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A. Capital Markets Tribunal

A.1
Notices of Hearing

A.1.1 RAMM Pharma Corporation – ss. 8, 21.7

FILE NO.: 2023-36

IN THE MATTER OF
RAMM PHARMA CORPORATION

NOTICE OF HEARING
Sections 8 and 21.7 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Application for Hearing and Review

HEARING DATE AND TIME: February 21, 2024 at 10:00 a.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider the Application dated December 13, 2023 made by the party named above to review a decision of Canadian Securities Exchange dated November 16, 2023.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 6(1) of the *Capital Markets Tribunal Practice Guideline*.

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

This Notice of Hearing is also available in French on request of a party. Participation may be in either French or English. Participants must notify the Tribunal in writing as soon as possible if the participant is requesting a proceeding be conducted wholly or partly in French.

AVIS EN FRANÇAIS

L'avis d'audience est disponible en français sur demande d'une partie, que la participation à l'audience peut se faire en français ou en anglais et que les participants doivent aviser le Tribunal par écrit dès que possible si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 21st day of December, 2023.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit capitalmarketstribunal.ca or contact the Registrar at registrar@capitalmarketstribunal.ca.

IN THE MATTER OF
RAMM PHARMA CORPORATION AND
CNSX MARKETS INC.

APPLICATION
(For Hearing and Review of a Decision Under Section 21.7 of the *Securities Act,* RSO 1990, c S.5)

A. ORDER SOUGHT

The Applicant, RAMM Pharma Corporation (the "Company"), requests that the Tribunal make the following orders:

1. An order holding that the Company's non-brokered private placement of up to 20,000,000 units (the "Private Placement") does not "Materially Affect Control" of the Company as defined in section 1.3(2) of the Canadian Securities Exchange ("CSE") Policies.

2. An order holding that the Company's Private Placement does not require security holder approval under section 4.6(2)(a)(iv) of the CSE Policies.

3. An order reversing the November 16, 2023 decision of the Board of Directors of CNSX Markets Inc. ("CSE Board") which dismissed the Applicant's appeal on the basis that the Private Placement will "Materially Affect Control" of the Company and thus required shareholder approval.

B. GROUNDS

The grounds for the request and the reasons for seeking a hearing and review are:

4. On September 5, 2023, the Company issued a press release announcing the Private Placement and a normal course issuer bid. The press release provided that Mr. Burnett, currently holding 16.48% of the Company's total voting shares, and Mr. Augereau, currently holding 9.05% of the Company's total voting shares, would purchase the 20,000,000 units subject to the Private Placement.

5. The Private Placement had previously been approved by the CSE Listing Committee on August 10, 2023.

6. On September 7, 2023, the CSE Listing Committee informed the Company that, pursuant to CSE Policy 4.6(2)(a)(iv), the CSE Listing Committee had determined that the Private Placement will materially affect control of the Company and therefore required approval of the majority of the minority security holders. The CSE provided no reasons for its determination.

7. On September 8, 2023, in response to inquiries from the Company for reasons, the CSE Listing Committee conflated its denial of a normal course issuer bid under CSE Policy 6.10(3)(b) with its determination that the Private Placement will materially affect control of the Company. The CSE failed to provide any reasons relevant to its determination that the Private Placement required minority shareholder approval under CSE Policy 4.6(2)(a)(iv).

8. On October 6, 2023, the Company filed a Notice of Intent to Appeal the CSE Listing Committee's determination that the Private Placement will materially affect control of the Company (the "Appeal").

9. The Appeal was heard by the CSE Board on November 10, 2023.

10. During the Appeal, the CSE Listing Committee conceded that the Private Placement did not require approval of the majority of the minority shareholders. Instead, the CSE Listing Committee submitted that approval of the majority of all shareholders was required.

11. On November 16, 2023, the CSE Board provided its decision and reasons (the "Decision").

12. The Decision dismissed the appeal and held that the Private Placement did materially affect control of the Company pursuant to section 1.3(2) of the CSE Policies because it resulted in Mr. Burnett holding 20% or more of the Company's voting shares.

13. The Decision is unreasonable as it ignores key evidence before the CSE Board and errs in law.

14. First, the evidence demonstrated that no new control person or block was created because Mr. Burnett and Mr. Augereau acted in combination and, regardless of the Private Placement, already held over 20% of the Company's voting shares.

15. Second, the CSE Board made a legal error as it conflated the requirements for *de facto* control with *de jure* control, essentially holding that Mr. Burnett did not have *de facto* control of the Company because he did not have *de jure* control of the Company.

16. This legal error led the CSE Board to reject the Company's submissions that the Private Placement did not materially affect control of the Company because Mr. Burnett had *de facto* control of the Company regardless of the Private Placement.

17. This legal error was exacerbated by the CSE Board refusing to take into account evidence of previous low security holder turnout for security holder meetings despite this being a specific consideration under s. 1.3(2) of the CSE Policies.

C. DOCUMENTS AND EVIDENCE

The Applicant intend(s) to rely on the following documents and evidence at the hearing:

18. CSE Listing Policies, April 2023

19. Decision and Reasons of Panel of Board of Directors of CSNX Markets Inc., November 16, 2023

20. CSE Appeal Documents – Ramm Pharma Corporation, November 10, 2023

21. Affidavit of Jack Burnett and Exhibits, sworn November 8, 2023

22. Written Submissions of the Applicant, November 8, 2023

23. Book of Authorities of the Applicant, November 8, 2023

DATED this 13 day of December, 2023.

Peter Jervis, pjervis@rochongenova.com
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A.1.2 Oasis World Trading Inc. et al. – ss. 127(1), 127.1

FILE NO.: 2023-38

IN THE MATTER OF
OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI

NOTICE OF HEARING
Subsection 127(1) and section 127.1 of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Enforcement Proceeding

HEARING DATE AND TIME: January 22, 2024 at 1:00 p.m.

LOCATION: By videoconference

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Capital Markets Tribunal to make the order requested in the Statement of Allegations filed by Staff of the Commission on December 21, 2023.

The hearing set for the date and time indicated above is the first attendance in this proceeding, as described in subsection 5(1) of the *Capital Markets Tribunal Practice Guideline.*

REPRESENTATION

Any party to the proceeding may be represented by a representative at the hearing.

FAILURE TO ATTEND

IF A PARTY DOES NOT ATTEND, THE HEARING MAY PROCEED IN THE PARTY'S ABSENCE AND THE PARTY WILL NOT BE ENTITLED TO ANY FURTHER NOTICE IN THE PROCEEDING.

FRENCH HEARING

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AVIS EN FRANÇAIS

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Dated at Toronto this 28th day of December, 2023

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For more information

Please visit capitalmarketstribunal.ca or contact the Registrar at registrar@capitalmarketstribunal.ca.

IN THE MATTER OF
OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI

STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. Oasis World Trading Inc. is an unregistered Ontario company whose hundreds of foreign traders engage in securities day-trading. From 2018 through 2020, Oasis and its traders engaged in extensive and repeated manipulative trading on Canadian and foreign stock markets, repeating a pattern of activity for which Oasis and Steven Pang, its founder and CEO, were sanctioned by the Commission in 2015.

2. Using spoofed orders, Oasis Traders entered orders that created a false and misleading appearance of market activity allowing Oasis to trade at artificial prices. Oasis failed to detect, prevent, or take appropriate action in response to the manipulative trading. Oasis further failed to implement controls to prevent thousands of wash trades—trades that Oasis executed with itself—from creating misleading trading activity on hundreds of publicly traded securities in Canada.

3. Oasis's rampant market manipulation is enabled by its unregistered status and its lack of reasonable controls. Oasis, through profit-sharing agreements with dozens of unregistered, overseas managers who run trading groups ("Trading Group Managers" or "TGMs"), pays compensation in the form of a share of profits to hundreds of unregistered traders engaging in voluminous and unregistered trading on Canadian and foreign securities exchanges. The TGMs and the unregistered traders are not officers, directors, or employees of Oasis, but are nonetheless trading in Oasis's name and for its account.

4. Oasis and its officers have also failed to create an adequate culture of compliance. Instead, Oasis fostered an environment where Oasis Traders consistently acted in a manner that placed Oasis's and Oasis Traders' economic interests ahead of the integrity of the capital markets. Oasis provided little to no training to its traders and took little to no action when alerted to misconduct. It has a culture of non-compliance and lacks reasonable controls.

5. Market participants are expected to act responsibly. Companies that repeatedly engage in market manipulation undermine the integrity and efficiency of capital markets.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission ("Enforcement Staff") makes the following allegations of fact:

i. Oasis Background

6. Oasis is a trading firm whose head office was formerly in Hamilton, Ontario and is now in Burlington, Ontario. Oasis has never been registered with the Commission in any capacity.

7. Zhen (Steven) Pang, an Ontario resident, is the founder, CEO, and controlling shareholder of Oasis. Rikesh Modi, an Ontario resident, is the Chief Compliance and Operations Officer and a part owner. Pang and Modi are the directing minds of Oasis. Neither Pang nor Modi are registered with the Commission in any capacity.

8. Oasis grants access to its trading systems and accounts to approximately 600 traders ("Oasis Traders") organized across dozens of trading groups or offices ("Oasis Offices"). The vast majority of Oasis Traders and Oasis Offices are located in China. These traders engage in highly active day trading on Canadian and foreign securities exchanges. At least 272 Oasis Traders have traded on Canadian securities exchanges since the start of 2018.

9. Each Oasis Office is headed by an Oasis Trader who is designated as the Trading Group Manager and has entered into a profit-sharing shareholder agreement with Oasis. All TGMs and their corresponding offices are located overseas: over 50 in China and two in Latin America. The offices vary in size and location. Some offices comprise only the TGM, while others employ 50 or more traders.

10. Oasis directly employs seven people as part of its Burlington office (the "Head Office"), which includes Pang and Modi. Two of the Head Office employees work remotely from China. The Head Office serves as the operational hub of the organization through which the traders are able to conduct their activities.

11. Oasis TGMs recruit and manage traders at their own discretion with very little oversight by the Head Office. According to Oasis, there is "no employment or consulting relationship" between the Head Office and Oasis Traders. The Head Office

does not have any requirements regarding traders' qualifications except an unverified attestation that the trader has no prior regulatory disciplinary history. The Head Office also does not have access to the traders' employment agreements or any other contract or arrangement the traders may have with their TGM.

12. Oasis's website describes itself as "connecting traders with direct market access to the global market exchanges." It advertises itself as "BUILT BY TRADERS. FOR TRADERS." Its shareholder agreements with TGMs describes Oasis's business as "providing access to capital, training materials, Trading Software, administrative and management services for the purpose of engaging in electronic day trading on equity markets worldwide."

ii. Oasis Trades on Canadian and Foreign Markets

13. Oasis and its traders access Canadian and foreign exchanges through omnibus accounts at brokerage firms in Canada and elsewhere. This means Oasis's securities in any given jurisdiction are held in a single account. Oasis then allocates securities for its TGMs and traders through subaccounts within Oasis's internal systems. Between the start of 2018 and October 2022, Oasis has identified its full list of Oasis Traders to its Canadian broker on only one occasion in February 2022 at the broker's request.

14. Oasis Traders place orders and trade on Canadian and foreign markets through Oasis's omnibus account at brokerage firms. To trade, Oasis Traders log onto Oasis's internal system, which then transmits the order to Oasis's Canadian or foreign broker—an arrangement resembling an omnibus clearing relationship between a dealer and a clearing firm. When a trade occurs, Oasis assigns the transaction to the relevant Oasis Trader in Oasis's own system, but all securities are held within Oasis's brokerage account. Oasis designates each trader with different daily buying power and net loss limits, which are adjusted based on the trader's individual performance and the performance of the trader's associated Oasis Office. In most cases, Oasis Traders are required to close out their positions at the end of each trading day.

15. Oasis Traders trade very frequently. For instance, in December 2020, Oasis Traders cumulatively executed 477,468 trades on Canadian exchanges—an average of 22,736 daily trades across Oasis and 84 daily trades per trader. About half of the hundreds of Oasis Traders are active on Canadian markets. The others trade on foreign markets. Some trade on both.

16. In 2023, Oasis has traded over 3 billion shares on Canadian markets. Each month, Oasis trades, on average, approximately $1 billion in value on over 100,000 trades per month.

iii. Oasis Financials

17. Oasis derives its revenue from the trading profits of Oasis Traders. The Oasis Head Office allocates most of its profits—varying between 85% to 95%—to the relevant Oasis Office that earned it (minus trading costs and other fees). Oasis thus retains 5-15% of the trading gains. Each TGM then pays that Office's Oasis Traders out of the Office's 85-95% share. The Head Office does not receive any information on each individual Oasis Trader's compensation.

18. During the relevant years, Oasis paid tens of millions of dollars to its TGMs. The TGMs then distributed those sums among Oasis Traders with no input or oversight from the Oasis Head Office.

19. In 2018, 2019, 2020, and 2021, Oasis's gross trading revenues in Canadian and foreign markets, net trading revenue, and profits were approximately as follows (all values CAD):

	2018	2019	2020	2021	Total
Gross Revenue, Canadian Markets	$19,812,349	$11,885,440	$25,094,433	$27,423,415	$84,215,637
Gross, Revenue, Foreign Markets	$5,778,750	$4,031,938	$20,395,815	$22,527,494	$52,733,997
Net Trading Revenue	$2,653,815	$1,748,320	$5,591,947	$6,721,896	$16,715,978
Oasis Profit	$809,213	$165,338	$2,572,472	$3,395,476	$6,942,499

iv. Regulatory History

20. Oasis has previously admitted to failing to adequately monitor trading activities and failing to ensure there was an adequate compliance structure in place to identify and prevent possible manipulative trading. In a settlement agreement approved by the Commission in 2015, Oasis admitted that Oasis engaged in at least 460 instances of manipulative trading on Canadian securities markets between November 2013 and December 2014.

21. As a result, Pang received a one-year ban from acting as a director or officer of Oasis or any issuer that was in the business of trading on Canadian securities markets. Oasis paid an administrative penalty of $225,000, as well as $75,000 costs. Oasis also entered into an undertaking to improve its compliance structure within a year.

v. Market Manipulation by Oasis Traders

22. In 2018, 2019, and 2020, Oasis engaged in repeated instances of market manipulation, including, but not limited to practices commonly known as spoofing. Spoofing is an illegal, deceptive and manipulative trading strategy that involves entering an order without an intent to execute that order.

Locked and Crossed Market Spoofing on Foreign Markets

23. During the period January 1, 2018 to December 31, 2018, Oasis engaged in at least 404 instances of manipulative behaviour known as locked and crossed market spoofing ("LCMS") on foreign securities exchanges.

24. A "locked" market occurs where there are multiple exchanges trading the same security and an order on one exchange is posted at the same price as an opposite order on another exchange without the two orders matching for a trade. A "crossed" market occurs where an order on one exchange is better priced than a posted, opposite order on a different exchange. Locked and crossed market spoofing occurs where orders that locked or crossed the market are entered with no intention that they be executed in order to temporarily manipulate the price of the security and create a locked or crossed market condition. This permits Oasis Traders to take advantage of other market participants who are misled by the trading interest reflected in the locked or crossed markets.

25. The general pattern of LCMS involved one or more Oasis Traders entering a deceptive bid or offer with no intention to execute that bid or offer on foreign stock exchanges. In the case of a deceptive bid:

   a. Oasis Trader(s) would enter an initial bid on the first exchange at a price equal to or higher than the best offer price of the same security on the second exchange without an intent to execute the bid.

   b. This coincided with one or more Oasis Traders placing an offer on the second exchange before or shortly after entering the initial bid.

   c. Other market participants, upon seeing the initial deceptive bid, reacted with bids priced more aggressively on the second exchange, which would execute against Oasis's resting or newly entered offers at an improved price.

   d. Oasis Traders would then cancel their initial deceptive bid on the first exchange.

26. The reverse occurs in the case of a deceptive offer:

   a. Oasis Trader(s) would place an initial offer on the first exchange priced equal to or lower than the best bid price on the second exchange.

   b. This attracts offers on the second exchange from other market participants.

   c. The placing of Oasis's initial offer coincides with Oasis placing a bid on the second exchange, which executes against the offers from the other market participants at an improved price.

   d. Oasis Traders would then cancel their initial, deceptive offer on the first exchange.

27. In both scenarios, Oasis Traders received improved execution prices on the trades executed on the second exchange because of the illegal manipulation.

Spoofing on Canadian Markets

28. Between January 1, 2018 and December 31, 2020, Oasis engaged in at least 239 instances of manipulative behaviour known as spoofing or quote manipulation. These patterns involved Oasis Traders entering non-*bona fide*, deceptive order(s) to buy or sell a security to move the National Best Bid or National Best Offer price and narrowing the spread. Oasis Traders then received better prices for execution for their resting or newly placed orders on the opposite side of the market due to the manipulated spread. Oasis Traders then cancelled the initial deceptive order shortly after the execution of their resting or newly placed order.

