 36(c)(iii) of the Recognition Order to immediately notify the Commission that it is not maintaining, or that it anticipates it will not maintain, a financial leverage ratio of less than or equal to 4.0/1, the reasons and an estimate of the length of time before the ratio will be compliant (Application);

AND WHEREAS based on the Application and the representations that TSX has made to the Commission, the Commission has determined that it would not be prejudicial to the public interest to make an order under section 147 of the Act for an order exempting TSX from the requirement at subparagraph 36(c)(iii) of the Recognition Order for a period of one year from the date that TSX is required to use IFRS 16 to calculate a financial leverage ratio;

IT IS ORDERED under section 147 of the Act that TSX is exempt from the requirement at subparagraph 36(c)(iii) of the Recognition Order to immediately notify the Commission that it is not maintaining, or that it anticipates it will not maintain, a financial leverage ratio of less than or equal to 4.0/1, the reasons and an estimate of the length of time before the ratio will be compliant until December 31, 2019.

DATED this 21st day of December 2018 to take effect January 1, 2019.

“Deborah Leckman”

“Robert P. Hutchison”

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Darren Scott Davidson – ss. 127(1), 127(10)

**IN THE MATTER OF
DARREN SCOTT DAVIDSON**

**REASONS AND DECISION
(Subsections 127(1) and 127(10) of the
Securities Act, RSO 1990, c S.5)**

Citation: *Davidson (Re)*, 2019 ONSEC 1

Date: 2019-01-04

File No. 2018-71

Hearing: In Writing

Decision: January 4, 2019

Panel: Lawrence P. Haber Commissioner

Submissions: Kai Olson For Staff of the Commission

No hearing brief or written submissions were filed by or on behalf of
Darren Scott Davidson

TABLE OF CONTENTS

- I. INTRODUCTION
- II. SERVICE AND PARTICIPATION
- III. SETTLEMENT AGREEMENT
 - A. Background
 - B. Misconduct
 - C. Misrepresentations
 - D. Breach of Cease Trade Order
 - E. Undertaking
 - F. BCSC Order
- IV. ANALYSIS AND DECISION
 - A. Subsection 127(10) of the Act
 - B. Subsection 127(1) of the Act
 - C. Differences between the Agreed Sanctions and the Proposed Order
- V. CONCLUSION

REASONS AND DECISION

I. INTRODUCTION

- [1] Staff of the Ontario Securities Commission (**Staff of the Commission**) requests that an order be issued against Darren Scott Davidson (the **Respondent** or **Davidson**) pursuant to the inter-jurisdictional enforcement provisions in subsection 127(10) of the Act.¹ Paragraph 5 of subsection 127(10) authorizes the Commission to make orders in the public interest under subsection 127(1) where a person or company has agreed with another securities regulatory authority to be made subject to sanctions, conditions, restrictions or requirements.²
- [2] The agreed facts in a settlement agreement with another securities regulatory authority stand as a determination of fact for the purposes of the Commission's considerations under subsection 127(1) of the Act. The Commission is not required to make an order that mirrors the sanctions provided for in a settlement agreement. Rather, the Commission's task is to determine whether, based on the agreed facts, the sanctions proposed by Staff would be in the public interest in Ontario.³
- [3] On July 24, 2018, the Respondent and staff of the British Columbia Securities Commission (the **BCSC**) entered into a Settlement Agreement (the **Settlement Agreement**). In the Settlement Agreement, the Respondent admitted that he breached sections of the British Columbia *Securities Act*,⁴ and agreed to be subject to various sanctions. The agreed sanctions included market-access bans and a \$48,000 payment to the BCSC.⁵

II. SERVICE AND PARTICIPATION

- [4] Staff brought this proceeding under the expedited procedure provided in Rule 11(3) of the Commission's *Rules of Procedure*.⁶
- [5] The Respondent was served with the Notice of Hearing issued on November 28, 2018, the Statement of Allegations dated November 27, 2018 and Staff's written submissions, hearing brief⁷ and brief of authorities.
- [6] Although served, the Respondent did not file a hearing brief or make any written submissions in this proceeding. The Commission may proceed in the absence of a party where that party has been given notice of the hearing.⁸

III. SETTLEMENT AGREEMENT

A. Background

- [7] The Respondent is a resident of British Columbia. Between July 2011 and April 2014, the Respondent was a director and officer or de facto director and officer of Titan-West Explorations Inc. (**Titan-West**).⁹
- [8] In 2012, Titan-West and the Respondent attempted to mine for gold in the Yukon. The Respondent relocated his family to the Yukon for this purpose. Based on information provided to him from the people who sold the claims, he understood there was a substantial amount of gold on the property. Titan-West's 2012 financial statements showed gold revenue of \$41,307 and an operating loss of \$566,050.¹⁰
- [9] Titan-West is now dissolved.¹¹

¹ Ontario *Securities Act*, RSO 1990, s S.5 (the **Act**).

² Act, s 127(10)5.

³ *JV Raleigh Superior Holdings Inc (Re)*, 2013 ONSEC 18, (2013) 36 OSCB 4639 at para 16; *Elliott (Re)*, 2009 ONSEC 26, (2009) 32 OSCB 6931 at paras 27 and 31.

⁴ RSBC 1996, c 418 (the **BC Act**).

⁵ *Davidson (Re)*, 2018 BCSECCOM 171 at para 2.

⁶ Ontario *Securities Commission Rules of Procedure and Forms*, (2017) 40 OSCB 8988 (the **Rules of Procedure**).

⁷ Staff's Hearing Brief is marked as Exhibit 1.

⁸ *Statutory Powers Procedure Act*, RSO 1990 c S.22, s 7(2); *Rules of Procedure*, r 21(3).

⁹ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(1).

¹⁰ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(2).

¹¹ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(3).