Wash Trades on Canadian Markets

29. During the period from January 1, 2018 to December 31, 2020, Oasis executed approximately 10,511 trades against itself, commonly known as wash trades, on 759 symbols on two Canadian securities exchanges. These wash trades involved approximately 48,347,000 shares valued at approximately $38 million. The wash trades were concentrated

among specific Oasis Offices and Oasis Traders. Four Oasis Offices were responsible for over 70%, or 7,485 of the total wash trades.

30. These wash trades caused a misleading appearance of trading activity on those 759 symbols. None of the approximately 10,511 wash trades were cancelled or suppressed from public trading records, colloquially known as the "tape". This was because during this period, Oasis improperly applied the self-trade prevention ("STP") tools offered by the exchanges meant to reduce public wash trades. All 10,511 Oasis wash trades were caused by mismatched and misapplied STP tools. Oasis was unaware that these STP tools were improperly configured until December 2020.

31. Oasis should have known that its wash trades were not being cancelled or suppressed from the public tape. Oasis received multiple indicators that wash trading was taking place. Oasis's internal compliance detection system flagged thousands of trades where Oasis was on both sides of a trade. Oasis took no action to confirm these wash trades had been cancelled or suppressed. Between 2018 and 2020, the Oasis Head Office made approximately 260 supervision inquiries where an Oasis Trader had been on both sides of a trade or multiple trades. Oasis's Canadian broker also notified Oasis of wash trades taking place. Modi did not view trades between different Oasis Traders as wash trades because Oasis considered them as unintentional crosses resulting in a beneficial change in ownership, even though the trades took place in Oasis's omnibus account.

vi. Inadequate Systems of Controls and Supervision

32. From at least 2018 to the present, Oasis has lacked adequate systems to control or supervise its trading activities conducted by Oasis Traders.

Oasis Training

33. Oasis's onboarding training for new traders contains no instructions or information on a trader's responsibilities beyond short, translated excerpts of the Universal Market Integrity Rules ("UMIR"), which are the rules governing securities-related trading on marketplaces in Canada. Oasis provides its traders with links to the UMIR website and other websites such as homepages of major Canadian stock exchanges. All these websites are in English, but Oasis has no requirement that Oasis Traders, who are almost all located in China, be able to read English.

34. Oasis has no formal or scheduled training for its traders. The Oasis Head Office provides only sporadic, *ad hoc* "trainings" via instant messaging to select TGMs and sometimes a small number of non-TGM Oasis Traders. These "trainings" predominantly take place in Chinese and are often as short as 100 words in length.

35. Between January 1, 2018 to December 31, 2020, approximately 18 of these *ad hoc* "trainings" took place. Oasis did not test or confirm whether those who received the "trainings" disseminated them to the other Oasis Traders.

Controls on Trader Identification

36. On several occasions during the relevant time, Oasis Traders used Oasis Trader IDs that did not correspond with their personal information to trade.

37. Oasis Trader IDs, which are alphanumeric usernames based on the trader's name and associated Oasis Office, are assigned buying power and net loss limits by the Oasis Head Office. These limits typically correlate with the associated Oasis Trader's past success. A long-term Oasis Trader will have higher buying power and net loss limits than a new Oasis Trader. This difference means that, when an Oasis Trader with high buying power and net loss limits leaves Oasis, the Oasis TGM is incentivized to keep the associated Oasis Trader ID active and assign it to a different Oasis Trader.

38. On multiple occasions, Oasis TGMs did so. For instance, around July 2020, an Oasis Office located in China, Office G24, contacted the Oasis Head Office to state that they would close three accounts of Oasis Trader IDs where the "information and Trader did not match" and open new Oasis Trader IDs for those same Oasis Traders "using [the Traders'] own identification". The TGM requested that these traders' existing buying power and net loss limits carry over to the new accounts. The Oasis Head Office closed the existing accounts, opened new accounts and transferred the buying power and net loss limits as requested. The TGM then requested that the buying power and net loss limits be further increased for these three new accounts. By the end of August 2020, the Oasis Head Office had increased the buying power for the three accounts by 38%, 50%, and 60% and the net loss limit for two of the accounts by 23% and 50%.

39. On another occasion, it was an Oasis TGM—viewed by the Oasis Head Office as an office's main compliance officer—who used an Oasis Trader ID assigned to someone else. A year prior, in August 2019, the TGM for Office G24 informed the Oasis Head Office that he had been trading using two Oasis Trader IDs—one assigned to him and another to his brother. Oasis took no disciplinary action regarding the TGM operating two accounts and viewed this conduct as permissible.

40. In fact, the Oasis Head Office had been aware of the issue of Oasis Traders using other's Trader IDs since at least the spring of 2018. In May 2018, Pang messaged all TGMs reminding them that all Oasis Trader accounts "must be opened by traders with their own identity cards." In March 2019, when a TGM escalated a series of trades to Pang, Pang responded by asking whether it was "the trader himself" trading in the account.

41. Despite the Oasis Head Office being aware of the trader identification issue, it did little to implement controls to prevent it. A new trader is required to submit a photograph of themselves holding their government-issued ID card as part of the Oasis onboarding process. Oasis does not have any other procedures to verify trader identity and Oasis does not perform any formal due diligence on new traders.

42. Nor does Oasis have any restrictions on which or how many computers their traders can install the trading software on. Oasis does not track the logins of each account and allows multiple logins of the same ID into the system simultaneously. The only requirement for logging into the Oasis platform is the UserID and corresponding password.

Trader Supervision

43. Oasis failed to develop and maintain an internal compliance system to supervise its trading activities.

44. In 2018, Oasis failed to detect and investigate the LCMS activity by Oasis Traders on foreign securities exchanges described in paragraphs 23-27 above.

45. In 2018 through 2020, Oasis failed to detect and investigate the spoofing activity by Oasis Traders on Canadian exchanges described in paragraph 28 above.

46. In late 2018, Oasis began implementing a system that attempted to algorithmically detect manipulative trading. By the end of 2020, this system had generated tens of thousands of alerts regarding potentially manipulative trading, with approximately half relating to price manipulation. With minor exceptions, Oasis ignored most of these alerts. For example, Oasis personnel investigated only approximately seven alerts relating to price manipulation.

47. In 2018 through 2020, Oasis failed to detect and investigate the wash trade activity by Oasis Traders on Canadian exchanges described in paragraphs 29-31 above.

48. Oasis also failed to utilize external compliance tools available to it. Since mid-2018, Oasis Head Office personnel, in particular Modi, had access to a compliance portal maintained by its Canadian broker that flagged potentially suspicious transactions. Oasis ignored or failed to review broad categories of flagged transactions, including types of transactions that would have identified potential spoofing or other manipulative behaviour. Sometimes, Oasis neglected the compliance portal for weeks without logging on.

Culture of Compliance

49. Oasis failed to promote a culture of compliance in its trading business. Instead, Oasis permitted Oasis Traders to consistently behave in a manner that placed Oasis's and Oasis Traders' economic interests ahead of following market rules, thus undermining confidence in the capital markets. This conduct includes and is demonstrated by the facts above and the following.

50. Oasis Head Office personnel responsible for trade compliance were few in number, inadequately trained, and set loose standards in compliance. In addition to Pang and Modi, the Oasis Head Office retained only two other employees for compliance monitoring, and those employees' responsibilities did not include reviewing for price manipulation. One compliance employee regularly exchanged instant messages with Oasis Traders regarding wash trades where the Oasis Trader would provide an explanation and the compliance employee would respond with the cry-laughing emoji 😂. That same employee did not recognize Oasis compliance documents and could not recall having reviewed UMIR.

51. Disciplinary actions taken by Oasis against Oasis Traders were lax and ineffective, particularly with respect to repeat infractions. As an example, in April 2020, the Oasis Head Office contacted the TGM for Oasis Office G06 regarding two Oasis Traders who had engaged in wash trading. When the Oasis Head Office instructed the TGM to ask the Traders to explain the situation, the TGM refused. The Oasis Head Office suspended the Traders for one day each. Five days later, one of the Traders engaged in wash trading again, resulting in another one-day suspension. In May, that same trader again engaged in self-trading. The TGM for Oasis Office G06 proposed fines, but the Head Office imposed none.

52. Oasis views its TGMs as primarily responsible for supervising, monitoring, and escalating compliance issues. But these same TGMs are, in multiple instances, responsible for non-compliance, including engaging in manipulative transactions. Many TGMs use intermediaries to receive funds from Oasis because the TGMs lack authorization to receive foreign funds.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Enforcement Staff alleges the following breaches of Ontario securities law and conduct contrary to the public interest:

i. Breaches of Ontario Securities Laws

53. Oasis engaged in, and held itself out as engaging in, the business of trading in securities without being registered to do so and without an applicable exemption from the registration requirement, contrary to subsection 25(1) of the *Securities Act*, RSO 1990, c S.5, as amended (the "Act");

54. Each of Oasis, Pang, and Modi, directly or indirectly, engaged or participated in an act, practice or course of conduct relating to securities that it knew or ought reasonably to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for a security, contrary to subsection 126.1(1)(a) of the Act;

55. Oasis failed to establish and maintain systems of control and supervision in accordance with the regulations for controlling its activities and supervising its representatives, contrary to section 32(2) of the Act;

56. Oasis provided access to its direct electronic trading access to non-authorized persons or companies, contrary to subparagraph 4.7(4) of National Instrument 23-103 – *Electronic Trading and Direct Electronic Access to Marketplaces*;

57. Each of Pang and Modi, as officers and directors of Oasis, authorized, permitted, or acquiesced in the non-compliance of Ontario securities laws by Oasis, contrary to section 129.2 of the Act;

ii. Conduct Contrary to the Public Interest

58. In the alternative to the breach described in paragraph 55 above, each of Oasis, Pang and Modi, engaged in conduct contrary to the public interest by failing to establish and maintain adequate systems of control and supervision and therefore, among other things, should not be entitled to participate in Canadian markets or rely on any exemption allowing them to participate.

D. ORDERS SOUGHT

Enforcement Staff requests that the Capital Markets Tribunal (the "Tribunal") make the following orders:

59. As against Oasis:

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

    b. that it be prohibited from acquiring any securities permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

    c. that any exemption contained in Ontario securities law not apply to it permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;

    d. that it be prohibited from becoming or acting as a registrant or promoter permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

    e. that it pay an administrative penalty of not more than $1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

    f. that it disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

    g. that it pay costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

    h. such other order as the Tribunal considers appropriate in the public interest.

60. As against each of Pang and Modi:

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

    b. that he be prohibited from acquiring any securities permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

c. that any exemption contained in Ontario securities law not apply to him permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;

d. that he be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

e. that he resign any position he may hold as a director or officer of any issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

f. that he be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8 of subsection 127(1) of the Act;

g. that he resign any position he may hold as a director or officer of any registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

h. that he be prohibited from becoming or acting as a director or officer of any registrant permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

i. that he be prohibited from becoming or acting as a registrant or promoter permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

j. that he pay an administrative penalty of not more than $1 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

k. that he disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

l. that he pay costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

m. such other order as the Tribunal considers appropriate in the public interest.

DATED at Toronto, Ontario, this 21st day of December, 2023

ONTARIO SECURITIES COMMISSION
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8

Hanchu Chen
Senior Litigation Counsel
Enforcement Branch

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A.2
Other Notices

A.2.1 Mithaq Canada Inc. et al.

FOR IMMEDIATE RELEASE
December 21, 2023

MITHAQ CANADA INC. AND
AIMIA INC. AND
A HEARING AND REVIEW OF A DECISION OF
THE TORONTO STOCK EXCHANGE,
File No. 2023-28

TORONTO – The Tribunal issued its Reasons for Decision in the above-named matter.

A copy of the Reasons for Decision dated December 20, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.2 RAMM Pharma Corporation

FOR IMMEDIATE RELEASE
December 21, 2023

RAMM PHARMA CORPORATION,
File No. 2023-36

TORONTO – The Tribunal issued a Notice of Hearing to consider the Application dated December 13, 2023 made by the party named above to review a decision of Canadian Securities Exchange dated November 16, 2023.

A preliminary attendance will be held on February 21, 2024 at 10:00 a.m.

A copy of the Notice of Hearing dated December 21, 2023 and the Application dated December 13, 2023 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.3 Cormark Securities Inc. et al.

FOR IMMEDIATE RELEASE
December 21, 2023

CORMARK SECURITIES INC.,
WILLIAM JEFFREY KENNEDY,
MARC JUDAH BISTRICER, AND
SALINE INVESTMENTS LTD.,
File No. 2022-24

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

A copy of the Order dated December 21, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.4 Nova Tech Ltd and Cynthia Petion

FOR IMMEDIATE RELEASE
December 22, 2023

NOVA TECH LTD AND
CYNTHIA PETION,
File No. 2023-20

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

A copy of the Order dated December 22, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.5 Amin Mohammed Ali

FOR IMMEDIATE RELEASE
December 27, 2023

AMIN MOHAMMED ALI,
File No. 2022-6

TORONTO – The Tribunal issued its Reasons and Decision in the above-named matter.

A copy of the Reasons and Decision dated December 22, 2023 is available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

A.2.6 Oasis World Trading Inc. et al.

FOR IMMEDIATE RELEASE
December 28, 2023

OASIS WORLD TRADING INC.,
ZHEN (STEVEN) PANG, AND
RIKESH MODI,
File No. 2023-38

TORONTO – The Tribunal issued a Notice of Hearing on December 28, 2023 setting the matter down to be heard on January 22, 2024 at 1:00 p.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated December 28, 2023 and Statement of Allegations dated December 21, 2023 are available at capitalmarketstribunal.ca.

Registrar, Governance & Tribunal Secretariat
Ontario Securities Commission

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

1-877-785-1555 (Toll Free)
inquiries@osc.gov.on.ca

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A.3
Orders

A.3.1 Cormark Securities Inc. et al.

IN THE MATTER OF
CORMARK SECURITIES INC.,
WILLIAM JEFFREY KENNEDY,
MARC JUDAH BISTRICER, AND
SALINE INVESTMENTS LTD.

File No. 2022-24

Adjudicators: M. Cecilia Williams (chair of the panel)
Geoffrey D. Creighton
Jane Waechter

December 21, 2023

ORDER

WHEREAS, on December 19, 2023, the Capital Markets Tribunal held a hearing by videoconference to determine the timing for hearing Staff of the Ontario Securities Commission's motion regarding the admissibility of the respondents' expert opinion (**Mackasey Opinion**) and whether to vary certain timelines relating to responding expert reports;

ON READING the motion materials filed by Staff and the respondents, and on hearing the submissions of the representatives for each of Staff and the respondents;

IT IS ORDERED, for reasons to follow, that:

1. the admissibility of the Mackasey Opinion, as raised in Staff's Notice of Motion, dated November 1, 2023, shall be decided at the merits hearing;

2. the timelines set out in Paragraphs 2. b. and 2. c. of the Tribunal's order dated June 28, 2023, are varied as follows:

   a. Staff shall serve the respondents with any expert response report(s) by no later than 4:30 p.m. on January 15, 2024; and

   b. the respondents shall serve all parties with any expert reply report(s) by no later than 4:30 p.m. on February 15, 2024.

"M. Cecilia Williams"

"Geoffrey D. Creighton"

"Jane Waechter"

A.3.2 Nova Tech Ltd and Cynthia Petion

IN THE MATTER OF
NOVA TECH LTD AND
CYNTHIA PETION

File No. 2023-20

Adjudicator: M. Cecilia Williams

December 22, 2023

ORDER

WHEREAS on December 22, 2023, the Capital Markets Tribunal held a hearing by videoconference;

ON HEARING the submissions of the representative for Staff of the Commission (**Staff**) and no one appearing on behalf of the respondents;

IT IS ORDERED that:

1. by 4:30 p.m. on March 22, 2024, the parties shall provide to the Registrar a completed copy of the *E-hearing Checklist*;

2. by 4:30 p.m. on April 12, 2024, Staff shall:

   a. provide to the Registrar the electronic documents that Staff intends to rely on or enter into evidence at the merits hearing, along with an index file containing hyperlinks to the documents in the hearing brief, in accordance with the *Protocol for E-hearings*; and

   b. file any affidavit evidence for the merits hearing;

3. the merits hearing shall take place at 20 Queen Street West, 17th Floor, Toronto, Ontario and commence on April 25, 2024 at 10:00 a.m., and continue on April 26 and 29, 2024 at 10:00 a.m. on each day, and on June 7, 2024 at 1:00 p.m., or on such other dates and times as may be agreed to by Staff and set by the Governance & Tribunal Secretariat;

4. by 4:30 p.m. on May 31, 2024 Staff shall serve and file written submissions regarding the merits; and

5. a further attendance in this proceeding is scheduled for March 28, 2024 at 10:00 a.m., by videoconference, or on such other date and time as may be agreed to by Staff and set by the Governance & Tribunal Secretariat.

"M. Cecilia Williams"

A.4
Reasons and Decisions

A.4.1 Mithaq Canada Inc. et al. – Rule 21(4) of the CMT Rules of Procedure and Forms

Citation: *Mithaq Canada Inc (Re)*, 2023 ONCMT 51
Date: 2023-12-20
File No. 2023-28

IN THE MATTER OF
MITHAQ CANADA INC.

AND

IN THE MATTER OF
AIMIA INC.

AND

IN THE MATTER OF
A HEARING AND REVIEW OF A DECISION OF
THE TORONTO STOCK EXCHANGE

REASONS FOR DECISION
(Rule 21(4) of the *Capital Markets Tribunal Rules of Procedure and Forms*)

Adjudicator:	Timothy Moseley	
Hearing:	In writing; final written submissions received November 21, 2023	
Appearances:	Teresa M. Tomchak Lauren Harper	For Eagle 1250 Investments Group LLC
	David D. Conklin Jerred Kiss	Special Committee of the Board of Directors of Aimia Inc.
	Andrew Gray Sarah Whitmore Hanna Singer	For Mithaq Canada Inc.
	Orestes Pasparakis James Renihan	For Aimia Inc.
	Eliot Kolers	For the Toronto Stock Exchange
	Cullen Price Jason Koskela Anna Huculak	For Staff of the Ontario Securities Commission

REASONS FOR DECISION

1. OVERVIEW

[1] These reasons relate to two requests to intervene in this proceeding. Mithaq Canada Inc. brings the proceeding against Aimia Inc., seeking an order cease trading Aimia Inc.'s shareholder rights plan and a private placement by Aimia. Mithaq also seeks an order setting aside a related decision of the Toronto Stock Exchange, and other relief. Mithaq's application arises in the context of its offer to acquire all of Aimia's shares.

[2] Eagle 1250 Investment Group LLC (the lead investor in the private placement) and the Special Committee of Aimia's board of directors both sought leave to intervene in the application. They asked to be able to file evidence, to cross-examine witnesses, and to make written and oral submissions.

[3] Mithaq and Aimia consented to Eagle's and the Special Committee's requests. Neither of the two other parties (Staff of the Ontario Securities Commission and the Toronto Stock Exchange) opposed the requests.

[4] The motions proceeded in writing.[1] On November 23, 2023, I issued an order[2] granting both motions. These are the reasons for my order.

[5] As I explain below, each of Eagle and the Special Committee has a substantial interest in the outcome of this proceeding. Each may bring a unique perspective. Their participation will not unduly impair the efficiency of the proceeding.

2. ANALYSIS

2.1 Introduction

[6] Rule 21(4) of the Tribunal's *Rules of Procedure and Forms* provides that the Tribunal may grant intervenor status, on appropriate terms. In considering a request for intervention in a transaction-related proceeding such as this one, the Tribunal will consider whether the proposed intervenor:

a. has a direct financial or other substantial interest in the outcome of the proceeding; and

b. has a useful and different perspective than those of the existing parties, and can bring that perspective to the proceeding without unfairly prejudicing the parties or unduly impairing the efficiency of the proceeding.[3]

2.2 Eagle

[7] I begin with Eagle's request.

[8] Eagle has a direct financial interest in the outcome of Mithaq's application. That interest arises from a private placement of Aimia shares and warrants that closed on October 21, 2023, although it closed subject to the possibility that the private placement will be unwound if Mithaq's application succeeds.

[9] Under the private placement, Eagle acquired units consisting of Aimia common shares and common share purchase warrants. Eagle did not previously own any Aimia shares, but after the private placement it holds 6.24% of Aimia's outstanding shares. The cost to Eagle was approximately $18.3 million.

[10] Eagle's portion of the private placement is large both in its dollar amount and in the size of the shareholding. An unwinding of the private placement would be significant to Eagle. Eagle's financial interest in the outcome of this proceeding is therefore both direct and substantial.

[11] Eagle has another interest. In this application, Mithaq makes allegations about the intentions of Eagle and its principals, and the extent to which they may have acted together, or will act together, with Aimia and its principals. Eagle therefore has a substantial, although non-financial, additional interest in the outcome of this proceeding.

[12] While Eagle's interests are aligned with some of Aimia's interests, Eagle can bring a useful and unique perspective to the proceeding, particularly with respect to the negotiation of the private placement. It can bring that perspective without unfairly prejudicing the parties, as is evident from the parties' positions on Eagle's request.

[13] Further, Eagle's participation will not unduly impair the efficiency of the proceeding. All parties, together with Eagle and the Special Committee, agreed on a schedule for exchanging materials before the merits hearing. They also agreed on the allocation of time for oral submissions at that hearing. Eagle's participation will neither extend the time period before the merits hearing nor unduly lengthen the hearing itself. Further, any risk of duplication between Aimia and Eagle can be addressed in the terms of an order.

[14] Eagle satisfies the test for intervenor status. Eagle may therefore file evidence and written submissions, and may cross-examine witnesses and make oral submissions at the merits hearing. Its participation shall not duplicate that of other parties and shall be limited to facts and issues relating to its own involvement in the issues in this proceeding.

2.3 Special Committee

[15] I turn to the Special Committee's request.

[1] I have marked the affidavit of Roger Crandall sworn November 6, 2023, filed on behalf of Eagle, as Exhibit 1 in this written hearing. I have marked the affidavit of Karen Basian sworn November 8, 2023, filed on behalf of the Special Committee, as Exhibit 2.

[2] *Mithaq Canada Inc (Re),* (2023) 46 OSCB 9591

[3] *Wilks Brothers LLC (Re)*, 2021 ONSEC 25 at para 54; *ESW Capital LLC (Re)*, 2021 ONSEC 7 at para 62; *Eco Oro Minerals Corp (Re)*, 2017 ONSEC 23 at para 71

[16] Aimia's board of directors formed the committee, made up of four independent directors, in response to Mithaq's take-over bid. The committee evaluated Mithaq's offer, and made a recommendation to Aimia's board.

[17] The Special Committee has no financial interest in the outcome of this proceeding. However, Mithaq explicitly challenges the process that the committee followed in responding to Mithaq's bid. Mithaq submits that those alleged deficiencies in the process should influence the merits hearing panel's decision on Mithaq's application. The Special Committee therefore has a direct interest in addressing the integrity of its own process, and by extension the outcome of this proceeding.[4] It satisfies the first branch of the test for intervention.

[18] The Special Committee satisfies the second branch of the test for the same reasons as apply to Eagle. The Special Committee's participation will not unduly impair the efficiency of the proceeding, and none of the parties objects.

[19] The Special Committee may therefore file evidence and written submissions, and may cross-examine witnesses and make oral submissions at the merits hearing. Its participation shall not duplicate that of other parties and shall be limited to facts and issues relating to its own involvement in the issues in this proceeding.

3. CONCLUSION

[20] For the reasons above, I ordered that:

a. each of Eagle and the Special Committee may, on or before November 28, 2023: (i) serve and file relevant affidavit evidence, and (ii) serve and file written submissions of no more than ten pages;

b. each of Eagle and the Special Committee may cross-examine witnesses at the merits hearing in this proceeding on December 12 and 13, 2023; and

c. all of Eagle's and the Special Committee's participation, including that listed above, shall not duplicate that of other parties and shall be limited to facts and issues relating to the intervenor's own involvement in the issues in this proceeding.

Dated at Toronto this 20th day of December, 2023

"Timothy Moseley"

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[4] *Magna International Inc (Re)*, 2010 ONSEC 12 at para 58

A.4.2 Amin Mohammed Ali – ss. 8, 21.7

Citation: *Ali (Re)*, 2023 ONCMT 52
Date: 2023-12-22
File No. 2022-6

IN THE MATTER OF
AMIN MOHAMMED ALI

REASONS AND DECISION
(Sections 8 and 21.7 of the *Securities Act*, RSO 1990, c S.5)

Adjudicators: M. Cecilia Williams (chair of the panel)
Sandra Blake
William Furlong

Hearing: By videoconference, September 26 and 27, 2023

Appearances:

Amin Mohammed Ali	On his own behalf
Seema Sadiq	For Amin Mohammed Ali
Shelly Feld Alan Melamud	For Canadian Investment Regulatory Organization
Linda Fuerst Tyler Morrison	For Staff of the Ontario Securities Commission

REASONS AND DECISION

1. OVERVIEW

[1] Amin Mohammed Ali brought this application (the **Application**) for a review of a decision of the Canadian Investment Regulatory Organization (**CIRO**, formerly the Mutual Fund Dealers Association), dated March 10, 2023 (the **CIRO Decision**).[1] Ali was found by CIRO to have breached CIRO rules resulting in a registration ban, a fine and costs.

[2] Ali alleges several errors by the CIRO Panel (**CIRO Panel**) that he submits warrant the Tribunal dismissing both the findings of misconduct and the sanctions in their entirety.

[3] CIRO Staff opposes the Application. Staff of the Ontario Securities Commission agrees with CIRO Staff's position.

[4] We conclude that Ali did not meet the test for the Tribunal to interfere with the decision of a self-regulatory organization (**SRO**), such as CIRO. Therefore, Ali's Application is dismissed.

2. BACKGROUND

[5] Ali's initial application, filed on March 14, 2022, was for a review of only the CIRO merits decision. On June 16, 2023, Ali amended the Application to include a review of the sanctions decision. The Application was heard on September 26 and 27, 2023. Throughout this proceeding, Ali was self-represented, with assistance from his friend Seema Sadiq, who is not a lawyer.

[6] A portion of the Application hearing was conducted in the absence of the public pursuant to rule 22(2) of the *Capital Markets Tribunal Rules of Procedure and Forms*, to permit the parties to make submissions regarding information that we had previously decided should remain confidential.[2]

[7] Ali was registered for 12 years, between May 2006 and February 2018, as a dealing representative with Quadrus Investment Securities Inc., a dealer member of CIRO. At the time of the CIRO merits hearing he was also a licensed insurance agent.

[8] CIRO started its investigation of Ali in April 2018 after his employer filed a report through CIRO's event tracking system advising that it had received complaints from Ali's clients about his handling of their accounts.

[9] A CIRO notice of hearing against Ali was issued in June 2020 (**Notice of Hearing**). Ali was alleged to have:

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1 *Ali (Re)*, 2023 CanLII 25855 (CA MFDAC) (**CIRO Decision**)
2 *Ali (Re)*, 2023 ONCMT 30 at paras 39-55

a. engaged in outside business activities that were not disclosed to or approved by his dealer member or entered into unauthorized referral arrangements with third parties;

b. provided false and misleading responses to his dealer member; and

c. failed to cooperate with an investigation of his conduct by CIRO Staff.

[10] After several delays, which we elaborate on below, the merits hearing proceeded on February 10, 2022. The CIRO Panel found that the allegations against Ali had been proven.

[11] At a sanctions hearing, held on September 20, 2022, the CIRO Panel imposed the following sanctions on Ali:

a. a permanent prohibition on his authority to conduct a securities-related business while employed by or in association with a CIRO member;

b. a $50,000 fine; and

c. costs in the amount of $10,000.

[12] The CIRO Panel issued their decisions in the merits and sanctions hearings orally on the dates of those hearings. Their reasons for those decisions were published in one document, the CIRO Decision, on March 10, 2023.

[13] Because it is relevant to the issues before us, we provide a summary of the CIRO proceeding before outlining the issues and our analysis.

[14] Between the time that CIRO issued its Notice of Hearing and the start of the merits hearing, 20 months had elapsed. Most of the delays in the proceeding, some with the consent of CIRO Staff, were at Ali's request or in response to information provided to CIRO Staff and/or the CIRO Panel about Ali's needs for more time.

[15] In response to a letter from Ali's treating psychiatrist, Dr. Syed (Ali's **Treating Psychiatrist**), in February 2020 opining that Ali required a three-month deferral of the hearing, CIRO issued the Notice of Hearing but delayed its publication for 30 days and scheduled the first appearance for September 8, 2020.

[16] At the September appearance, CIRO Staff consented to an adjournment for six months, in response to a further letter from the Treating Psychiatrist stating that Ali required six months to be sufficiently well to cope with and respond to the issues in the proceeding. The merits hearing was scheduled to start on May 27, 2021.

[17] On May 7, 2021, the CIRO Panel adjourned the merits hearing to permit Ali to bring a motion to adjourn the hearing indefinitely, supported by evidence Ali intended to file from his Treating Psychiatrist.

[18] Ali's adjournment motion was heard on August 30, 2021. During the hearing of the adjournment motion, the CIRO Panel expressed concern about the lack of impartial medical evidence supporting the motion. CIRO Staff and Ali agreed to adjourn the adjournment motion to see if they could agree to Ali obtaining an independent medical opinion.

[19] On September 14, 2021, the parties reconvened and advised the CIRO Panel that they could not reach an agreement. The CIRO Panel dismissed Ali's motion to adjourn the merits hearing without prejudice to Ali renewing his motion supported by an objective medical opinion about Ali's mental health. The merits hearing was scheduled for February 8-11, 2022.

[20] On January 31, 2022, Ali filed a renewed motion to adjourn to be heard at the outset of the merits hearing on February 8, 2022. On the morning of February 8, Ali's counsel forwarded to the CIRO Panel, at Ali's request, an email from the Treating Psychiatrist repeating his view that the merits hearing should not proceed (the **February Email**). We describe the February Email in more detail in our analysis below. For the purposes of this summary, it is sufficient to note that the CIRO Panel thought the February Email should not have been sent to them.

[21] The CIRO Panel adjourned the merits hearing and Ali's renewed motion to adjourn so the parties and the CIRO Panel could consider how best to proceed. The CIRO Panel requested that the parties reconvene on February 10, 2022, and be prepared to proceed with the merits hearing at that time. When the renewed motion to adjourn recommenced on February 10, the CIRO Panel determined the Treating Psychiatrist's evidence was inadmissible, concluding that it was not objective opinion evidence. The CIRO Panel dismissed the renewed motion to adjourn for lack of the requisite independent medical evidence and proceeded, after recessing for the morning, to the merits hearing.

3. ISSUES

[22] The issues we need to decide are whether the CIRO Panel erred by:

a. denying Ali procedural fairness by:

i. concluding the opinion of his Treating Psychiatrist was inadmissible;

ii. dismissing his renewed motion to adjourn the merits hearing until his Treating Psychiatrist said he was sufficiently well to participate and proceeding with the merits hearing;

iii. failing to consider and apply human rights principles; and

iv. failing to recuse itself because its conduct indicated that it was biased or gave rise to a reasonable apprehension of bias;

b. finding that the allegations against Ali had been proven; and

c. ordering an unfit or unjust sanction.

4. STANDARD OF REVIEW IN AN APPLICATION

[23] A person directly affected by a decision of CIRO may apply to the Tribunal for a hearing and review of the decision under s. 21.7 of the *Securities Act* (the ***Act***).[3] On hearing the application, the Tribunal may confirm the decision under review or make such other order as it considers proper.[4]

[24] The Tribunal's review of decisions of recognized SROs, such as CIRO, is guided by the purposes of the *Act* as set out in s. 1.1. Particularly relevant are the protection of investors from unfair or improper practices and the fostering of confidence in the capital markets.[5]

[25] In practice, the Tribunal takes a restrained approach in such reviews due to the specialized expertise of SROs, including CIRO hearing panels. The Tribunal will generally not substitute its own view for that of an SRO on the basis that the Tribunal might have come to a different conclusion.

[26] The Tribunal will only interfere with a decision of an SRO if one of the following grounds is established by the applicant:

a. the SRO proceeded on an incorrect principle;

b. the SRO erred in law;

c. the SRO overlooked material evidence;

d. new and compelling evidence is presented to the Tribunal that was not presented to the SRO; or

e. the SRO's perception of the public interest conflicts with that of the Tribunal.[6]

[27] We now consider in turn the errors that Ali submits were made by the CIRO Panel. We commence our analysis with the issues of procedural fairness.

5. ANALYSIS

5.1 Did the CIRO Panel err in law by denying Ali procedural fairness?

[28] Procedural fairness requires that Ali know the case to be met and that he be provided with the opportunity to respond to the allegations before an unbiased tribunal.[7]

[29] We conclude, for the reasons below, that the CIRO Panel did not deny Ali procedural fairness. While we recognize the seriousness of Ali's mental health issues, there is no persuasive evidence that Ali did not know the case he had to meet. Ali was represented by legal counsel during the major stages of the CIRO proceeding. He had an opportunity to respond to the concerns about the medical evidence and to the allegations against him before a panel that we find did not demonstrate bias against him.

[30] We now turn to the specific issues of procedural fairness starting with the CIRO Panel's decision that the evidence of Ali's Treating Psychiatrist was inadmissible, because the other issues arise from that decision.

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[3] RSO 1990, c S.5
[4] *Act,* s 8
[5] *Sutton (Re)*, 2018 ONSEC 42 at para 10
[6] *Re Canada Malting Co.* (1986), 9 OSCB 3565 at para 24; *Odorico (Re)*, 2023 ONCMT 34 at para 60
[7] *Baker v. Canada (Minister of Citizenship and Immigration)*, 1999 CanLII 699 (SCC) at para 22

5.1.1 Did the CIRO Panel err in law by concluding that the medical opinion of Ali's Treating Psychiatrist was inadmissible?