B. Misconduct

- [10] Titan-West did not mine for gold in 2013. However, between October 2013 and February 2014, Titan-West and the Respondent raised capital for Titan-West.¹²
- [11] Representatives of Titan-West provided some of the prospective investors with promotional material, including a business plan and executive summary that the Respondent provided to the representatives.¹³
- [12] The business plan provided to prospective investors did not disclose the 2012 operating loss of \$566,050 on gold revenue of \$41,307. Instead, the business plan disclosed an outdated 2012 “pro forma” financial statement with gross revenue of \$12 million and net operating income of \$6,959,418 which the Respondent ought to have known would be relied on by the investors.¹⁴
- [13] Four prospective investors who received the business plan invested a total of \$172,000.¹⁵
- [14] On February 13, 2014, the Executive Director of the BCSC issued an Order under section 164(1) of the BC Act ordering that all trading in the securities of Titan-West cease (**Cease Trade Order**).¹⁶

C. Misrepresentations

- [15] Titan-West made misrepresentations to investors by failing to disclose the 2012 operating loss, and by disclosing the 2012 “pro forma” financial statements, contrary to section 50(1)(d) of the BC Act. As a *de facto* director and officer of Titan-West, the Respondent authorized, permitted or acquiesced in Titan-West’s misrepresentations.¹⁷

D. Breach of Cease Trade Order

- [16] After the Cease Trade Order was issued:
- (a) Titan-West representatives emailed and telephoned prospective investors, soliciting investment in Titan-West; and
 - (b) Titan-West issued two promissory notes for \$27,000 each to two previous Titan-West investors. The \$27,000 comprises part of the \$172,000 mentioned above.¹⁸
- [17] The foregoing conduct contravened the Cease Trade Order. As a *de facto* director and officer of Titan-West, the Respondent authorized, permitted or acquiesced in Titan-West’s contraventions of the Cease Trade Order.¹⁹
- [18] The Respondent had advised the BCSC’s Executive Director that he received legal advice that Titan-West could borrow money despite the Cease Trade Order. As a result, the Respondent did not think Titan-West was contravening the Cease Trade Order by issuing promissory notes.²⁰

E. Undertaking

- [19] The Respondent undertook to not directly or indirectly make an application for restoration of Titan-West.²¹

F. BCSC Order

- [20] The BCSC Order imposed the following terms on the Respondent:
- (a) under section 161(1)(d)(i) of the BC Act, Davidson resign any positions he holds as a director of an issuer or registrant;

¹² *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(4).

¹³ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(5).

¹⁴ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(6).

¹⁵ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(7).

¹⁶ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(8).

¹⁷ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(9).

¹⁸ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(10).

¹⁹ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(11).

²⁰ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(12).

²¹ *Davidson (Re)*, 2018 BCSECCOM 171 at para 1(15).

- (b) Davidson is prohibited for the later of 12 years from the date of the Settlement Agreement and the date that the amount set out in paragraph (c) below is paid:
- i. under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts, except that he may trade securities through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name if he first provides a copy of the BCSC Order to the registrant. Davidson may also participate in an employee share investment plan through his employer;
 - ii. under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 - iii. under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of any issuer or registrant except that Davidson may become or act as an officer or director of a company of which he owns all the shares;
 - iv. under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;
 - v. under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 - vi. under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities; and
- (c) Davidson pay to the BCSC \$48,000 pursuant to section 161(1)(g) of the BC Act.²²

IV. ANALYSIS AND DECISION

[21] Staff seeks an order pursuant to subsections 127(10) and (1) of the Act imposing trading and market-access bans that substantially mirror those in the Settlement Agreement.

[22] The issues for this Panel to consider are:

- (a) whether one or more of the circumstances under subsection 127(10) of the Act apply to the Respondent; and
- (b) if so, whether the Commission should exercise its public interest jurisdiction to make an order pursuant to subsection 127(1) of the Act.

A. Subsection 127(10) of the Act

[23] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1). This provision facilitates cross-jurisdictional enforcement by allowing the Commission to issue protective, preventive and prospective orders to ensure that misconduct that has taken place in another jurisdiction will not be repeated in Ontario's capital markets.

[24] Paragraph 5 of subsection 127(10) provides for inter-jurisdictional enforcement where a person or company has agreed with a securities regulatory authority to be made subject to sanctions, conditions, restrictions or requirements.

[25] In the Settlement Agreement, the Respondent agreed to be made subject to "sanctions, conditions, restrictions or requirements." In addition, the Respondent consented to regulatory orders made by any provincial or territorial securities regulatory authority in Canada containing any or all of the orders set out in paragraph 2 of the Settlement Agreement.²³

B. Subsection 127(1) of the Act

[26] The threshold having been met under paragraph 5 of subsection 127(10), the Panel must determine what sanctions, if any, should be ordered against the Respondents pursuant to subsection 127(1).

[27] Subsection 127(1) empowers the Commission to make orders where it is in the public interest to do so. The Commission is not required to make an order similar to that made by the originating jurisdiction. Rather, the Panel must first satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario and then consider what the appropriate sanctions should be.

²² *Davidson (Re)*, 2018 BCSECCOM 171 at para 2.

²³ *Davidson (Re)*, 2018 BCSECCOM 171 at para 3.

- [28] Orders made under subsection 127(1) of the Act are “protective and preventive” and are made to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets.²⁴
- [29] The Commission must make its own determination of what is in the public interest. It is also important that the Commission be aware of and responsive to an interconnected, inter-provincial securities industry. The threshold for reciprocity is low.²⁵ A low threshold is supported by the principle found in section 2.1 of the Act, which provides that “[t]he integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.”
- [30] In determining the nature and scope of sanctions to be ordered, the Commission can consider a number of factors, including the seriousness of the conduct, specific and general deterrence, and any mitigating factors.²⁶

C. Differences between the Agreed Sanctions and the Proposed Order

- [31] Due to the differences between the Act and the BC Act, some of the sanctions this Panel imposes cannot be identical to those agreed to in the Settlement Agreement. This is true with respect to two aspects of the sanctions.
- [32] First, the Settlement Agreement prohibits the Respondent from trading in or purchasing “exchange contracts” in addition to securities. The BC Act defines “exchange contract” to mean a futures contract or option that meets certain specified requirements. As a result, Staff seeks an order prohibiting the Respondent from trading in derivatives, as defined in the Act. In my view, when considering the factors described above that support the making of an order prohibiting trading, there is no reason to distinguish between securities and derivatives. In the circumstances of this case, it is equally in the public interest to protect Ontario investors and the capital markets by prohibiting the Respondent from trading in derivatives. This Panel will therefore make the order requested by Staff.
- [33] Second, the Settlement Agreement prohibits the Respondent from engaging in “investor relations activities” and from “acting in a management or consultative capacity in connection with activities in the securities market.” In Ontario, the Act does not use those terms. Instead, as Staff submits, such activities would largely be covered by the prohibitions already requested, against individuals acting as a director or officer of an issuer, or against any respondent acting as a registrant or promoter.
- [34] This Panel finds that it is in the public interest to make the order as requested by Staff, and that such an order effectively mirrors the relevant provisions of the Settlement Agreement.

V. CONCLUSION

- [35] For the reasons provided above, the facts agreed to in the Settlement Agreement support the making of an inter-jurisdictional order with the following terms:
- a. until the later of July 24, 2030, or the date on which the amount in paragraph 2(3) of BCSC Order has been paid:
 - i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities, by Davidson cease, except that:
 - (a) he may trade in securities or derivatives through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name, if he first provides copies of the BCSC Order and this Order to the registrant; and
 - (b) Davidson may also participate in an employee share investment plan through his employer;
 - ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Davidson;
 - iii. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Davidson resign any positions that he holds as a director or officer of any issuer or registrant;
 - iv. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Davidson be prohibited from

²⁴ *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37, [2001] 2 SCR 132 at paras 42-43.

²⁵ *JV Raleigh Superior Holdings Inc (Re)*, 2013 ONSEC 18, (2013) 36 OSCB 4639 at para 21.

²⁶ *Belteco Holdings Inc (Re)*, (1998) 21 OSCB 7743 at 7746; *MCJC Holdings Inc (Re)*, (2002) 25 OSCB 1133 at 1136.

becoming or acting as a director or officer of any issuer or registrant, except that Davidson may become or act as an officer or director of a company of which he owns all the shares; and

- v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Davidson be prohibited from becoming or acting as a registrant or promoter.

Dated at Toronto this 4th day of January, 2019.

“Lawrence P. Haber”

3.1.2 Paul Webster – ss. 127(1), 127(10)

IN THE MATTER OF
PAUL WEBSTER

REASONS AND DECISION
(Subsections 127(1) and 127(10) of the
Securities Act, RSO 1990, c S.5)

Citation: *Webster (Re)*, 2019 ONSEC 2

Date: 2019-01-04

File No. 2018-72

Hearing: In Writing

Decision: January 4, 2019

Panel: Lawrence P. Haber Commissioner

Submissions: Kai Olson For Staff of the Commission

No hearing brief or written submissions were filed by or on behalf of Paul Webster

TABLE OF CONTENTS

- I. INTRODUCTION
- II. SERVICE AND PARTICIPATION
- III. SETTLEMENT AGREEMENT
 - A. Background
 - B. Misconduct
 - C. Misrepresentations
 - D. Breach of Cease Trade Order
 - E. Undertaking
 - F. BCSC Order
- IV. ANALYSIS AND DECISION
 - A. Subsection 127(10) of the Act
 - B. Subsection 127(1) of the Act
 - C. Differences between the Agreed Sanctions and the Proposed Order
- V. CONCLUSION

REASONS AND DECISION

I. INTRODUCTION

- [1] Staff of the Ontario Securities Commission (**Staff of the Commission**) requests that an order be issued against Paul Webster (the **Respondent** or **Webster**) pursuant to the inter-jurisdictional enforcement provisions in subsection 127(10) of the Act.¹ Paragraph 5 of subsection 127(10) authorizes the Commission to make orders in the public interest under subsection 127(1) where a person or company has agreed with another securities regulatory authority to be made subject to sanctions, conditions, restrictions or requirements.²
- [2] The agreed facts in a settlement agreement with another securities regulatory authority stand as a determination of fact for the purposes of the Commission's considerations under subsection 127(1) of the Act. The Commission is not required to make an order that mirrors the sanctions provided for in a settlement agreement. Rather, the Commission's task is to determine whether, based on the agreed facts, the sanctions proposed by Staff would be in the public interest in Ontario.³

¹ Ontario *Securities Act*, RSO 1990, s S.5 (the **Act**).

² Act, s 127(10)5.

³ *JV Raleigh Superior Holdings Inc (Re)*, 2013 ONSEC 18, (2013) 36 OSCB 4639 at para 16; *Elliott (Re)*, 2009 ONSEC 26, (2009) 32 OSCB 6931 at paras 27 and 31.

[3] On July 24, 2018, the Respondent and staff of the British Columbia Securities Commission (the **BCSC**) entered into a Settlement Agreement (the **Settlement Agreement**). In the Settlement Agreement, the Respondent admitted that he breached sections of the British Columbia *Securities Act*,⁴ and agreed to be subject to various sanctions. The agreed sanctions included market-access bans and a \$48,000 payment to the BCSC.⁵

II. SERVICE AND PARTICIPATION

[4] Staff brought this proceeding under the expedited procedure provided in Rule 11(3) of the Commission's *Rules of Procedure*.⁶

[5] The Respondent was served with the Notice of Hearing issued on November 28, 2018, the Statement of Allegations dated November 27, 2018 and Staff's written submissions, hearing brief⁷ and brief of authorities.

[6] Although served, the Respondent did not file a hearing brief or make any written submissions in this proceeding. The Commission may proceed in the absence of a party where that party has been given notice of the hearing.⁸

III. SETTLEMENT AGREEMENT

A. Background

[7] The Respondent is a resident of British Columbia. Between July 2011 and April 2014, the Respondent was a director and officer or *de facto* director and officer of Titan-West Explorations Inc. (**Titan-West**).⁹

[8] In 2012, Titan-West and the Respondent attempted to mine for gold in the Yukon. The Respondent relocated his family to the Yukon for this purpose. Based on information provided to him from the people who sold the claims, he understood there was a substantial amount of gold on the property. Titan-West's 2012 financial statements showed gold revenue of \$41,307 and an operating loss of \$566,050.¹⁰

[9] Titan-West is now dissolved.¹¹

B. Misconduct

[10] Titan-West did not mine for gold in 2013. However, between October 2013 and February 2014, Titan-West and the Respondent raised capital for Titan-West.¹²

[11] Representatives of Titan-West provided some of the prospective investors with promotional material, including a business plan and executive summary that the Respondent provided to the representatives.¹³

[12] The business plan provided to prospective investors did not disclose the 2012 operating loss of \$566,050 on gold revenue of \$41,307. Instead, the business plan disclosed an outdated 2012 "pro forma" financial statement with gross revenue of \$12 million and net operating income of \$6,959,418 which the Respondent ought to have known would be relied on by the investors.¹⁴

[13] Four prospective investors who received the business plan invested a total of \$172,000.¹⁵

[14] On February 13, 2014, the Executive Director of the BCSC issued an Order under section 164(1) of the BC Act ordering that all trading in the securities of Titan-West cease (**Cease Trade Order**).¹⁶

⁴ RSBC 1996, c 418 (the **BC Act**).