[31] The motion record for Ali's motion to adjourn the merits hearing indefinitely included an affidavit from his Treating Psychiatrist, attaching a Psychiatric Assessment dated July 2, 2021 (the **Psychiatric Assessment**), and an Addendum to the Psychiatric Assessment, dated July 6, 2021 (the **Addendum**). In the Psychiatric Assessment, the Treating Psychiatrist opined that Ali was not capable of preparing for and meaningfully participating in the CIRO merits hearing.

[32] The materials for Ali's renewed motion for an indefinite adjournment included the previously filed Psychiatric Assessment and Addendum, additional letters and clinical notes from the Treating Psychiatrist, an affidavit from Sadiq, and a signed unsworn statement from Ali's ex-wife.

[33] Ali also filed the February Email which was prompted by issues raised in CIRO Staff's written submissions on the motion. The February Email repeated the Treating Psychiatrist's views, using subjective, non-medical statements, that the merits hearing should be halted. In part the email stated that "I sincerely hope that everyone involved in the case: from the judge, lawyer, board members, clerks, interns, secretarial staff, ect. [*sic*] all would also have enough concern for their fellow human soul they would not want to"[8] see him come to harm.

[34] At the start of the hearing of the renewed adjournment motion, the CIRO Panel stated its view that it had been improper for Ali to instruct his counsel to send the February Email to the CIRO Panel. In the CIRO Panel's view it appeared to be advocacy on the part of the Treating Psychiatrist and an attempt to coerce the CIRO Panel to grant the requested adjournment.

[35] The CIRO Panel decided that "it would decline to hear the Treating Psychiatrist's evidence both on the grounds that it could not qualify as an expert opinion of the kind and nature that would be of any assistance to the CIRO Panel and that it contained nothing new."[9] The CIRO panel stated, "It was not an expert opinion, rationally based. The CIRO Panel regarded it as a purely partisan act of advocacy couched in threatening terms regarding the consequence of continuing the proceedings against [Ali]."[10]

[36] The CIRO Panel dismissed Ali's renewed motion for an indefinite adjournment as "the additional evidence, which was a condition precedent to the motion being brought, had not been supplied."[11] No objective medical opinion about Ali's mental health had been provided.

5.1.1.a Law regarding the admissibility of expert evidence

[37] The test for the admissibility of expert evidence was set out by the Supreme Court of Canada in *R v Mohan.*[12] To be admissible, expert evidence must meet certain criteria, including relevance, necessity, absence of an exclusionary rule, and a properly qualified expert.[13]

[38] In *White Burgess Langille Inman v Abbott and Haliburton Co.*,[14] the Supreme Court of Canada stated that there is a threshold admissibility requirement in relation to a proposed expert's independence and impartiality. Once that threshold is met, any concerns about the impartiality of a proposed expert should be considered as part of the overall weighing of the costs and benefits of admitting the evidence.[15] The expert witness' duty is to assist the court and that duty overrides their obligation to the party calling them. A witness who is unable or unwilling to fulfill that duty does not qualify to perform the role of an expert and should be excluded."[16]

[39] In *Westerhof v Gee Estate*,[17] the Ontario Court of Appeal recognized a distinction between a "litigation expert", an expert retained by a party for the purpose of litigation who forms an opinion to assist the court, and a "participant expert", an expert engaged in treating an individual whose opinions are formed at the time of treating the individual, such as a treating physician/psychiatrist.

[40] A litigation expert is required to acknowledge that their obligation is to assist the court and that their opinion evidence must be fair, objective and non-partisan. A participant expert's opinion must be based on their observation of or participation in the events at issue; and they must have formed the opinion to be given as part of their ordinary exercise of their skill, knowledge, training, and experience with observing or participation in such events.[18] For a participant expert

8 Exhibit 2, Email dated February 7, 2022, Redacted Amended Hearing Record, Tab 3 at p 40
9 CIRO Decision at para 30
10 CIRO Decision at para 29
11 Exhibit 2, CIRO Hearing Transcript, February 10, 2022 at p 6, lines 12-15, Redacted Amended Hearing Record, Tab 5 at p 982
12 1994 CanLII 80 (SCC) (***Mohan***)
13 *Mohan* at 20
14 2015 SCC 23 (***White Burgess***)
15 *White Burgess* at para 10
16 *White Burgess* at para 46
17 2015 ONCA 206 (***Westerhof***)
18 *Westerhof* at paras 59-62, 63

providing a medical opinion about an individual, this would mean they had formed their opinion while treating the individual and applying their particular medical expertise to that treatment. The Ontario Court of Appeal in *Imeson v Maryvale*[19] has made it clear that a participant expert is subject to the *Mohan/White Burgess* test for admissibility of expert evidence.[20] Such evidence must therefore be fair, objective and non-partisan.

5.1.1.b Parties' positions and our analysis

[41] Ali submits that in legal cases involving mental health, it is crucial to ensure fair and just outcomes and one essential piece of evidence often considered is the treating psychiatrist's opinion. Ali submits that advocacy is a necessary part of the doctor-patient relationship, and he should not be punished for his doctor's passionate support. Ali submits that the reports of his Treating Psychiatrist clearly explain the specific conditions Ali was facing and how they are impacting him and therefore the reports should have been accepted by the CIRO Panel.

[42] CIRO Staff submits that the CIRO Panel did not err in declining to admit the Treating Psychiatrist's evidence. The Treating Psychiatrist had shown himself to be an advocate. He demonstrated that he lacked the degree of fairness and objectivity required to be an expert witness. That lack of fairness and objectivity, CIRO Staff submits, was evident in the February Email, the Psychiatric Assessment, the Addendum to the Psychiatric Assessment and the Treating Psychiatrist's correspondence to the CIRO Panel.

[43] In the Psychiatric Assessment, solicited by Ali's counsel and filed in support of the first and renewed motions to adjourn the merits hearing, the Treating Psychiatrist opined on whether Ali could prepare for and meaningfully participate in a hearing on the merits before CIRO. CIRO Staff submits that this opinion was formed for the purposes of the CIRO proceeding. It goes beyond opinions the Treating Psychiatrist formed as part of his ordinary consultation and treatment of Ali and is either not supported by or is inconsistent with his clinical notes from his consultation and treatment of Ali.

[44] We agree with CIRO Staff's submission that the Treating Psychiatrist's lack of impartiality is apparent in the February Email where he:

a. said the CIRO Panel was lacking the minimum "fiduciary duty" "taught in childhood";

b. stated that the CIRO proceeding was a "voluntary" burden that would not be advanced by a "true judge";

c. was incredulous that the CIRO proceeding was being pursued in the circumstances;

d. expressed an opinion on the requirements for a fair trial; and

e. asserted that moving forward with the proceeding would cause lethal harm to Ali.

[45] CIRO Staff submits, and we agree, that further evidence of a lack of impartiality is apparent in a January 24, 2022, letter attached to the Treating Psychiatrist's second affidavit in connection with the renewed motion to adjourn. In that letter he wrote that it was inhumane to insist on a trial before there had been adequate symptom reduction.

[46] CIRO Staff acknowledges that a treating psychiatrist is expected to have some bias in favour of his patient. The limitations placed on participant expert's evidence by the Ontario Court of Appeal in *Westerhof* guards against bias, as it limits the participant expert's evidence to opinions formed outside of the litigation context. CIRO Staff submits that in *Imeson*, the Ontario Court of Appeal stated that "[t]ypically, any opinions that are sought to be introduced [from a participant expert] are found in the clinician's clinical notes and records, or in reports prepared for the purpose of consultation and treatment."[21]

[47] CIRO Staff submits that the Treating Psychiatrist's opinions about Ali being unable to meaningfully participate in the CIRO proceedings are either not present in his December 9, 2021, clinical notes or those clinical notes are inconsistent with that view.

[48] The Treating Psychiatrist's December 9, 2021, clinical notes from his two-hour psychiatric assessment of Ali (filed in connection with the renewed motion to adjourn) support the view that Ali had the requisite cognitive capacity to participate in the CIRO hearing. The assessment stated that:

a. Ali's thought flow is logical and coherent;

b. Ali's cognition, orientation, and judgment are intact; and

[19] 2018 ONCA 888 (***Imeson***)
[20] *Imeson* at para 83
[21] *Imeson* at para 61

c. Ali is at "LOW risk of imminent harm".

[49] In addition, in a letter dated January 24, 2022, the Treating Psychiatrist stated:

> "I wish to re-iterate, that my assertion is not that Mr. Ali is incapable of understanding the nature of the charges being brought in front of him, but rather that the legal process itself would be unable for him to psychologically bear due to the high likelihood of…symptom exacerbation. Said again: his inability is not an inability to give consent, but in his inability to bear stress."[22]

[50] Finally, CIRO Staff submits that even if we were to find that the CIRO Panel erred by finding the Treating Psychiatrist's evidence inadmissible, the application of his evidence to the merits of Ali's renewed motion to adjourn would not have changed the result. CIRO Staff submits that there is nothing in the Treating Psychiatrist's evidence that establishes that Ali was "unable to prepare for or meaningfully participate in a hearing on the merits" or that "[f]orcing [Ali] to proceed to a hearing on the merits also exposes him to significant harm."

[51] OSC Staff agrees with CIRO Staff that it was not unreasonable for the CIRO Panel to have decided the Treating Psychiatrist's opinion evidence was inadmissible due to partiality.

[52] We conclude that the CIRO Panel did not err in finding that the Treating Psychiatrist's opinions did not meet the test for admissibility as an expert opinion. Ali did not characterize his Treating Psychiatrist as either a "litigation" or "participant' expert and it is not necessary for us to determine if he was either. The Treating Psychiatrist expressed opinions from his treatment of Ali and about Ali's ability to participate in the CIRO proceeding. Regardless, we conclude that his opinions were partisan and non-objective and therefore of no value to the CIRO Panel as expert medical evidence. Finally, the Treating Psychiatrist's observations in his clinical notes from December 9, 2021, and in his letter of January 24, 2022, were inconsistent with his opinion that Ali was not able to participate in the CIRO proceeding.

[53] We now address the second issue of procedural fairness, whether the CIRO Panel erred by dismissing Ali's motion to adjourn the CIRO proceeding indefinitely and by proceeding with the hearing.

5.1.2 Did the CIRO Panel err in law by dismissing Ali's renewed motion to adjourn the merits hearing and by proceeding with the hearing?

5.1.2.a Law with respect to adjournments

[54] The party seeking an adjournment bears the onus, which includes establishing a proper evidentiary basis for the adjournment.[23]

[55] The granting of an adjournment for medical reasons is a discretionary exercise. In exercising that discretion, it is appropriate for the adjudicator to balance the public interest in a timely hearing, and the applicant's interest in knowing the case against him and having an opportunity to answer it.[24]

5.1.2.b Parties' positions and our analysis

[56] Ali submits that the CIRO Panel dismissed the renewed motion to adjourn after refusing to admit the expert medical opinion without hearing submissions on the merits of the motion. The CIRO Panel also failed to consider the statements from Ali's ex-wife and Sadiq about his mental health. Ali also submits that the CIRO Panel failed to address his capacity to participate meaningfully in the merits hearing.

[57] CIRO Staff submits that the CIRO Panel had the parties' written submissions and had heard oral submissions on the first adjournment motion on August 30, 2021, about the expert medical evidence.

[58] OSC Staff submits that Ali failed to provide a proper evidentiary basis for the renewed adjournment, by failing to adduce independent medical evidence establishing that he was not able to participate in the merits hearing.[25] OSC Staff also submits that while the evidence of Ali's ex-wife and Sadiq may have been admissible as non-expert opinion evidence concerning Ali's condition, it was reasonable for the CIRO Panel to conclude that in the absence of expert opinion evidence, the test for incapacity had not been met.

[59] It does not appear, from the Amended Record of Proceedings relating to the renewed adjournment motion, that Ali's counsel drew the CIRO Panel's attention to Ali's ex-wife's unsworn statement or Sadiq's affidavit about the nature of his symptoms. The CIRO Panel does not appear to have asked for oral submissions about the merits of the motion, nor did

[22] Exhibit 2, Letter from Treating Psychiatrist dated January 24, 2022, Redacted Amended Hearing Record, Tab 7 at p 2543
[23] *Darrigo (Re)*, 2016 ONSEC 21 (***Darrigo***) at para 8
[24] *Darrigo* at para 9
[25] *Darrigo* at para 8

Ali's counsel appear to have asked to make further oral submissions. However, the CIRO Panel had Ali's motion record, containing the unsworn statement and affidavit, and the parties' written submissions.

[60] The CIRO Panel moved directly from dismissing the renewed adjournment motion to the scheduled merits hearing. By that time, it had been 20 months since the Notice of Hearing was issued and there had been multiple accommodations given to Ali. The CIRO Panel exercised its discretion to dismiss the adjournment motion, apparently balancing the public interest in proceeding with the hearing after lengthy delays with Ali's knowing and having the right to respond to the case against him.

[61] CIRO Staff provided us with detailed written submissions on the law regarding fitness to participate and the facts that, in their view, supported a conclusion that Ali was fit to meaningfully participate in the CIRO proceeding. This issue was not raised with or discussed by the CIRO Panel at the time of the merits hearing. We, therefore, focus our review on what the CIRO Panel said and did at the time to assess whether they erred in law by proceeding with the merits hearing.

[62] After dismissing Ali's renewed motion to adjourn the merits hearing, the CIRO Panel did not expressly address the issue of Ali's fitness to proceed with the hearing. The CIRO Panel accepted Staff's view that the matter should proceed to a merits hearing, "in effect because there was no basis to do otherwise as there was nothing new in [the Treating Psychiatrist's] email."[26]

[63] Although the CIRO Decision could have dealt more explicitly with the fact that the CIRO Panel concluded that Ali was fit to proceed to defend the allegations against him, we conclude that this is implicit in the CIRO Panel's decision to continue. The CIRO Decision could also have been clearer about what evidence "already before" them they relied on to conclude that the CIRO proceeding should commence. However, we do not consider these deficiencies in the CIRO Decision to be errors in law warranting our intervention in the decision. The Amended Record of Proceedings contains sufficient information to support the CIRO Panel's conclusion that Ali was able to meaningfully participate in the proceeding.

[64] Ali retained and instructed counsel, and representatives, to represent him throughout the CIRO proceeding. Although at various times, Ali's counsel indicated they were unable to obtain instructions, and indeed in one instance requested removal from the record for that reason, Ali continued to be represented and took meaningful steps throughout the process.

[65] Those steps included Ali:

a. providing information to counsel to facilitate the drafting of a lengthy letter in response to CIRO's initial inquiries;

b. participating in a two-day interview with CIRO Staff and answering their questions;

c. providing information to his family for the preparation of a Reply to the Notice of Hearing; and

d. attending every appearance in the proceeding personally or sending a representative; representing himself at an interim appearance, and successfully advocating for a subsequent attendance to be scheduled far enough in the future to allow him to retain new counsel.

[66] The CIRO Panel relied on the evidence that was properly before them, which evidence did not include the evidence of Ali's Treating Psychiatrist because it was determined inadmissible for the reasons outlined above. There was no evidence before them that indicated that Ali was unable to understand the nature or object of the proceedings or the possible consequences of the proceedings, or that he was unable to instruct his representatives. Indeed, the CIRO Panel observed that Ali was able to meaningfully participate. Therefore, we find that they did not err in law by proceeding with the merits hearing.

[67] We now consider the third issue of procedural fairness, whether the CIRO Panel erred by failing to consider and apply human rights principles.

5.1.3 Did the CIRO Panel err in law by failing to consider and apply human rights principles?

[68] Ali submits that the CIRO Panel failed to protect his privacy and his human rights. Ali did not provide any supporting evidence in his Application with respect to the alleged violation of his privacy rights. Nor does it appear from the Amended Record of Proceedings that Ali, or any of his representatives, raised privacy concerns during the CIRO Proceeding. We therefore focus our analysis on the issue of human rights principles. We conclude that the CIRO Panel did not err in law on this issue as it was not asked to consider the application of human rights principles. It is more appropriate to consider Ali's allegation through the lens of procedural fairness and we conclude that the CIRO proceedings, with the many accommodations accorded to Ali due to his health, were fair.

[26] CIRO Decision at para 30

[69] Ali submits that CIRO is subject to and obligated to comply with Canadian laws and regulations that protect human rights. His treatment by the CIRO Panel amounted to direct and indirect discrimination against him because of his mental illness. Ali submits that it is imperative that all accommodation providers (including CIRO) strictly adhere to the Ontario *Human Rights Code* with no exceptions, something he submits the CIRO Panel failed to do.