⁵ *Webster (Re)*, 2018 BCSECCOM 169 at para 2.

⁶ *Ontario Securities Commission Rules of Procedure and Forms*, (2017) 40 OSCB 8988 (the **Rules of Procedure**).

⁷ Staff's Hearing Brief is marked as Exhibit 1.

⁸ *Statutory Powers Procedure Act*, RSO 1990 c S.22, s 7(2); *Rules of Procedure*, r 21(3).

⁹ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(1).

¹⁰ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(2).

¹¹ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(3).

¹² *Webster (Re)*, 2018 BCSECCOM 169 at para 1(4).

¹³ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(5).

¹⁴ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(6).

¹⁵ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(7).

¹⁶ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(8).

C. Misrepresentations

[15] Titan-West made misrepresentations to investors by failing to disclose the 2012 operating loss, and by disclosing the 2012 “pro forma” financial statements, contrary to section 50(1)(d) of the BC Act. As a *de facto* director and officer of Titan-West, the Respondent authorized, permitted or acquiesced in Titan-West’s misrepresentations.¹⁷

D. Breach of Cease Trade Order

[16] After the Cease Trade Order was issued:

- (a) Titan-West representatives emailed and telephoned prospective investors, soliciting investment in Titan-West; and
- (b) Titan-West issued two promissory notes for \$27,000 each to two previous Titan-West investors. The \$27,000 comprises part of the \$172,000 mentioned above.¹⁸

[17] The foregoing conduct contravened the Cease Trade Order. As a *de facto* director and officer of Titan-West, the Respondent authorized, permitted or acquiesced in Titan-West’s contraventions of the Cease Trade Order.¹⁹

[18] The Respondent had advised the BCSC’s Executive Director that he received legal advice that Titan-West could borrow money despite the Cease Trade Order. As a result, the Respondent did not think Titan-West was contravening the Cease Trade Order by issuing promissory notes.²⁰

E. Undertaking

[19] The Respondent undertook to not directly or indirectly make an application for restoration of Titan-West.²¹

F. BCSC Order

[20] The BCSC Order imposed the following terms on the Respondent:

- (a) under section 161(1)(d)(i) of the BC Act, Webster resign any positions he holds as a director of an issuer or registrant;
- (b) Webster is prohibited for the later of 12 years from the date of the Settlement Agreement and the date that the amount set out in paragraph (c) below is paid:
 - i. under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts, except that he may trade securities through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name if he first provides a copy of the BCSC Order to the registrant. Webster may also participate in an employee share investment plan through his employer;
 - ii. under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 - iii. under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of any issuer or registrant except that Webster may become or act as an officer or director of a company of which he owns all the shares;
 - iv. under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;
 - v. under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 - vi. under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities; and

¹⁷ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(9).

¹⁸ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(10).

¹⁹ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(11).

²⁰ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(12).

²¹ *Webster (Re)*, 2018 BCSECCOM 169 at para 1(15).

(c) Webster pay to the BCSC \$48,000 pursuant to section 161(1)(g) of the BC Act.²²

IV. ANALYSIS AND DECISION

[21] Staff seeks an order pursuant to subsections 127(10) and (1) of the Act imposing trading and market-access bans that substantially mirror those in the Settlement Agreement.

[22] The issues for this Panel to consider are:

- (a) whether one or more of the circumstances under subsection 127(10) of the Act apply to the Respondent; and
- (b) if so, whether the Commission should exercise its public interest jurisdiction to make an order pursuant to subsection 127(1) of the Act.

A. Subsection 127(10) of the Act

[23] Subsection 127(10) of the Act does not itself empower the Commission to make an order; rather, it provides a basis for an order under subsection 127(1). This provision facilitates cross-jurisdictional enforcement by allowing the Commission to issue protective, preventive and prospective orders to ensure that misconduct that has taken place in another jurisdiction will not be repeated in Ontario's capital markets.

[24] Paragraph 5 of subsection 127(10) provides for inter-jurisdictional enforcement where a person or company has agreed with a securities regulatory authority to be made subject to sanctions, conditions, restrictions or requirements.

[25] In the Settlement Agreement, the Respondent agreed to be made subject to "sanctions, conditions, restrictions or requirements." In addition, the Respondent consented to regulatory orders made by any provincial or territorial securities regulatory authority in Canada containing any or all of the orders set out in paragraph 2 of the Settlement Agreement.²³

B. Subsection 127(1) of the Act

[26] The threshold having been met under paragraph 5 of subsection 127(10), the Panel must determine what sanctions, if any, should be ordered against the Respondents pursuant to subsection 127(1).

[27] Subsection 127(1) empowers the Commission to make orders where it is in the public interest to do so. The Commission is not required to make an order similar to that made by the originating jurisdiction. Rather, the Panel must first satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario and then consider what the appropriate sanctions should be.

[28] Orders made under subsection 127(1) of the Act are "protective and preventive" and are made to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets.²⁴

[29] The Commission must make its own determination of what is in the public interest. It is also important that the Commission be aware of and responsive to an interconnected, inter-provincial securities industry. The threshold for reciprocity is low.²⁵ A low threshold is supported by the principle found in section 2.1 of the Act, which provides that "[t]he integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes."

[30] In determining the nature and scope of sanctions to be ordered, the Commission can consider a number of factors, including the seriousness of the conduct, specific and general deterrence, and any mitigating factors.²⁶

C. Differences between the Agreed Sanctions and the Proposed Order

[31] Due to the differences between the Act and the BC Act, some of the sanctions this Panel imposes cannot be identical to those agreed to in the Settlement Agreement. This is true with respect to two aspects of the sanctions.

²² *Webster (Re)*, 2018 BCSECCOM 169 at para 2.

²³ *Webster (Re)*, 2018 BCSECCOM 169 at para 3.

²⁴ *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37, [2001] 2 SCR 132 at paras 42-43.

²⁵ *JV Raleigh Superior Holdings Inc (Re)*, 2013 ONSEC 18, (2013) 36 OSCB 4639 at para 21.

²⁶ *Belteco Holdings Inc (Re)*, (1998) 21 OSCB 7743 at 7746; *MCJC Holdings Inc (Re)*, (2002) 25 OSCB 1133 at 1136.

- [32] First, the Settlement Agreement prohibits the Respondent from trading in or purchasing “exchange contracts” in addition to securities. The BC Act defines “exchange contract” to mean a futures contract or option that meets certain specified requirements. As a result, Staff seeks an order prohibiting the Respondent from trading in derivatives, as defined in the Act. In my view, when considering the factors described above that support the making of an order prohibiting trading, there is no reason to distinguish between securities and derivatives. In the circumstances of this case, it is equally in the public interest to protect Ontario investors and the capital markets by prohibiting the Respondent from trading in derivatives. This Panel will therefore make the order requested by Staff.
- [33] Second, the Settlement Agreement prohibits the Respondent from engaging in “investor relations activities” and from “acting in a management or consultative capacity in connection with activities in the securities market.” In Ontario, the Act does not use those terms. Instead, as Staff submits, such activities would largely be covered by the prohibitions already requested, against individuals acting as a director or officer of an issuer, or against any respondent acting as a registrant or promoter.
- [34] This Panel finds that it is in the public interest to make the order as requested by Staff, and that such an order effectively mirrors the relevant provisions of the Settlement Agreement.

V. CONCLUSION

- [35] For the reasons provided above, the facts agreed to in the Settlement Agreement support the making of an inter-jurisdictional order with the following terms:
- a. until the later of July 24, 2030, or the date on which the amount in paragraph 2(3) of BCSC Order has been paid:
 - i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities, by Webster cease, except that he may trade in securities or derivatives through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name, if he first provides copies of the BCSC Order and the order of the Commission in this proceeding, if granted, to the registrant;
 - ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Webster;
 - iii. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Webster resign any positions that he holds as a director or officer of any issuer or registrant;
 - iv. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Webster be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that Webster may become or act as an officer or director of a company of which he owns all the shares; and
 - v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Webster be prohibited from becoming or acting as a registrant or promoter.

Dated at Toronto this 4th day of January, 2019.

“Lawrence P. Haber”

This page intentionally left blank

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
THERE IS NOTHING TO REPORT THIS WEEK.				

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Almonty Industries Inc.	07 January 2019	
Millennial Esports Corp.	07 January 2019	
Noble Minerals Exploration Inc.	07 January 2019	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Leviathan Cannabis Group Inc.	07 January 2019	

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
Blocplay Entertainment Inc.	04 December 2018	
Katanga Mining Limited	15 August 2017	
Leviathan Cannabis Group Inc.	07 January 2019	

This page intentionally left blank

Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

EHP Advantage Alternative Fund
EHP Advantage International Alternative Fund
EHP Global Arbitrage Alternative Fund
EHP Guardian Alternative Fund
EHP Guardian International Alternative Fund
EHP Select Alternative Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated January 1, 2019
Received on January 2, 2019

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

EdgeHill Partners
Project #2786290

Issuer Name:

iShares Core S&P 500 Index ETF
iShares Core S&P 500 Index ETF (CAD-Hedged)
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
January 3, 2019
Received on January 3, 2019

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

BlackRock Asset Management Canada Limited

Promoter(s):

N/A

Project #2733360

Issuer Name:

Vision Alternative Income Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated January 4, 2019
NP 11-202 Preliminary Receipt dated January 7, 2019

Offering Price and Description:

Class A, Class F, Class A-US, Class F-US and Class I
Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Vision Capital Corporation
Project #2862242

Issuer Name:

Arrow Global Advantage Alternative Class
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated December 31, 2018
NP 11-202 Receipt dated January 3, 2019

Offering Price and Description:

Series A, F and ETF Shares

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Arrow Capital Management Inc.
Project #2843979

Issuer Name:

Bloom Canada Dividend Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated January 3, 2019
NP 11-202 Receipt dated January 4, 2019

Offering Price and Description:

Series A
Series A6
Series D
Series F
Series F6
Series I

Underwriter(s) or Distributor(s):

Bloom Investment Counsel, Inc.

Promoter(s):

N/A

Project #2846655

Issuer Name:

FDP Emerging Markets Equity Portfolio
Principal Regulator – Quebec

Type and Date:

Amendment #3 to Final Simplified Prospectus dated
November 29, 2018
NP 11-202 Receipt dated January 4, 2019

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Professionals' Financial – Mutual Funds Inc.

Promoter(s):

Professionals' Financial – Mutual Funds Inc.
Project #2748571

Issuer Name:

iProfile Canadian Equity Pool
iProfile U.S. Equity Pool
iProfile International Equity Pool
iProfile Emerging Markets Pool
iProfile Fixed Income Pool
iProfile Canadian Equity Class
iProfile U.S. Equity Class
iProfile International Equity Class
iProfile Emerging Markets Class
Investors Canadian Money Market Class
Principal Regulator – Manitoba

Type and Date:

Amendment #1 Final Simplified Prospectus dated
November 15, 2018 to
NP 11-202 Receipt dated January 4, 2019

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Investors Group Securities Inc.
Investors Group Financial Services Inc. and Investors
Group Securities Inc.

Promoter(s):

I.G. Investment Management, Ltd.

Project #2776406

Issuer Name:

Accelerate Absolute Return Hedge Fund
Accelerate Enhanced Canadian Benchmark Alternative
Fund
Accelerate Private Equity Alpha Fund
Principal Regulator – Alberta (ASC)

Type and Date:

Preliminary Long Form Prospectus dated December 27,
2018
NP 11-202 Preliminary Receipt dated December 27, 2018

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Accelerate Financial Technologies Inc.

Project #2860280

Issuer Name:

BetaPro S&P 500 VIX Short-Term Futures ETF (formerly
Horizons BetaPro S&P 500 VIX Short-Term Futures ETF)
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated December 27, 2018
NP 11-202 Receipt dated December 28, 2018

Offering Price and Description:

Class A units @ net asset value

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2845531

NON-INVESTMENT FUNDS

Issuer Name:

XPhyto Therapeutics Corp. (formerly, CannaBunker Development Corp.)
Principal Regulator – British Columbia

Type and Date:

Preliminary Long Form Prospectus dated December 28, 2018

Received on December 28, 2018

Offering Price and Description:

4,445,500 Common Shares and 4,445,500 Common Share Purchase Warrants issuable on deemed exercise of 4,445,500 Special Warrants
No securities are being offered or sold pursuant to this non offering preliminary prospectus.