[70] CIRO Staff submits that Ali's reliance on human rights law is misplaced. First, because the issue of human rights law was never raised before the CIRO Panel. Second, as held by the Law Society of Ontario in *Law Society of Ontario v Bien*,[27] where the issue is a request for an adjournment based on an incapacity to participate in a hearing, the appropriate lens for assessing the matter is procedural fairness, not human rights law.[28]

[71] CIRO Staff agrees that as a matter of procedural fairness, a CIRO hearing panel has an obligation to provide reasonable accommodations to a respondent in the litigation process. However, the respondent must ask for that accommodation, explain the basis for the request and, where the request is contested, provide evidence to support the need for the accommodation. Ali did not do this. CIRO Staff submits that the Amended Record of the Proceeding demonstrates that CIRO Staff and the CIRO Panel did reasonably accommodate Ali throughout the CIRO proceeding.

[72] We conclude that the CIRO Panel cannot have erred by failing to apply principles it was not asked to consider. In addition, the Amended Record of Proceedings also reflects that Ali received accommodations to address his health concerns throughout the process.

[73] We now turn to the final issue under the broad category of procedural fairness, whether the CIRO Panel's conduct indicated bias or a reasonable apprehension of bias, and if so, did it err by failing to recuse itself.

5.1.4 Did the CIRO Panel's conduct indicate bias or a reasonable apprehension of bias, and if so, did it err in law by failing to recuse itself?

5.1.4.a Law regarding bias or a reasonable apprehension of bias

[74] As a procedural matter, an allegation of bias and the facts on which it is based must be made to the decision-maker at the earliest possible opportunity.[29] If a party does not raise its allegation of bias at the earliest opportunity, it may be deemed to have waived the objection.[30]

[75] The burden of establishing actual or perceived bias is on the party asserting it.[31] Given the importance of an unbiased adjudicator to procedural fairness, a party asserting bias need only establish a reasonable apprehension of bias.[32] The inquiry into bias is fact-specific and must be considered in the context of the entire proceeding.[33]

[76] The apprehension of bias must be a reasonable one, held by reasonable and right-minded persons, applying themselves to the question and obtaining the requisite information. The test is whether an informed person, viewing the matter realistically and practically, would think that it is more likely than not that the decision-maker, whether consciously or unconsciously, would not decide fairly.[34]

[77] The threshold for establishing a reasonable apprehension of bias is high, as "pure conjecture, insinuations or mere impressions are not sufficient – because a finding of reasonable apprehension of bias calls into question an element of judicial integrity".[35] An expert panel should be "presumed, in the absence of evidence to the contrary," to have "act[ed] fairly and impartially in discharging [its] adjudicative responsibilities.[36]

5.1.4.b Parties' positions and our analysis

[78] CIRO Staff submits that the CIRO Panel could not have erred by failing to respond to an allegation of bias that was never made. All the grounds raised by Ali in support of his allegation of bias had crystallized by the morning of February 10, 2022, when the CIRO Panel advised the parties it was finding the Treating Psychiatrist's evidence to be inadmissible and dismissing the renewed motion to adjourn. The proceeding was temporarily adjourned so Ali and his counsel could consult. The proceeding then resumed with Ali's counsel participating and making closing submissions. The allegations of bias were not made until Ali filed the Application, a month after the CIRO merits hearing concluded.

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27 2019 ONLSTH 103 (***Bien***)
28 *Bien* at paras 7-8
29 *Khan (Re)*, 2014 ONSEC 3 (***Khan***) at para 13
30 *In re Human Rights Tribunal and Atomic Energy Can*, 1985 CanLII 5528 (FCA) at 113; *Dickson v Canadore College*, 2007 CanLII 68563 (Div Ct) at paras 21-23; *Zundel v Canada (Human Rights Commission)*, 2000 CanLII 16575 (FCA) at para 4
31 *Debus (Re)*, 2021 ONSEC 21 (***Debus***) at para 9
32 *Newfoundland Telephone Co. v. Newfoundland (Board of Commissioner of Public Utilities)*,1992 CanLII 84 (SCC) at para 22
33 *Debus* at para 12
34 *Debus* at para 10; *Committee for Justice & Liberty v. Canada (National Energy Board)*, 1976 CanLII 2 (SCC) at 394
35 *Khan* at para 27
36 *Price (Re)*, 2009 CanLII 90073 (CA MFDAC) at paras 18-19; *Debus* at para 9

[79] CIRO Staff further submits that, if we decide to review the matter of bias despite Ali's implied waiver, Ali failed to demonstrate any reasonable apprehension of bias or any actual bias by the CIRO Panel against him.

[80] Ali frames his submissions on this issue as the CIRO Panel demonstrating "bad faith". As Ali was not precise in his submission in this respect, we infer that Ali submits that the CIRO Panel acted in bad faith by:

a. after finding the Treating Psychiatrist's evidence inadmissible due to advocating on Ali's behalf, the CIRO Panel dismissed Ali's renewed motion to adjourn without hearing submissions from Ali's counsel on the merits of the motion;

b. demonstrating Islamophobia; and

c. being upset by the February Email and dismissing his renewed motion to adjourn without the opportunity being afforded to Ali to submit further evidence.

[81] Ali submits that the CIRO Panel wanted to find him accountable for the alleged misconduct from the outset. By finding that his expert's opinion was inadmissible and requiring him to submit an independent medical report it acted in bad faith. Ali's counsel explored the possibility of obtaining an independent medical expert and determined that it would be costly, require time (as more than one visit with the expert would be required), and could potentially be harmful to Ali's health. The CIRO Panel then dismissed his renewed motion to adjourn until he was medically able to proceed, without any evidence about his health and proceeded to consider the allegations against him.

[82] CIRO Staff submits that the record shows Ali did have an opportunity to make submissions about the adjournment. Both parties filed written submissions. Both parties made oral submissions at the hearing of the first adjournment motion to address the CIRO Panel's concerns about the Treating Psychiatrist's impartiality. The CIRO Panel did not seek submissions about whether the Treating Psychiatrist's evidence would be sufficient to warrant an adjournment. But, CIRO Staff submits, the CIRO Panel had the parties' written submissions and oral submissions would have been pointless given the CIRO Panel's decision not to admit the evidence entirely. Further, Ali's counsel did not ask to make further submissions.

[83] On the issue of Islamophobia, Ali states that his lawyer was asked, in a private conversation, whether Ali was "familiar with" his doctor. Ali submits that this indicates that the CIRO Panel assumed that because he and the Treating Psychiatrist were of the same culture, they knew each other and that made the Treating Psychiatrist biased in Ali's favour.

[84] CIRO Staff submits that there was no evidence of Islamophobia by the CIRO Panel and that it was unaware of the CIRO Panel or CIRO Staff questioning whether Ali was "familiar" with his physician.

[85] With respect to the February Email, Ali submits that the hearing was concluded abruptly by the CIRO Panel Chair who appeared to be upset about the email and the CIRO Panel then dismissed Ali's renewed motion to adjourn without any new evidence.

[86] Regarding the Chair's reaction to the February Email, CIRO Staff submits this did not give rise to a reasonable apprehension of bias and was an understandable reaction given the tone and content of the email. Regardless, the fact that an adjudicator shows emotion does not establish a reasonable apprehension of bias.[37] OSC Staff submits that it takes more than a demonstration of judicial impatience with counsel or even downright rudeness to dispense the strong presumption of judicial impartiality.[38]

[87] We reviewed the Amended Record of Proceedings and it indicates that Ali did have an opportunity to make submissions regarding the adjournment motions. He filed written submissions, his counsel made submissions at the hearing of the first motion to adjourn about the CIRO Panel's concerns about the impartiality of Ali's medical evidence. At the renewed adjournment motion, after the CIRO Panel decided that the evidence of Ali's Treating Psychiatrist was inadmissible, Ali's counsel did not indicate that he wished to make further submissions. The Amended Record of Proceedings also shows that Ali was granted numerous procedural indulgences by the CIRO Panel.

[88] On the issue of whether there were questions about Ali and his Treating Psychiatrist being of the same culture, there is no evidence in the Amended Record of Proceedings of the CIRO Panel questioning whether Ali was "familiar" with his doctor. Ali states this occurred in a private conversation with Ali's counsel. It is not clear from Ali's submission who had the conversation with his counsel. There is no means by which we can know who the conversation was with, when it occurred or the context and content of any such conversation.

[89] The CIRO Panel's reaction to the February Email, while indicating some emotion, was not in our view persuasive evidence of bias warranting our intervention.

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[37] *R v Gager*, 2020 ONCA 274 at para 153
[38] *Kelly v Palazzo*, 2008 ONCA 82 at para 21

[90] The CIRO Panel did dismiss Ali's renewed motion to adjourn, but the fact that a party disagrees with an adjudicator's decision does not constitute bias. [39]

[91] Assessed holistically and in the context of the entire CIRO proceeding, we conclude that the CIRO Panel acted fairly and impartially throughout the proceeding. We find no demonstration of actual bias nor the basis for Ali to assert that a reasonable person would have a reasonable apprehension of bias.

5.1.5 Conclusion regarding whether the CIRO Panel denied Ali procedural fairness

[92] For all the reasons above, we conclude that the CIRO Panel did not err in law by denying Ali procedural fairness. We find that given the numerous and lengthy re-schedulings of the CIRO proceeding and the CIRO Panel's assessment that it could not accept the Treating Psychiatrist as an expert because he was not impartial, the CIRO Panel did not err in law or principle by finding inadmissible the medical evidence, denying the renewed motion to adjourn indefinitely, requiring the merits hearing to proceed or failing to apply human rights principles. In addition, we find no basis to conclude that there was a reasonable apprehension of bias on the part of the CIRO Panel.

[93] Given all the circumstances it was reasonable for the CIRO Panel to ultimately proceed as it did. There is no evidence that Ali did not know the case he had to meet. He had an opportunity to respond to the concerns about the medical evidence and to the allegations against him before a panel that we find did not demonstrate actual bias or the basis for a reasonable apprehension of bias against him.

[94] We now turn to Ali's submission that the CIRO Panel erred by concluding that CIRO's allegations against him had been proven.

5.2 Did the CIRO Panel err in law by concluding that the allegations against Ali had been proven?

[95] Ali submits that CIRO Staff had the onus of proving the allegations against him but failed to provide any evidence against him other than that of his former employer, with whom he had had a falling out. Ali also asserts that the CIRO Panel erred by failing to consider his mental illness when it concluded that the alleged misconduct had been proven. In particular, Ali submits that:

a. he could not form the "ill intentions" required;

b. he did not appreciate the nature and quality of his actions;

c. he cannot recall his past actions; and

d. he was not of sound mind during his interview by CIRO Staff, and so the interview transcript "cannot be considered valid".

[96] CIRO Staff submits that there was a substantial amount of evidence provided to the CIRO Panel to establish the allegations, as outlined in the CIRO Decision.

[97] With respect to the CIRO Panel's alleged error of not considering Ali's mental health when reaching their conclusion on the merits, CIRO Staff submits:

a. the CIRO Panel had appropriately excluded the only evidence available regarding Ali's mental health and could not have erred for failing to consider the same evidence when assessing whether Ali had engaged in the misconduct;

b. intention or motive is not necessary to prove a regulatory contravention, other than those more akin to criminal violations, such as fraud;[40]

c. the Treating Psychiatrist started treating Ali in May 2020 and, therefore, had no observations of Ali at the time of the alleged misconduct;

d. the Treating Psychiatrist's statement in a June 3, 2020, letter about the possible impacts of Ali's mental illness in the past is vague and general. It is not clear if the statement applies to the alleged misconduct, which dated back 14 years;

e. the Treating Psychiatrist's statement in the Addendum that "[i]t is quite likely that many of the improprieties he is accused of occurred during this phase of his mental illness" was based on Ali's family's observations over

[39] *Apiaries Inc (Re)*, 2019 ONSEC 31 at para 22
[40] *Sabourin (Re)*, 2009 ONSEC 11 at paras 64-69

several months in 2018. This time was after the material time for the bulk of CIRO's allegations against Ali and prior to the Treating Psychiatrist starting to treat Ali;

f. there is no evidence that Ali suffered from memory loss, and an inability to remember events in issue is not a defence in the criminal context and equally should not be in the regulatory context; and

g. there is no evidence that Ali was not of sound mind during his CIRO interview because:

   i. the Treating Psychiatrist's statement was vague and did not clearly apply to the time of the CIRO interview;

   ii. Ali's ex-wife was not an expert and Ali's counsel did not ask to have her unsworn statement about the state of Ali's mental health at the time of the interview entered in to evidence; and

   iii. Ali was represented by two counsel during the CIRO interview, and they did not indicate to CIRO Staff that Ali was not of sound mind at the time.

[98] OSC Staff submits that Ali has failed to identify any discrete error of law or failure by the CIRO Panel to consider material evidence that would justify the Tribunal's intervention regarding the merits hearing. Further Ali adduced no new evidence to call into question the merits or sanctions decisions.

[99] We agree with CIRO Staff's and OSC Staff's submissions outlined above. We have reviewed the Amended Record of Proceedings and the CIRO Decision and conclude that the CIRO Panel considered and applied the evidence before them. We find no error by the CIRO Panel in concluding that the evidence proved the allegations against Ali.

[100] The CIRO Panel had evidence other than from Ali's employer, contrary to Ali's submissions. That evidence included documentary evidence of Ali's outside business activities, an affidavit from CIRO Staff's investigative witness, affidavits from employees of Ali's former dealer member attesting to the fact that Ali had not disclosed his outside business activities, and Ali's uncontroverted evidence from his interview about those outside business activities. In addition, Ali's counsel chose not to cross-examine CIRO Staff's witnesses or to lead any other evidence.

[101] With respect to the allegation that Ali failed to cooperate with CIRO Staff, during the investigation, Ali was asked to produce bank statements. CIRO Staff submitted at the CIRO merits hearing that Ali had provided some but not all the requested documents. CIRO Staff presented the bank documents that had been provided and made submissions about how the numbering of the pages supported the conclusion that not all the documents had been provided to CIRO as requested. In oral argument, Ali's counsel suggested an alternate view of the evidence. The CIRO Panel chose to rely on CIRO Staff's interpretation of the evidence on this issue. In addition, in June 2019 Ali's lawyer at the time advised CIRO in writing that Ali was not planning to cooperate further. We conclude that the CIRO Panel did not err in law in reaching the conclusion it did on the evidence before them on this point.

[102] With respect to whether the CIRO Panel erred by failing to consider Ali's mental health when determining the allegations had been proven, we find no such error. We concluded earlier that the CIRO Panel did not err by finding inadmissible the evidence of Ali's Treating Psychiatrist. Even if it had admitted the evidence, we conclude that it would have had no impact on the merits decision because:

a. the opinions were vague and not clearly linked to the allegations and were not based on contemporaneous observations by the Treating Psychiatrist during the material time of the misconduct;

b. Ali was represented during his CIRO interview, and his counsel did not raise any issues about his state of mind; and

c. the statement from Ali's ex-wife was unsworn, was not proffered into evidence and, had it been, the CIRO Panel could not be considered to have erred by not accepting the unsworn statement of someone who was not an expert.

[103] We therefore conclude that Ali has failed to establish an error that would warrant our intervention in the CIRO Panel's conclusions that the allegations against him had been proven.

[104] We now turn to whether the CIRO Panel erred by imposing unfair sanctions.

5.3 Did the CIRO Panel err in law by imposing unfair sanctions?

[105] Ali submits that the sanctions imposed on him were more onerous than those imposed on other market participants. Ali also submits the sanctions are excessive because he has not been working for five and a half years and he has no money to pay the financial sanctions.

[106] Both CIRO Staff and OSC Staff submit that Ali failed to allege any issues or errors in the sanctions decision and that the sanctions levied are not unreasonable.

[107] Despite Ali not specifying a particular error in the sanctions decision, we reviewed the CIRO Decision regarding sanctions to assess if there was any apparent error and conclude there was not.

[108] In the CIRO Decision, the CIRO Panel sets out the primary goal of securities regulation (protecting investors and fostering confidence in the capital markets) and the role that disciplinary sanctions play in restraining future misconduct. The CIRO Panel considers the serious nature of the misconduct in question, the fact that the misconduct took place over most of the period Ali was employed, that Ali had not recognized the seriousness of the misconduct, and the need for specific and general deterrence.

[109] Finally, the CIRO Panel considered previous comparable cases and concluded that "[CIRO] Staff's submissions with respect to sanctions were moderate and in accord with the Panel's overall view of the case."[41] It took note of two cases that were directly comparable where the fines imposed were the same as those proposed by Staff for Ali. Ali did not file any personal financial information or any other evidence relating to his ability to pay financial sanctions at the CIRO sanctions hearing, nor did he seek to introduce any such evidence on his Application.

[110] We conclude that the CIRO Panel did not err in their sanctions decision and therefore there is no basis for us to intervene in that decision.

6. OTHER RELIEF ALI IS SEEKING

[111] In his Application, Ali also asked for an order expunging all records of the CIRO proceeding and stating that his 2019 interview by CIRO Staff be "inadmissible". The basis provided for Ali's request about the records of the CIRO proceeding was concerns about his privacy. Regarding the 2019 interview, Ali submits that he did not know what he was saying at the time, and he does not remember the interview.