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2861115

Issuer Name:

Energy Fuels Inc.
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated December 27, 2018
NP 11-202 Receipt dated December 28, 2018

Offering Price and Description:

Common Shares
Preferred Shares
Warrants
Subscription Receipts
Debt Securities
Units
US\$150,000,000.00

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2853555

Issuer Name:

Sagittarius Capital Corporation
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated December 27, 2018
NP 11-202 Receipt dated December 31, 2018

Offering Price and Description:

Minimum Offering: 8,000,000 Units (\$2,000,000.00)
Maximum Offering: Up to 16,000,000 Units (Up to \$4,000,000.00)
Over-Allotment Option: Up to 15% of Maximum, 2,400,000 Units (\$600,000)
Offering Price: \$0.25 per Unit

Underwriter(s) or Distributor(s):

Leede Jones Gable Inc.

Promoter(s):

Ohad Haber
Project #2810334

Issuer Name:

The Toronto-Dominion Bank
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated December 28, 2018
NP 11-202 Receipt dated December 31, 2018

Offering Price and Description:

\$10,000,000,000.00 Debt Securities (subordinated indebtedness) Common Shares Class A First Preferred Shares Warrants to Purchase Preferred Shares
Subscription Receipts

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2857016

Issuer Name:

VALEO PHARMA INC.
Principal Regulator – Quebec

Type and Date:

Final Long Form Prospectus dated December 21, 2018
NP 11-202 Receipt dated December 27, 2018

Offering Price and Description:

0.00

Underwriter(s) or Distributor(s):

–

Promoter(s):

MANITEX CAPITAL INC.
Project #2826258

Issuer Name:

Largo Resources Ltd.
Principal Regulator – Ontario

Type and Date:

Preliminary Shelf Prospectus dated January 4, 2019
NP 11-202 Preliminary Receipt dated January 7, 2019

Offering Price and Description:

\$750,000,000.00

Common Shares

Warrants

Units

Debt Securities

Subscription Receipts

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2862150

Issuer Name:

MedMen Enterprises Inc. (formerly Ladera Ventures Corp.)
Principal Regulator – British Columbia

Type and Date:

Preliminary Shelf Prospectus dated January 3, 2019
NP 11-202 Preliminary Receipt dated January 4, 2019

Offering Price and Description:

\$500,000,000.00

Class B Subordinate Voting Shares

Preferred Shares

Debt Securities

Subscription Receipts

Warrants

Units

Underwriter(s) or Distributor(s):

–

Promoter(s):

Adam Bierman

Andrew Modlin

Christopher Ganan

Project #2862044

Issuer Name:

National Access Cannabis Corp. (formerly Brassneck
Capital Corp.)

Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated January 4, 2019
NP 11-202 Receipt dated January 7, 2019

Offering Price and Description:

\$21,150,000.00 aggregate principal amount of 8.0%
Convertible Secured Senior Debentures issuable upon
deemed exercise of 21,150 Special Warrants

Underwriter(s) or Distributor(s):

Cormack Securities Inc.

Canaccord Genuity Corp.

Beacon Securities Limited

Infor Financial Inc.

PI Financial Corp.

Promoter(s):

–

Project #2855121

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Excel Funds Management Inc.	Investment Fund Manager	December 31, 2018
Consent to Suspension (Pending Surrender)	Excel Investment Counsel Inc.	Exempt Market Dealer & Portfolio Manager	December 31, 2018
Voluntary Surrender	Banwell Financial Inc.	Mutual Fund Dealer & Exempt Market Dealer	December 21, 2018
Consent to Suspension (Pending Surrender)	Janus Capital Management LLC	Exempt Market Dealer & Portfolio Manager	December 31, 2018
Voluntary Surrender	Qs Investors, LLC	Portfolio Manager	December 31, 2018
Change of Registration Category	Aberdeen Standard Investments (Canada) Limited	From: Portfolio Manager To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	January 2, 2019
New Registration	Altrinsic Global Advisors Canada Inc.	Portfolio Manager	January 2, 2019

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 The London Metal Exchange – Application for Exemptive Relief – Notice of Commission Order

THE LONDON METAL EXCHANGE

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On December 21, 2018, the Commission issued an order (Order) under section 147 of the *Securities Act (Ontario)* (OSA) exempting The London Metal Exchange (LME) from the requirement to be recognized as an exchange under section 21 of the OSA and under section 80 of the *Commodity Futures Act (Ontario)* (CFA) exempting LME from the requirement to be registered as a commodity futures exchange under section 15 of the CFA. The Order further provides for relief from certain requirements of section 22 and section 33 of the CFA in respect of trades of LME contracts.

A copy of the Order is published in Chapter 2 of this Bulletin.

The Commission published LME's application and draft exemption order for comment on November 8, 2018 on the Commission's website at www.osc.gov.on.ca and in the Commission's Bulletin at (2018), 41 OSCB 8939. No comments were received in respect of LME's application. Certain non-substantive revisions were made to the Order from the version published for comment.

13.2.2 Nasdaq CXC Limited – Introduction of the CX2 GEF Facility – Notice of Approval

NASDAQ CXC LIMITED

NOTICE OF APPROVAL

INTRODUCTION OF CX2 GEF FACILITY

In accordance with the requirements set out in the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto* (Exchange Protocol), on December 20, 2018, the Commission approved significant changes to Form 21-101F1 for Nasdaq CXC Limited (Nasdaq Canada) reflecting the introduction of the CX2 GEF Facility (GEF Facility).

Nasdaq Canada's Notice and Request for Comment on the proposed GEF Facility was published on the Commission's website and in the Commission's Bulletin on October 26, 2017 at (2017) 40 OSCB 8793. Four comment letters were received. A summary of the comments received and Nasdaq Canada's responses can be found at <http://www.osc.gov.on.ca/en/56623.htm>.

The GEF Facility is expected to become effective in the second quarter of 2019.