[112] OSC Staff submits, and we agree, that it would be inappropriate for us to consider these issues on a review, given that they were not raised with the CIRO Panel and not included in the Application.

7. CONCLUSION

[113] We have not found any persuasive evidence to conclude that the CIRO Panel committed any errors that would warrant our intervention in the CIRO Decision, with respect to either the merits or sanctions decisions. Ali's Application is therefore dismissed.

Dated at Toronto this 22nd day of December, 2023

"M. Cecilia Williams"

"Sandra Blake"

"William Furlong"

[41] CIRO Decision at para 66

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B. Ontario Securities Commission

B.2 Orders

B.2.1 Affinor Growers Inc.

Headnote

National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions – Application by an issuer for a revocation of cease trade orders issued by the Commission and British Columbia Securities Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – Ontario opt-in to revocation order issued by British Columbia Securities Commission, as principal regulator.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s. 144.
National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions.

Citation: 2023 BCSECCOM 588

REVOCATION ORDER

AFFINOR GROWERS INC.

UNDER THE SECURITIES LEGISLATION OF BRITISH COLUMBIA AND ONTARIO (the Legislation)

Background

¶ 1 Affinor Growers Inc. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator of the British Columbia Securities Commission (the Principal Regulator) and Ontario (each a Decision Maker) respectively on December 19, 2022.

¶ 2 The Issuer has applied to each of the Decision Makers under National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocation in Multiple Jurisdictions* (NP 11-207) for an order revoking the FFCTO.

¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

¶ 4 Terms defined in National Instrument 14-101 *Definitions* or in NP 11-207 have the same meaning if used in this order, unless otherwise defined.

Order

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

¶ 6 The decision of the Decision Makers under the Legislation is that the FFCTO is revoked.

¶ 7 December 20, 2023

"Larissa M. Streu"
Manager, Corporate Disclosure
Corporate Finance

OSC File #: 2023/0302

B.2.2 360 Trading Networks UK Limited – s. 147

Headnote

Application for an interim order that a multilateral trading facility authorized by the United Kingdom Financial Conduct Authority is exempt from the requirement to be recognized as an exchange in Ontario and from the requirements of NI 21-101, NI 23-101, and NI 23-103 in their entirety – requested order granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 147.
National Instrument 21-101 Marketplace Operation, s. 15.1.
National Instrument 23-101 Trading Rules, s. 12.1.
National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces, s. 10.

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

AND

IN THE MATTER OF
360 TRADING NETWORKS UK LIMITED

ORDER
(Section 147 of the Act)

WHEREAS 360 Trading Networks UK Limited (the **Applicant** or **360T UK**) has filed an application dated November 28, 2023 (**Application**) with the Ontario Securities Commission (**Commission**) requesting an interim order for the following relief (collectively, the **Requested Relief**):

(a) Exempting the Applicant from the requirement to be recognized as an exchange under subsection 21(1) of the Act pursuant to section 147 of the Act; and

(b) Exempting the Applicant from the requirements in National Instrument 21-101 Marketplace Operation (**NI 21-101**) pursuant to section 15.1 of NI 21-101, the requirements of National Instrument 23-101 Trading Rules (**NI 23-101**) pursuant to section 12.1 of NI 23-101 and the requirements of National Instrument 23-103 Electronic Trading and Direct Electronic Access to Marketplaces (**NI 23-103**) pursuant to section 10 of NI 23-103;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a private limited company organized under the laws of England & Wales. The applicant is a wholly owned subsidiary of 360 Treasury Systems AG, which in turn is a wholly owned subsidiary of Deutsch Börse AG. In the Province of Ontario, 360 Treasury Systems AG operates under the terms of an exemption order granted by the Commission on 14 June 2019.

2. On November 22, 2023, the Financial Conduct Authority (the **FCA**), a financial regulatory body in the U.K., authorized the Applicant to act as an operator of a multilateral trading facility (**MTF**) and the Applicant's U.K. MTF began operations on December 15, 2023;

3. The timing of the FCA authorization, preparation for the platform launch, and 360T UK's extensive partnership with Participants in Ontario necessities urgent need for interim relief;

4. The Applicant is a marketplace for trading FX derivative instruments. The MTF currently supports request-for-quote functionality for FX forwards, FX swaps, FX Strategy, FX options, FX non-deliverable forwards, FX non-deliverable swaps, and FX non-deliverable strategy (the **MTF Instruments**);

5. The Applicant is subject to regulatory supervision by the FCA and is required to comply with the FCA's Handbook (**FCA Rules**), which includes, among other things, rules on (a) the conduct of business (including rules regarding client categorization, communication with clients and other investor protections and client agreements), (b) market conduct (including rules applicable to firms operating an MTF), and (c) systems and controls (including rules on outsourcing, governance, record-keeping and conflicts of interest). The FCA requires the Applicant to comply at all times with a set of threshold conditions for authorization, including requirements that the Applicant has sound business and controlled business operations and that it has appropriate resources for the activities it carries on. The Applicant is subject to

prudential regulation, including minimum regulatory capital requirements, and is capitalized in excess of regulatory requirements. The Applicant is required to maintain an independent compliance function, which is headed by the Applicant's Chief Compliance Officer, an FCA-approved person. The Applicant's Compliance Department is responsible for identifying, assessing, advising, monitoring and reporting on the Applicant's compliance risk (i.e., the risk that the Applicant fails to comply with its obligations under the Financial Services and Markets Act 2000, the retained EU law version of the Markets in Financial Instruments Regulation (600/2014), the rules pertaining to this legislation, the applicable guidance from the FCA and the FCA Rules);

6. An MTF is obliged under the FCA Rules to have requirements governing the conduct of members, to monitor compliance with those requirements and report to the FCA a) significant breaches of MTF rules, (b) disorderly trading conditions, and (c) conduct that may involve market abuse. The Applicant will also notify the FCA when a participant's access is terminated as a result of a significant rule infringement, and may notify the FCA when a participant is temporarily suspended or subject to condition(s). As required by FCA rules, the Applicant has implemented a trade surveillance program. The trade surveillance program is designed to maintain a fair and orderly market for the MTF's members;

7. At this time, the Applicant does not list any cleared instruments, but to the extent that the Applicant lists cleared instruments in the future, the MTF must submit all trades that are required to be cleared to a clearing house or clearing agency for clearing that is regulated as a clearing agency or clearing house by the applicable regulator;

8. The Applicant requires that its members qualify as an “eligible counterparty” or “professional client”, as defined by the FCA in COBS 3 of the FCA Rules and (i) satisfy capital adequacy and financial resource requirements, (ii) employ staff with adequate qualifications in key positions, (iii) be fit and proper to become members, (iv) have financial, business or personal standing suitable to enter into the relevant transactions, (v) have a sufficient level of trading ability and competence, (vi) be able to satisfy the general organizational and technical requirements for participation on the MTF, (vii) provide the Applicant with its LEI and all other required onboarding information; (viii) have adequate pre-trade controls on price, volume and value of orders and usage of the system and post-trade controls, and (ix) have adequate execution, order management and settlement systems in place. Each prospective member must: comply and ensure that its authorized traders comply, and, in each case, continue to comply, with the MTF Rulebook and applicable law; have the legal capacity to trade in the instruments it selects to trade on the MTF; and have all registrations, authorizations, approvals and/or consents required by applicable law in connection with trading in instruments on the MTF;

9. All members that are located in Ontario, including participants with their headquarters or legal address in Ontario (e.g., as indicated by a participant's Legal Entity Identifier (**LEI**)) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity (**Ontario Users**) will be required to sign a user acknowledgment representing that they meet the criteria set forth in the user acknowledgment, including that they are appropriately registered under Ontario securities laws, exempt from registration or not subject to registration requirements. The user acknowledgment will require an Ontario User to make an ongoing representation each time it uses the MTF that it continues to meet the criteria set forth in the user acknowledgment. An Ontario User will also be required to immediately notify the Applicant if it ceases to meet any of the above criteria represented by it on an ongoing basis;

10. The Applicant expects that Ontario Users will consist of banking institutions, broker-dealers and corporate entities that meet the criteria described above;

11. The Applicant does not offer access to retail clients;

12. Because the MTF sets requirements for the conduct of its members and surveils the trading activity of its members, it is considered by the Commission to be an exchange;

13. Since the Applicant seeks to provide Ontario Users with direct access to trading of the MTF Instruments on the MTF, it is considered by the Commission to be “carrying on business as an exchange” in Ontario and is required to be recognized as such or exempted from recognition pursuant to section 21 of the Act;

14. The Applicant has no physical presence in Ontario and does not otherwise carry on business in Ontario except as described herein; and

15. The Applicant intends to file a full application to the Commission for a subsequent order for the requested relief (**Subsequent Order**).

AND WHEREAS the products traded on the Applicant's MTF are not commodity futures contracts as defined in the *Commodity Futures Act* (Ontario) and the Applicant is not considered to be carrying on business as commodity futures exchanges in Ontario;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and the Applicant's activities on an ongoing basis to determine 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 Applicant has acknowledged to the Commission that the scope of the Requested Relief and the terms and conditions imposed by the Commission set out in Schedule "A" to this order, or the determination whether it is appropriate that the Applicant continue to be exempted from the requirement to be recognized as an exchange, may change as a result of the Commission's monitoring of developments in international and domestic capital markets or the Applicant's activities, or as a result of any changes to the laws in Ontario affecting trading in derivatives or securities;

AND WHEREAS based on the Application, together with the representations made by and acknowledgments of the Applicant to the Commission, the Commission has determined that the granting of the Requested Relief would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, on an interim basis,

(i) pursuant to section 147 of the Act, the Applicant is exempt from recognition as an exchange under subsection 21(1) of the Act; and

(ii) pursuant to sections 15.1 of NI 21-101, 12.1 of NI 23-101 and 10 of NI 23-103, the Applicant is exempt from the requirements in NI 21-101, NI 23-101 and NI 23-103.

PROVIDED THAT:

1. This Order shall terminate on the earlier of (i) June 30, 2024 and (ii) the effective date of the Subsequent Order;

2. The Applicant complies with the terms and conditions contained in Schedule "A"; and

3. The Applicant files a full application to the Commission for the Subsequent Order by January 30, 2024.

DATED December 22, 2023

"Michelle Alexander"
Manager, Market Regulation

SCHEDULE "A"

TERMS AND CONDITIONS

Meeting Criteria for Exemption

1. The Applicant will continue to meet the criteria for exemption included in Appendix I to this Schedule.

Regulation and Oversight of the Applicant

2. 360T UK will maintain its authorization as an operator of a MTF with the FCA and will continue to be subject to the regulatory oversight of the FCA.

3. 360T UK will continue to comply with the ongoing requirements applicable to it as an operator of an MTF authorized with the FCA.

4. 360T UK will promptly notify the Commission if its authorization as an operator of an MTF has been revoked, suspended, or amended by the FCA, or the basis on which its authorization as an operator of an MTF has been granted has significantly changed.

5. 360T UK must do everything within its control, which includes cooperating with the Commission as needed, to carry out its activities as an exchange exempted from recognition under subsection 21(1) of the Act in compliance with Ontario securities law.

Access

6. 360T UK will not provide direct access to a participant in Ontario including a participant with its headquarters or legal address in Ontario (e.g., as indicated by a participant's LEI) and all traders conducting transactions on its behalf, regardless of the traders' physical location (inclusive of non-Ontario branches of Ontario legal entities), as well as any trader physically located in Ontario who conducts transactions on behalf of any other entity unless the Ontario User is appropriately registered as applicable under Ontario securities laws or exempt from or not subject to those requirements, and qualifies an "eligible counterparty" or "professional client" as defined by the FCA in COBS 3 of the FCA Rules.

7. For each Ontario User provided direct access to its MTF, 360T UK will require, as part of its application documentation or continued access to the MTF, the Ontario User to represent that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements.

8. 360T UK may reasonably rely on a written representation from the Ontario User that specifies either that it is appropriately registered as applicable under Ontario securities laws or is exempt from or not subject to those requirements, provided 360T UK notifies such Ontario User that this representation is deemed to be repeated each time it enters an order, request for quote or response to a request for quote or otherwise uses 360T UK's MTF.

9. 360T UK will require Ontario Users to notify 360T UK if their registration as applicable under Ontario securities laws has been revoked, suspended, or amended by the Commission or if they are no longer exempt from or become subject to those requirements and, following notice from the Ontario User and subject to applicable laws, 360T UK will promptly restrict the Ontario User's access to 360T UK if the Ontario User is no longer appropriately registered or exempt from those requirements.

Trading by Ontario Users

10. 360T UK will not provide access to an Ontario User to trading in products other than FX forwards, FX swaps, FX options, FX Strategy, FX non-deliverable forwards, non-deliverable swaps, and non-deliverable strategy without prior Commission approval.

Submission to Jurisdiction and Agent for Service

11. With respect to a proceeding brought by the Commission arising out of, related to, concerning or in any other manner connected with the Commission's regulation and oversight of the activities of 360T UK in Ontario, 360T UK will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario.

12. 360T UK will submit to the Commission a valid and binding appointment of an agent for service in Ontario upon whom the Commission 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, related to, concerning or in any other manner connected with the Commission's regulation and oversight of 360T UK's activities in Ontario.

Prompt Reporting

13. 360T UK will notify staff of the Commission promptly of any of:

    a. any authorization to carry on business granted by the FCA is revoked or suspended or made subject to terms or conditions on 360T UK's operations;

    b. 360T UK institutes a petition for a judgment of bankruptcy or insolvency or similar relief, or to wind up or liquidate 360T UK or has a proceeding for any such petition instituted against it;

    c. a receiver is appointed for 360T UK or 360T UK makes any voluntary arrangement with creditors;

    d. 360T UK marketplace is not in compliance with this Order or with any applicable requirements, laws or regulations of the FCA where it is required to report such non-compliance to the FCA;

    e. any known investigations of, or disciplinary action against, 360T UK by the FCA or any other regulatory authority to which it is subject; and

    f. 360T UK makes any material change to the eligibility criteria for Ontario Users.

Semi-Annual Reporting

14. 360T UK will maintain the following updated information and submit such information in a manner and form acceptable to the Commission on a semi-annual basis (by July 31 for the first half of the calendar year and by January 31 of the following year for the second half), and at any time promptly upon the request of staff of the Commission:

    (a) a current list of all Ontario Users and whether the Ontario User is registered under Ontario securities laws or is exempt from or not subject to registration, and, to the extent known by 360T UK, other persons or companies located in Ontario trading on 360T UK's MTFs as customers of participants (**Other Ontario Participants**);

    (b) the legal entity identifier assigned to each Ontario User, and, to the extent known by 360T UK, to Other Ontario Participants in accordance with the standards set by the Global Legal Entity Identifier System;

    (c) a list of all Ontario Users against whom disciplinary action has been taken since the previous report by 360T UK or its regulation services provider (RSP) acting on its behalf, or, to the best of 360T UK's knowledge, by the FCA with respect to such Ontario Users' activities on 360T UK and the aggregate number of disciplinary actions taken against all participants since the previous report by 360T UK or its RSP acting on its behalf;

    (d) a list of all active investigations since the last report by 360T UK relating to Ontario Users and the aggregate number of active investigations since the last report relating to all participants undertaken by 360T UK;

    (e) a list of all Ontario applicants for status as a participant who were denied such status or access to 360T UK since the last report, together with the reasons for each such denial; and

    (f) for each product,

        (i) the total trading volume and value originating from Ontario Users, and, to the extent known by 360T UK, from Other Ontario Participants, presented on a per Ontario User or per Other Ontario Participant basis; and

        (ii) the proportion of worldwide trading volume and value on 360T UK's MTFs conducted by Ontario Users, and, to the extent known by 360T UK, by Other Ontario Participants, presented in the aggregate for such Ontario Users and Other Ontario Participants;

    provided in the required format.

Information Sharing

15. 360T UK will provide such information as may be requested from time to time by, and otherwise cooperate with, the Commission 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 I TO SCHEDULE "A"

CRITERIA FOR EXEMPTION OF A FOREIGN EXCHANGE TRADING OTC DERIVATIVES FROM RECOGNITION AS AN EXCHANGE

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 for all officers, directors and employees, 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 and past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity.

PART 3 REGULATION OF PRODUCTS

3.1 Review and Approval of Products

The products traded on the exchange and any changes thereto are submitted to 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 that may include, but are not limited to, 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 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.

(e) The exchange keeps records of each grant and each denial or limitation of access, including reasons for granting, denying or limiting access.

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 and do not permit unreasonable discrimination among participants or impose any burden on competition that is not reasonably necessary or appropriate.

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 or requires its participants to have appropriate arrangements for the clearing and settlement of transactions for which clearing is mandatory through a clearing house.

8.2 Risk Management of Clearing House

The exchange does not offer products which are intended to be cleared.