SUMMARY OF COMMENTS AND RESPONSES

Note: *The responses to the comments reflect the views of Nasdaq Canada and do not necessarily reflect the views of the Ontario Securities Commission (OSC).*

The following is a summary of comments received in response to Nasdaq CXC Limited's (Nasdaq Canada or we) Notice and Request for Comment regarding the proposed introduction of the Guaranteed Execution Facility (Notice) published on October 25, 2017. Four comment letters were received in response to the Notice from the following market participants:

1. Aequitas NEO Exchange
2. Canadian Securities Trading Association, Inc.
3. ITG Canada Corp.
4. Scotiabank

Please note that after further consultation with clients and in consideration of the comments received, we have made the following changes to the Guaranteed Execution Facility (GEF) Member obligations:

- Only trading activity (orders and trades) by the Approved Trader for each GEF Member assigned responsibility to meet the obligations of the GEF Member will be credited to the GEF Member when assessing the performance of the GEF Member;
- GEF Member quoting and trading obligations will be met only with quoting and trading activity on Assigned Securities on the CX2 Trading Book and not across other Nasdaq Canada Trading Books; and
- We have replaced the TCV trading obligation with the following quoting obligations that must be met by GEF Members to ensure they continue to serve as GEF Members for Assigned Securities:
 - Providing a quote of at least 2 Board Lots on each side of the market 95% of the time within 5% of the last sale price; and
 - Providing a quote at the NBB and NBO at least 20% of the time.

GENERAL COMMENT	NASDAQ CANADA RESPONSE
Several commentators expressed concerns with the overall purpose of guaranteed fill facilities and that a comprehensive review of all existing market making facilities and client order flow segmentation should be performed to evaluate the impact of these facilities on Canadian market structure.	<p>Concerns expressed by commenters about marketplace guaranteed execution facilities were not raised specifically in response to the Proposed GEF Facility.</p> <p>Although Nasdaq Canada appreciates certain issues raised by commenters particularly regarding concerns over order flow segmentation,¹ the introduction of the GEF Facility is intended to remove the competitive disadvantage with other similar exchange programs that have already been approved and are operating in the market.</p>
SPECIFIC COMMENTS	
<p>Impact to Price and Size Discovery of the GEF Program</p> <p>Two commenters questioned what benefit the GEF obligations will have on promoting price and size discovery.</p>	<p>The GEF Facility is intended to provide several benefits to retail oriented exchange Members while imposing meaningful obligations on GEF Members that will result in enhanced price and size discovery benefiting all participants. The GEF Facility is designed to facilitate the needs of retail oriented users whose trading objective primarily focuses on ensuring full execution of orders sent to a single</p>

¹ See Nasdaq Canada (formally Chi-X Canada ATS Limited) comment letter in response to the Ontario Securities Commission Notice and Request for Comment: **Application for Recognition of Aequitas Innovations Inc. and Aequitas New Exchange Inc. as an Exchange** found at the following link: http://osc.gov.on.ca/documents/en/Marketplaces/xxr-aequitas_20140627_nrfc-application2.pdf

	<p>venue resulting in a single trade ticket and in turn lowering back office costs. The obligation for GEF Members to commit to providing auto-executions for at least the GMV size (discussed more fully below) provides a basic level of size discovery for active GEF Orders. Furthermore, by permitting more than one GEF Member (up to a maximum of five) to serve as GEF Members for an Assigned Security and rewarding competing GEF Members that commit to larger sized order commitments with larger sized prorated fills, the GEF Facility has been designed to maximize size discovery opportunities for its users.</p> <p>All participants benefit from the obligations that must be met by GEF Members. The GEF Member quoting obligations ensure that greater size is available at different levels of the order book (therefore increasing market depth) including at the NBBO to trade against marketable orders. GEF auto-executions are only available when there is a visible quote on CX2 at the NBB or NBO. Therefore, GEF Members must provide a quote at the NBBO if no quote exists in order for a GEF Order to be eligible to trade in the GEF Facility. Considered together, these obligations and features of the GEF Facility will result in greater size and price discovery improving market quality for all participants.</p>
<p>GEF Member Obligations – Balancing Obligations with Benefits</p> <p>Several commenters expressed the view that the benefits offered to GEF Members are not commensurate with their obligations.</p>	<p>The economic risk incurred by a GEF Member in meeting its commitment to guarantee the execution of the GMV is significant and in our opinion is greater than the risk incurred by market makers providing only a commitment for odd lot orders. In addition, because competition between GEF Members is permitted by the program this economic risk will often increase because in order to compete for its share of an incoming unsolicited order a GEF Member must commit to a larger size or multiple of the GMV.</p> <p>The GEF Facility as an auto-execution facility does not permit GEF Members to fade their commitments when market conditions change on away marketplaces. With traditional market making programs, because market makers are offered discretion how to meet their posting obligations, they are able to remove their quotes (and the benefit to participants) when a single large order is broken down into smaller sized orders which are identified as being sent to multiple marketplaces at a single price level or multiple price levels. The GEF Member must maintain its auto-execution commitment of at least the size of the GMV against all GEF Eligible Orders.</p> <p>GEF Members are also exposed and must manage the risk of meeting the quoting obligations required to continue to serve as GEF Members. Providing at least a quote on one side of the NBBO for 20% of primary trading hours not only exposes these orders to execution risk on a stand-alone basis but also compounds the economic risk of their GMV commitments on the same side of the market which they cannot opt out of throughout the trading day. The required two board lot commitment on each side of the market for 95% of the time within 5% of the last sale price creates exposure particularly in fast moving markets. We also note that unlike other exchange programs, GEF Members are afforded no advantages with regard to execution priority. Their trading obligation must be met by competing with all other participants.</p> <p>The benefit offered to GEF Members cited by commenters is that GEF Members are able to interact with the market's smallest and most uninformed flow. Although we agree that interacting with this</p>

	<p>type of flow typically is often desirable for market makers, it is important to note that the ability to interact with this type flow is limited to when all other visible orders have been displaced on the CX2 Trading Book. The typical benefit of interacting with this order flow when making a two sided market is generally forfeited by the GEF commitment as it is more often the case that a GEF Member will be immediately offside a GEF auto-execution after the NBBO has moved to another price level. Understanding the sequence of order execution on CX2 for GEF Orders is important when assessing the extent of this lauded benefit. Interacting with this flow at an NBBO price that is collapsing is not unlike the challenges raised by interacting against an institutional order that sweeps the NBBO before moving down a price level.</p> <p>In summary, we believe that obligations imposed on GEF Members in aggregate not only are commensurate with any benefits that are offered but also will result in contributions to price and size discovery in the market that can be enjoyed by all participants.</p>
<p>GEF Member Eligibility</p> <p>One commenter asked for confirmation that GEF Members must be IIROC Dealer Members and that the individuals involved in the use of the GEF Facility must be Approved Persons.</p>	<p>We confirm that only IIROC Dealer Members are eligible to become GEF Members and that Approved Persons are only permitted to fulfill the responsibilities of GEF Members. The commenter will note that the criteria for Membership set out in Section 3.1 – Membership of the Nasdaq Canada Trading Rules and Polices includes the requirement that an applicant is required to be an IIROC Dealer Member in good standing and registered as an investment dealer in all Canadian jurisdictions in which they do business.</p>
<p>GMV – Informational Asymmetry</p> <p>A commenter noted that the ability for GEF Members to be able to dynamically change the size of their GEF Member Committed Volume (but cannot be set below the size of the GMV) will create informational asymmetry.</p>	<p>We refer the commenter to the Notice which describes that in the circumstance where a GEF Member changes the size of its GEF Member Committed Volume that “information about each GEF Member’s Committed Volume is not made public and is only known buy the Exchange Systems.” Since no other participant (including any other competing GEF Member) is made aware of the GEF Members’ CV at any time in the trading day, there is no resulting information asymmetry as all participants have access to the same information.</p>
<p>GEF Member Obligations – Trading Activity on Books other than CX2</p> <p>One commenter raised the concern that trading on other Nasdaq Canada Trading Books should not count towards a GEF Member’s meeting its obligations.</p>	<p>The GEF Member obligations have been clarified so that only quoting and trading activity on the CX2 Trading Book will be considered when assessing whether or not the GEF Member meets its obligations.</p>
<p>GEF Member Obligations – Advantages for Large Dealers</p> <p>Two commenters noted that if other non-market making related flow from a GEF Member is counted in the GEF Member’s trading obligation that this places smaller dealers at a disadvantage.</p>	<p>We believe that the amended GEF Member obligations that now require only quoting obligations to be met are achievable by both large and smaller sized dealers and therefore that no disadvantage exists.</p>

13.3 Clearing Agencies

13.3.1 CDS – Material Amendments to CDS Participant Rules Related to Lines of Credit Requirements for Non-Contributing Receivers of Credit Making Canadian Dollar Settlements – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

**MATERIAL AMENDMENTS TO CDS PARTICIPANT RULES RELATED TO
LINES OF CREDIT REQUIREMENTS FOR NON-CONTRIBUTING RECEIVERS OF
CREDIT MAKING CANADIAN DOLLAR SETTLEMENTS**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on December 21, 2018 a material amendment to a CDS Participant Rule related to lines of credit requirements for Non-Contributing Receivers of Credit making Canadian dollar settlements. A copy of the [CDS notice](#) was published for comment on August 30, 2018 on the Commission's website at: www.osc.gov.on.ca. No comments were received.

Index

Aberdeen Standard Investments (Canada) Limited		Franklin Templeton Institutional, LLC	
Change of Registration Category.....	539	Order – s. 80 of the CFA	331
Almonty Industries Inc.		Franklin Templeton International Services S.à.r.l.	
Cease Trading Order	371	Order – s. 80 of the CFA	331
Altrinsic Global Advisors Canada Inc.		Franklin Templeton Investment Management Limited	
New Registration.....	539	Order – s. 80 of the CFA	331
Banwell Financial Inc.		Frontenac Mortgage Investment Corporation	
Voluntary Surrender.....	539	Decision.....	312
Blocplay Entertainment Inc.		GMP Securities L.P.	
Cease Trading Order	371	Decision.....	322
CDS		Harvest Portfolios Group Inc.	
Clearing Agencies – Material Amendments to		Decision.....	314
CDS Participant Rules Related to Lines of		Integra Capital Limited	
Credit Requirements for Non-Contributing		Decision.....	309
Receivers of Credit Making Canadian Dollar		Janus Capital Management LLC	
Settlements – Notice of Commission Approval	546	Consent to Suspension (Pending Surrender).....	539
CIBC Active Investment Grade Corporate Bond ETF		K2/D&S Management Co., LLC	
Decision	305	Order – s. 80 of the CFA	331
CIBC Active Investment Grade Floating Rate Bond ETF		Katanga Mining Limited	
Decision	305	Cease Trading Order.....	371
CIBC Asset Management Inc.		Katebian, Morteza	
Decision	305	Notice from the Office of the Secretary	304
CIBC Multifactor Canadian Equity ETF		Order	357
Decision	305	Katebian, Payam	
CIBC Multifactor U.S. Equity ETF		Notice from the Office of the Secretary	304
Decision	305	Order	357
Davidson, Darren Scott		Leviathan Cannabis Group Inc.	
Notice from the Office of the Secretary	303	Cease Trading Order.....	371
Order – ss. 127(1), 127(10).....	355	London Metal Exchange (The)	
Reasons and Decision – ss. 127(1), 127(10).....	359	Order – s. 147 of the OSA and ss. 38 and 80	
Excel Funds Management Inc.		of the CFA	342
Consent to Suspension (Pending Surrender).....	539	Marketplaces – Application for Exemptive Relief	
Excel Investment Counsel Inc.		– Notice of Commission Order	541
Consent to Suspension (Pending Surrender).....	539	Millennial Esports Corp.	
Franklin Advisers, Inc.		Cease Trading Order.....	371
Order – s. 80 of the CFA.....	331	Money Gate Corp.	
Franklin Advisory Services, LLC		Notice from the Office of the Secretary	304
Order – s. 80 of the CFA.....	331	Order	357
Franklin Mutual Advisers, LLC		Money Gate Mortgage Investment Corporation	
Order – s. 80 of the CFA.....	331	Notice from the Office of the Secretary	304
		Order	357

MYM Nutraceuticals Inc.	
Decision	322
Nasdaq CXC Limited	
Marketplaces – Introduction of the CX2 GEF Facility – Notice of Approval.....	542
Noble Minerals Exploration Inc.	
Cease Trading Order	371
OSC Staff Notice 11-742 (Revised) Securities Advisory Committee	
Notice.....	301
Performance Sports Group Ltd.	
Cease Trading Order	371
Prairie Provident Resources Canada Ltd.	
Order.....	329
Qs Investors, LLC	
Voluntary Surrender.....	539
Randgold Resources Limited	
Order.....	354
Stewards Canada	
Decision	318
Symbility Solutions Inc.	
Order.....	328
Templeton Global Advisors Limited	
Order – s. 80 of the CFA.....	331
Templeton Investment Counsel, LLC	
Order – s. 80 of the CFA.....	331
TSX Inc.	
Order – s. 147	358
Webster, Paul	
Notice from the Office of the Secretary	303
Order – ss. 127(1), 127(10).....	356
Reasons and Decision – ss. 127(1), 127(10)	365