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 System Capability/Scalability

Without limiting the generality of section 9.1, for each of its systems supporting order entry, order routing, execution, data feeds, trade reporting and trade comparison, the exchange:

a. makes reasonable current and future capacity estimates;

b. conducts capacity stress tests to determine the ability of those systems to process transactions in an accurate, timely and efficient manner;

c. reviews the vulnerability of those systems and data centre computer operations to internal and external threats, including physical hazards and natural disasters;

d. ensures that safeguards that protect a system against unauthorized access, internal failures, human errors, attacks and natural catastrophes that might cause improper disclosures, modification, destruction or denial of service are subject to an independent and ongoing audit which should include the physical environment, system capacity, operating system testing, documentation, internal controls and contingency plans;

e. ensures that the configuration of the system has been reviewed to identify potential points of failure, lack of back-up and redundant capabilities;

f. maintains reasonable procedures to review and keep current the development and testing methodology of those systems; and

g. maintains reasonable back-up, contingency and business continuity plans, disaster recovery plans and internal controls.

9.3 Information Technology Risk Management Procedures

The exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and respond to market disruptions and disorderly trading.

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 TRADING PRACTICES

11.1 Trading Practices

Trading practices are fair, properly supervised and not contrary to the public interest.

11.2 Orders

Rules pertaining to order size and limits are fair and equitable to all market participants and the system for accepting and distinguishing between and executing different types of orders is fair, equitable and transparent.

11.3 Transparency

The exchange has adequate arrangements to record and publish accurate and timely information as required by applicable law or the Foreign Regulator. This information is also provided to all participants on an equitable basis.

PART 12 COMPLIANCE, SURVEILLANCE AND ENFORCEMENT

12.1 Jurisdiction

The exchange or the Foreign Regulator has the jurisdiction to perform member and market regulation, including the ability to set rules, conduct compliance reviews and perform surveillance and enforcement.

12.2 Member and Market Regulation

The exchange or the Foreign Regulator maintains appropriate systems, resources and procedures for evaluating compliance with exchange and legislative requirements and for disciplining participants.

12.3 Availability of Information to Regulators

The exchange has mechanisms in place to ensure that the information necessary to conduct adequate surveillance of the system for supervisory or enforcement purposes is available to the relevant regulatory authorities, including the Commission, on a timely basis.

PART 13 RECORD KEEPING

13.1 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 14 OUTSOURCING

14.1 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 15 FEES

15.1 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 16 INFORMATION SHARING AND OVERSIGHT ARRANGEMENTS

16.1 Information Sharing and Regulatory Cooperation

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

16.2 Oversight Arrangements

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

PART 17 IOSCO PRINCIPLES

17.1 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 (IOSCO) including those set out in the “Principles for the Regulation and Supervision of Commodity Derivatives Markets” (2011).

B.2.3 Nova Royalty Corp.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Securities Act s. 88 Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market – The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation.

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.B.C. 1996, c. 418, s. 88.
Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)(a)(ii).

Citation: 2023 BCSECCOM 609

December 28, 2023

**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
NOVA ROYALTY CORP.
(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, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Québec and Saskatchewan, 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.

"Noreen Bent"
Chief, Corporate Finance Legal Services
British Columbia Securities Commission

OSC File #: 2023/0616

B.2.4 KOR Reporting Inc. – s. 21.2.2

Headnote

Section 21.2.2 of the Securities Act (Ontario), section 42 of OSC Rule 91-507 – Application for an order designating KOR Reporting Inc. (KOR) as a trade repository and for a decision partially exempting KOR from the requirement in ss. 17(5) of OSC Rule 91-507 – request granted.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 21.2.2.
OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting, ss. 17(5), s. 42.

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

AND

IN THE MATTER OF
KOR REPORTING INC.

ORDER
(Section 21.2.2 of the Act)

WHEREAS KOR Reporting Inc. (**KOR**) has submitted an application (the **Application**) with the Ontario Securities Commission (the **Commission**) requesting an order pursuant to section 21.2.2 of the Act designating KOR as a trade repository;

AND WHEREAS KOR has represented to the Commission that:

a. KOR is incorporated under Delaware law and is a wholly owned subsidiary of KOR US Holdings Inc. KOR is provisionally registered with the Commodity Futures Trading Commission (**CFTC**), its primary regulator, as a swap data repository (**SDR**) for interest rate, credit, equity, foreign exchange and other commodity derivatives under the U.S. *Commodity Exchange Act*;

b. KOR will comply with all applicable requirements for designated trade repositories under Ontario securities laws, including applicable requirements in OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* (**OSC Rule 91-507**) and pursuant to its application to be a designated trade repository; and

c. KOR seeks to be designated as a trade repository in order to offer trade repository services in Ontario with respect to the following asset classes: interest rates, credit, equity, foreign exchange, and commodities (**Trade Repository Services**);

AND WHEREAS KOR is currently subject to the oversight of the CFTC as a SDR;

AND WHEREAS the CFTC, the Commission, the Alberta Securities Commission, the British Columbia Securities Commission, the Autorité des marchés financiers, the Manitoba Securities Commission, Financial and Consumer Services Commission (New Brunswick), Financial and Consumer Affairs Authority of Saskatchewan, Nova Scotia Securities Commission, Superintendent of Securities (Yukon), Superintendent of Securities (Northwest Territories), Superintendent of Securities (Nunavut), Superintendent of Securities (Prince Edward Island) and Superintendent of Securities (Newfoundland and Labrador) have entered into a Memorandum of Understanding regarding cooperation and the exchange of information related to the supervision of cross-border covered entities;

AND WHEREAS KOR will be subject to the applicable requirements in OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*, as amended from time to time (**OSC Rule 91-507**);

AND WHEREAS the Director has granted an exemption in part from the requirement under subsection 17(5) of OSC Rule 91-507, as set out in Schedule "B" of this order.

AND WHEREAS based on the Application and the representations KOR has made to the Commission, the Commission has determined that it is in the public interest to designate KOR as a trade repository pursuant to section 21.2.2 of the Act, subject to the terms and conditions that are set out in Schedule "A" of this order;

AND WHEREAS KOR has agreed to the respective terms and conditions that are set out in Schedule "A" of this order;

AND WHEREAS KOR has demonstrated that it is compliant with the applicable requirements in OSC Rule 91-507 and the respective terms and conditions that are set out in Schedule "A" of this order;

AND WHEREAS the Commission will monitor developments in international and domestic capital markets and KOR's activities on an ongoing basis to determine whether it is appropriate that KOR continues to be designated subject to the terms and conditions in this order and whether it is appropriate to amend this order and the terms and conditions thereunder pursuant to section 144 of the Act;

IT IS ORDERED by the Commission that KOR be designated as a trade repository pursuant to section 21.2.2 of the Act;

PROVIDED THAT KOR complies with the applicable requirements in OSC Rule 91-507 and the terms and conditions attached hereto as Schedule "A" of this order.

DATED December 21, 2023

“Susan Greenglass”
Director, Market Regulation
Ontario Securities Commission

SCHEDULE "A"

TERMS and CONDITIONS

DEFINITIONS

For the purposes of this Schedule:

"Ontario-based participant" means a KOR client that (a) is a person or company organized under the laws of Ontario or that has its head office or principal place of business in Ontario, (b) is registered under Ontario securities law as a derivatives dealer or in an alternative category as a consequence of trading in derivatives, or (c) is an affiliate of a person or company described in (a) and such person or company is responsible for the liabilities of that affiliated party, and (d) has executed all applicable KOR agreements and addendums.

"Ontario securities law" has the meaning ascribed to it in subsection 1(1) of the Act;

“participant” means a KOR client that has executed all applicable KOR agreements and addendums.

"Rule" means a proposed new, amendment to, or deletion of, any provision or other requirement in KOR's Canadian TR Rulebook, policies, and procedures governing the rights and obligations between KOR and Ontario-based participants.

"Rule Subject to Approval" has the meaning ascribed to it in the Rule and Approval Protocol at Appendix "B" to this Schedule.

Unless the context otherwise requires, other terms used in this Schedule "A" and its Appendices have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this designation order).

REGULATION IN HOME JURISDICTION

1. KOR must maintain its status as an SDR in the United States and will continue to be subject to the regulatory oversight of the CFTC.

2. KOR must continue to comply with its ongoing regulatory requirements as an SDR in the United States.

3. KOR must provide prompt written notice to the Commission of any material change or proposed material change to its status as an SDR in the United States or the regulatory oversight of the CFTC.

OWNERSHIP OF PARENT

4. KOR must provide to the Commission 90 days prior written notice and a detailed description and assessment of the impact of a change in control of KOR US Holdings Inc. and KOR.

SERVICES OFFERED

5. KOR must not act as a trade repository designated in Ontario to which reporting counterparties report trades in an asset class other than credit, equity, interest rate, foreign exchange, and commodities to meet the reporting requirements under OSC Rule 91-507 without prior written approval of the Commission.

ACCESS AND PARTICIPATION

6. KOR must, on a semi-annual basis, 30 days after the end of each period, provide the Commission with a list that specifies each self-identified Ontario-based participant that has been granted access to KOR's Trade Repository Services.

7. KOR must promptly notify the Commission when an applicant has been denied access to KOR’s Trade Repository Services and who would otherwise be an Ontario-based participant.

DATA REPORTING

(a) Collection of Data

8. KOR must provide the Commission with notice of any material changes to the specifications of data KOR sends to the Commission, either in how the Commission reviews or in the format the Commission receives data under OSC Rule 91-507 at least 45 days before implementing the changes. For material changes to the specifications of the methods used to collect data from participants, or to the definition, structure and format of the data, which shall cause participants to make changes, KOR must provide the Commission with notice at least 7 days before implementing the changes.

9. KOR must amend, create, remove, define or otherwise modify any data elements (including format) required to be reported by participants who are reporting, or who are reporting on behalf of reporting counterparties, under OSC Rule

91-507, in a manner and within a time frame required by the Commission from time to time after consultation with KOR and taking into consideration any practical implication of such modification on KOR.

10. KOR must use best efforts to adapt to relevant internationally accepted communication procedures and standards for the collection and reporting of data for each required data element under OSC Rule 91-507 as requested by the Commission, in a manner and within a time frame acceptable to the Commission.

11. For life-cycle event data that is required to be reported under OSC Rule 91-507, KOR must sequence and link life-cycle events to the creation data relating to the original transaction.

12. For any data elements that are specific to a particular asset class or product required to be reported under OSC Rule 91-507 for each transaction, KOR must provide Ontario-based participants with the option to either not populate the field, not submit the field, or populate a value indicating that a field is not applicable to a transaction.

13. KOR must not accept transactions that are required to be reported under OSC Rule 91-507 if any mandatory data elements under OSC Rule 91-507 have been left blank.

(b) Public Dissemination of Data

14. KOR must ensure that data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is in a format, and is disseminated in a manner, that is acceptable to the Commission. Without limiting the generality of the foregoing, KOR must ensure that such data is readily available and easily accessible to the public through its website.

15. KOR must ensure that aggregate data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 satisfies the criteria set out in Appendix "A" to this Schedule, as amended from time to time. KOR must ensure that all other data required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 is not made publicly available until the Commission has approved of the method and format of the dissemination.

16. KOR must (a) anonymize, or (b) make any other modifications based on thresholds or other criteria to, data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507, in a manner prescribed by the Commission.

17. KOR must exclude inter-affiliate transactions from data that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507.

18. KOR must amend, create, remove, define or otherwise modify data (including format) required to be publicly disseminated pursuant to section 39 of OSC Rule 91-507 in a manner and within a timeframe required by the Commission from time to time after consultation with KOR and taking into consideration any practical implication of such modification to KOR.

19. Upon the Commission's request, KOR must delay, and subsequently resume, the public dissemination of data that is required to be disseminated pursuant to section 39 of OSC Rule 91-507 in a manner and within a time frame acceptable to the Commission.

(c) Provision of Data to the Commission

20. For greater clarity with respect to section 37 of OSC Rule 91-507, KOR must at a minimum, on a daily basis, provide the Commission with creation data that reflects life-cycle events up to and including the most current life-cycle event and valuation data through secured portal access with respect to data reported to it under OSC Rule 91-507; as well as work with the Commission to provide data reported to it under OSC Rule 91-507 that is in KOR's possession as is required by the Commission to fulfill its mandate, including but not limited to creation, life-cycle event, and valuation data, through either secured portal or SFTP access or both, in a manner and within a timeframe acceptable to the Commission.

21. KOR must work with the Commission to provide such reports as may be required by the Commission, including but not limited to life-cycle event and transaction level reports relating to data reported to it under OSC Rule 91-507, in a manner and within a timeframe acceptable to the Commission.

22. KOR must ensure that a version number, including a date stamp, clearly identifies changes to the processes used to extract and load data that is required to be reported to the Commission pursuant to OSC Rule 91-507 using industry best practices.

CHANGE OF INFORMATION

23. In the event that KOR amends Form 91-507F1 under subsection 3(1) of OSC Rule 91-507 and the proposed change must also be submitted with the CFTC, KOR may satisfy its requirement under subsection 3(1) of OSC Rule 91-507 by providing the information submitted with the CFTC concurrently to the Commission. KOR must also provide the Commission with the annual update to its Form SDR submitted with the CFTC concurrently. Where a significant change

to a matter set out in Form 91-507F1 is not otherwise subject to submitting with the CFTC or the significant change is Canadian-specific in that it relates solely to the trade repository activities of KOR in Canada, KOR must comply with the requirement as set out in subsection 3(1) of OSC Rule 91-507.

RULES

24. KOR must apply only the KOR Canadian TR Rulebook to its Trade Repository Services.

25. KOR must provide to the Commission, no later than 10 business days prior to the intended effective date, a Rule Subject to Approval in accordance with Appendix "B" to this Schedule.

26. KOR must provide to the Commission on a quarterly basis, within 30 days after the end of each quarter, a copy of its Rules showing all cumulative changes to the Rules made during the quarter. If no changes were made, no Rules shall be submitted.

27. In the event that KOR is required to submit a Rule with the CFTC for approval, KOR must provide to the Commission, concurrently with the submission to the CFTC and no later than 10 business days prior to the effective date, a Rule that is not a Rule Subject to Approval but that is applicable to Ontario-based participants.

SYSTEMS

28. KOR must provide at least 30 days prior notice to the Commission before finalizing the scope of the review required under subsection 21(6) of OSC Rule 91-507, and after consultation with the Commission, KOR must make any reasonable amendments to the scope as requested by the Commission.

FEES

29. KOR must at times as requested by the Commission, conduct a review of its fees for KOR's Trade Repository Services. KOR must provide a written report on the outcome of such review to the Commission within 30 days after the completion of the review.

COMMERCIALIZATION OF DATA

30. KOR must not unreasonably restrict the access to and use of data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507.

31. KOR must not restrict the access to and use of data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 without prior written approval of the Commission.

32. KOR must provide the Commission with 30 days prior written notice of any intended changes to the terms of access or use as they pertain to data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507, which will include a detailed description of any such changes.

33. KOR must not, as a term or condition of becoming a participant or as a term or condition of reporting data reported to it under OSC Rule 91-507 by a participant, require the consent of the participant to the release of any or all reported data for commercial or business purposes.

34. For greater clarity with respect to paragraph 22(2)(a) of OSC Rule 91-507, KOR must not release data reported to it under OSC Rule 91-507 that is required to be disseminated to the public pursuant to section 39 of OSC Rule 91-507 for commercial or business purposes until after its public dissemination.

35. KOR must be responsible for securing any and all necessary consents from any third parties whose proprietary information is contained in the data reported to it under OSC Rule 91-507 before using it for commercial or business purposes.

36. In addition to the requirements set out in subsection 22(2) of OSC Rule 91-507, KOR must not release data that is required to be reported pursuant to OSC Rule 91-507 for commercial or business purposes in relation to a product or service line without the Commission's prior written approval of the type and nature of the commercial or business product or service line, in the following manner:

    a. KOR must provide the Commission with written notification of the type and nature of the commercial or business product or service line offered by KOR at least 10 business days prior to the intended launch date of the product or service line;

    b. If Commission staff within 10 business days of receipt of the notification do not object to such product or service line, then the product or service line shall be deemed to be approved by the Commission;

c. If Commission staff within 10 business days of receipt of the notification object to such product or service line, then the Commission will review and make a decision regarding approval of such product or service line within 30 days of KOR providing notification to the Commission pursuant to paragraph (a) above.

TRANSITION REQUIREMENTS

37. For a period of 2 years from the date of this order, KOR must provide a report, 30 days after the end of each quarter, summarizing (a) the number of applications in Ontario for access outstanding at the end of each quarter, and (b) any material issues encountered during each quarter relating to the onboarding of new participants or reporting from Ontario-based participants as well as KOR's plans to address them.

38. Following its designation in Ontario, and on an ongoing basis, KOR must (a) ensure that appropriate access, including direct access, data feeds, browser and internet-based interfaces, reports or any other relevant form of access, is provided to the Commission, (b) monitor the development by any service provider it engages for all systems (including applications) supporting its trade repository functions, and (c) ensure that its systems are secure and that any security vulnerabilities are monitored and promptly corrected once identified.

39. Following its designation in Ontario, KOR must ensure that any necessary maintenance and enhancement of its Trade Repository Services and systems is being appropriately prioritized and staffed, and that any issues are appropriately escalated to senior management.

REPORTING REQUIREMENTS

40. KOR must promptly notify the Commission of any event, circumstance, or situation that could materially prevent KOR's ability to continue to comply with the terms and conditions of the order.

41. KOR must, as soon as reasonably possible, notify the Commission of any intended use of its emergency powers to modify, limit, suspend or interrupt KOR's Trade Repository Services.

42. KOR must promptly provide to the Commission information regarding any material known investigations or legal proceedings instituted against it, to the extent that it is not prohibited from doing so under applicable law.

43. KOR must promptly provide to the Commission the details of any appointment of a receiver or the making of any voluntary arrangement with its creditors.

INFORMATION SHARING AND REGULATORY COOPERATION

44. KOR must provide to the Commission any information related to its business as a designated trade repository as may be requested from time to time, and otherwise cooperate with, the Commission 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.

45. KOR must provide regulators other than the Commission with access to data that is required to be reported pursuant to Ontario securities law in compliance with the relevant laws and regulations governing such access.

APPENDIX "A"

CANADIAN PUBLIC AGGREGATE DATA REPORTING TEMPLATE

KOR is required to publicly disseminate the range and type of aggregate metrics set out in this Appendix "A" in order to satisfy its obligations under section 39 of OSC Rule 91-507.

Part I. Current Notional and Number of Positions Outstanding

1. For each reporting period, KOR must publish on the Report Date

   a. the gross notional amount of all open positions, and

   b. the total number of positions outstanding.

2. At a minimum, KOR must publish the data described in section 1 for the following reporting periods:

   a. current week,

   b. previous week, and

   c. four weeks prior to the current week.

3. KOR must publish the data required by section 1 according to the following breakdowns:

   a. Asset Class: Commodity, Interest Rate, Credit, Foreign Exchange and Equity;

   b. Asset Classes in (a) by Tenor: 0-3 month, 3-6 month, 6-12 months, 12-24 months, 24-60 months, and greater than 60 months; and

   c. Asset Classes in (a) by cleared/uncleared.

4. KOR must publish the data required by section 1 according to the following Product Categories for each Asset Class:

Commodities	**Interest Rate**	**Credit**	**Foreign Exchange**	**Equity**
Metals	IR Swap	Single Name-Sovereign	Non-deliverable forwards	Single Name Swap
Power	FRA	Single Name-Non-Sovereign	Non-deliverable options	Portfolio Swap
Natural Gas	Cross Currency	Index (including Index tranche)	Forward	Single Index Swap
Oil	Option (Including cap/floor)	Total Return Swap	Vanilla Option	Basket Swap
Coal	Exotic	Swaptions	Exotic	Contract For Difference

Index	Other	Exotic	Other	Option
Agriculture	_____	Other	_____	Forward
Environment	_____	_____	_____	Exotic
Freight	_____	_____	_____	Other
Exotic	_____	_____	_____	_____
Other	_____	_____	_____	_____

5. Despite section 4, KOR must publish the data required by section 1 for a particular Product Category specified in section 4 under the category of "Other" where there is less than 30 open positions in that Product Category for a given period.

6. Despite sections 3 and 4, KOR is not required to report the gross notional amount of all open positions for the "Commodity" Asset Class.

7. KOR must commence publication of the data required under this Part I Section 2 starting after the first week it accepts data in its production environment.

Part II. Turnover Notional and Number of Transactions

1. For each reporting period, KOR must publish on the Report Date

   a. the gross notional turnover (i.e. the gross notional amount of all new transactions entered into for that period), and

   b. the total number of transactions.

2. At a minimum, KOR must publish the data described in section 1 for the following reporting periods:

   a. current week,

   b. previous week, and

   c. the trailing 4-week period.

3. KOR must publish the data required by section 1 according to the following breakdowns:

   a. Asset Class: Commodity, Interest Rate, Credit, Foreign Exchange and Equity;

   b. Asset Classes in (a) by Tenor: 0-3 month, 3-6 month, 6-12 months, 12-24 months, 24-60 months, and greater than 60 months; and

   c. Asset Classes in (a) by cleared/uncleared

4. KOR must publish the data required by section 1 according to the following Product Categories for each Asset Class:

Commodities	Interest Rate	Credit	Foreign Exchange	Equity
Metals	IR Swap	Single Name-Sovereign	Non-deliverable forwards	Single Name Swap
Power	FRA	Single Name-Non-Sovereign	Non-deliverable options	Portfolio Swap
Natural Gas	Cross Currency	Index (including Index tranche)	Forward	Single Index Swap
Oil	Option (Including cap/floor)	Total Return Swap	Vanilla Option	Basket Swap
Coal	Exotic	Swaptions	Exotic	Contract For Difference
Index	Other	Exotic	Other	Option
Agriculture	_____	Other	_____	Forward
Environment	_____	_____	_____	Exotic
Freight	_____	_____	_____	Other
Exotic	_____	_____	_____	_____
Other	_____	_____	_____	_____

5. Despite section 4, KOR must publish the data required by section 1 for a particular Product Category specified in section 4 under the category of "Other" where there are fewer than five new transactions a week in that Product Category during the previous four-week period.

6. Despite sections 3 and 4, KOR is not required to report the turnover notional amount for the "Commodity" Asset Class.

7. KOR must commence publication of the data required under this Part II starting after the first week it accepts data in its production environment.

Explanatory Notes

Currency	The denomination currency of the reports is **Canadian dollars**. TRs are free to choose the conversion rate, but need to include the source in the reports. If the denomination currency of a transaction is non-Canadian dollar, the Canadian dollar equivalent notional amount should be calculated with report run date conversion rate.
Number of transactions	Represents the number of new unique transactions that are reported to a TR during the one-week period.
	Each transaction is recorded once, and netting arrangements and offsets (including compression) are ignored.
Pre-existing transactions	Pre-existing transactions should be included in calculating total outstanding notional and number of outstanding positions, while it should be excluded in calculating turnover notional and number of new positions.
Position Outstanding	It refers to a snapshot view of open transactions as of the end of the reporting period.
Report Date	TRs are expected to publish aggregation data by the following Wednesday after the report week
Tenor	For Current Notional and/or Positions Outstanding, use remaining contract maturity which is determined by the difference between the **weekly end date of the reporting period** and the expiry date for the position.
	For Turnover Notional and/or Number of Transactions, use original maturity which is determined by the difference between the end date and the start date.
	The tenor should be rounded into month. The upper bound of a bucket is included in the bucket (i.e. the 0-3M bucket includes 0, 1, 2 and 3M. and the 3-6 bucket does not include 3M.).
Week	A week is defined as having an execution timestamp between Saturday 12:00:00 AM UTC -- Friday 11:59:59PM UTC. Transactions with an execution timestamp in the above period but reported in the following two days at the end of the week should be included in the weekly report. Transactions with an execution timestamp in the above period but reported after the following two days at the end of the week should not be included in the weekly report.
Criteria of assessing usability of public data	Data is downloadable using tools readily available to the public.
	Data available for download is in a format that can be manipulated and analyzed using tools readily available to the public.

	Data made available to the public according to this Order can be viewed and downloaded without any conditions.
Counterparty identity	A designated trade repository must not disclose the identity of either counterparty to the transaction.

APPENDIX "B"

RULE REVIEW and APPROVAL PROTOCOL

1. PURPOSE

The Commission issued a designation order with terms and conditions governing the designation of KOR pursuant to subsection 21.2.2 of the *Securities Act* (Ontario). To comply with OSC Rule 91-507 and the terms and conditions of the designation order, KOR must file with the Commission documents outlining any Rule Subject to Approval. This protocol sets out the process for the filing, review and approval by the Commission of a Rule Subject to Approval.

2. DEFINITIONS

For the purposes of this Appendix:

- "Canada-Based Participant" means a KOR client that (a) is a person or company organized under the laws of an Applicable Canadian Province or that has its head office or principal place of business in an Applicable Canadian Province, (b) is registered under the securities legislation of an Applicable Canadian Province as a derivatives dealer or in an alternative category as a consequence of trading in derivatives, or (c) is an affiliate of a person or company described in (a) and such person or company is responsible for the liabilities of that affiliated party, and (d) has executed all applicable KOR agreements and addendums.

- "Applicable Canadian Province" means Manitoba, Ontario, Quebec, Alberta, British Columbia, New Brunswick, Nova Scotia, Saskatchewan, Yukon, Nunavut, Northwest Territories, Newfoundland and Labrador, Prince Edward Island or any other province or territory in Canada in which KOR is designated or recognized as a trade repository;

- "Rule Subject to Approval" means a Rule that applies exclusively to Canada-Based Participants, excluding any amendments that are intended to effect:

  (i) changes to the routine internal processes, practice or administration of KOR;

  (ii) changes to correct spelling, punctuation, typographical or grammatical mistakes, or inaccurate cross-referencing; or

  (iii) stylistic or formatting changes, including changes to headings or paragraph numbers.

Unless the context otherwise requires, other terms used in this Appendix "B" have the meanings ascribed to them in Ontario securities law (including terms defined elsewhere in this designation order).

3. PROCEDURES FOR REVIEW AND APPROVAL OF RULES

(a) Documents

For a Rule Subject to Approval, KOR will provide to the Commission, where applicable, the following documents in electronic format, or by other means as agreed to by Commission staff and KOR, from time to time:

(i) a cover letter that describes the Rule Subject to Approval and its nature and purpose; and

(ii) the existing Rule Subject to Approval and a blacklined version of the Rule Subject to Approval indicating its proposed changes.

(b) Confirmation of Receipt

Commission staff will promptly send to KOR confirmation of receipt of documents submitted by KOR under subsection (a).

(c) Deemed Approval of Rules Subject to Approval

If Commission staff do not object to a Rule Subject to Approval within 10 business days of receipt, the Rule shall be deemed approved. Otherwise, the Rule Subject to Approval will be reviewed and approved by the Commission in accordance with the procedures set out in paragraphs (d) to (g) of section 3 of this protocol.

(d) Publication of a Rule by the Commission

If Commission staff objects to a Rule Subject to Approval within 10 business days of receipt and it has an impact on current and possible future participants or the capital markets in general, Commission staff may require that a notice of change to a Rule

Subject to Approval and, where applicable, a blacklined version of the Rule Subject to Approval, be published in the OSC Bulletin or the OSC website for a comment period of 30 days. The notice and accompanying Rule Subject to Approval will be published as soon as reasonably practicable.

(e) Review by Commission Staff

Commission staff will use their best efforts to conduct their review of the Rule Subject to Approval and provide comments to KOR within 30 days of KOR filing materials with the Commission. However, there will be no restriction on the amount of time necessary to complete the review of the Rule Subject to Approval in such instances.

(f) KOR's Responses to Commission Staff's Comments

KOR will respond to any comments received to Commission staff in writing.

(g) Approval of Rules by the Commission

Commission staff will use their best efforts to prepare the Rule Subject to Approval for approval by the Commission by the later of:

(i) 45 days from receipt of the filing of the Rule Subject to Approval by KOR, including the filing of all relevant documents in subsection (a) above; or

(ii) 30 days after receipt of written responses from KOR to Commission staff comments or requests for additional information, and a summary of participant comments and KOR's response to those comments (and upon the request of Commission staff, copies of the original comments), or confirmation from KOR that there were no comments received.

(h) Effective Date of a Rule

A Rule Subject to Approval will be effective as of the date 10 business days after receipt of such Rule by the Commission absent object thereto, or on a date determined by KOR, if such date is later.

4. IMMEDIATE IMPLEMENTATION OF A RULE

(a) Criteria for Immediate Implementation

KOR may make a Rule Subject to Approval effective immediately where KOR determines that there is an urgent need to implement the Rule Subject to Approval because of a substantial and imminent risk of significant harm to KOR, participants, other market participants, or the capital markets.

(b) Prior Notification

Where KOR determines that immediate implementation is appropriate, KOR will advise Commission staff in writing as soon as possible. Such written notice will include an analysis to support the need for immediate implementation.

(c) Disagreement on Need for Immediate Implementation

If Commission staff do not agree that immediate implementation is necessary, the process for resolving the disagreement will be as follows:

(i) Commission staff will notify KOR of the disagreement in writing, or request more time to consider the immediate implementation within 3 business days of being advised by KOR under subsection (b); and

(ii) Commission staff and KOR will discuss and resolve any concerns raised by Commission staff in order to proceed with the immediate implementation.

(d) Review of Rule Implemented Immediately

A Rule Subject to Approval that has been implemented immediately will be reviewed and approved by the Commission in accordance with the procedures set out in section 3, with the necessary modifications. If the Commission subsequently disapproves the Rule Subject to Approval, KOR will immediately repeal the Rule Subject to Approval and inform its participants of the disapproval.

5. MISCELLANEOUS

(a) Waiving Provisions of the Protocol

Commission staff may exercise its discretion to waive any part of this protocol upon request from KOR, or at any time it deems it appropriate. A waiver granted upon request by KOR must be granted in writing by Commission staff.

(b) Amendments

This protocol and any provision hereof may, at any time, be amended by mutual agreement of the Commission and KOR.

SCHEDULE "B"

DIRECTOR'S EXEMPTION

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

AND

IN THE MATTER OF
KOR REPORTING INC.

DECISION
(Section 42 of OSC Rule 91-507 Trade Repositories and Derivatives Data Reporting
(OSC Rule 91-507)

WHEREAS KOR Reporting Inc. (**KOR**) has applied to the Commission for designation as a trade repository under section 21.2.2 of the Act, and will be subject to OSC Rule 91-507 and the terms and conditions of its designation order;

AND WHEREAS the Director may, pursuant to section 42 of OSC Rule 91-507, exempt KOR, in whole or in part, from a requirement in OSC Rule 91-507;

AND WHEREAS subsection 17(5) of OSC Rule 91-507 would require KOR to file its proposed new or amended rules, policies and procedures for approval;

AND WHEREAS KOR has applied for an exemption from the requirement under subsection 17(5) of OSC Rule 91-507;

AND WHEREAS KOR is provisionally registered as a Swap Data Repository with the Commodity Futures Trading Commission (**CFTC**) in the United States and is subject to regulatory requirements that include submission to and/or prior approval of proposed new or amended rules, policies and procedures;

AND WHEREAS application of subsection 17(5) of OSC Rule 91-507 to KOR may result in regulatory duplication, to the extent that proposed new or amended rules, policies and procedures are subject to submission to and/or prior approval by the CFTC;

AND WHEREAS the Director is satisfied that an exemption in part from subsection 17(5) of OSC Rule 91-507 for proposed new or amended rules, policies and procedures that are not applied exclusively to Canada-Based Participants would not be prejudicial to the public interest;

AND WHEREAS "Canada-Based Participant" has the meaning ascribed to it in the Commission's order designating KOR as a trade repository pursuant to section 21.2.2 of the Act;

IT IS THE DECISION of the Director that pursuant to section 42 of Rule 91-507, KOR is exempt from subsection 17(5) of OSC Rule 91-507 for proposed new or amended rules, policies and procedures that are not applied exclusively to Canada-Based Participants;

PROVIDED THAT:

(a) KOR remains registered as a Swap Data Repository and subject to the regulatory oversight of the CFTC; and

(b) KOR’s proposed new or amended rules, policies and procedures are subject to submission to and/or prior approval by the CFTC.

DATED December 21, 2023 and **EFFECTIVE** on the effective date of the designation order.

“Susan Greenglass”
Director, Market Regulation

B.2.5 Norris Lithium Inc.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – Cease to be a reporting issuer in Ontario – Following an arrangement, all of the issuer's common shares were acquired by another company that is a reporting issuer and in compliance with its continuous disclosure obligations; the issuer has convertible securities that are beneficially owned by more than 15 persons in a jurisdiction of Canada; the convertible securities are exercisable for securities of the acquirer or redeemable based on the value of the shares of the acquirer; the issuer is not required under the terms of the convertible securities to provide any continuous disclosure to the holders of the convertible securities or to remain a reporting issuer.

Applicable Legislative Provisions

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

December 22, 2023

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
NORRIS LITHIUM INC.
(the Filer)

ORDER

Background

¶ 1 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 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; 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's head office is located in Vancouver, British Columbia;

2. pursuant to an arrangement agreement between the Filer and Lithium One Metals Inc. (the Purchaser), effective on September 27, 2023 (the Effective Date) the Purchaser acquired all the issued and outstanding common shares of the Filer (the Filer Shares) by way of a statutory plan of arrangement under the *Business Corporations Act* (British Columbia) (the Arrangement);

3. pursuant to the Arrangement, all of the Filer Shares were exchanged for the Purchaser's shares (the Purchaser Shares) and all of the Filer's options were exchanged for options of the Purchaser;

4. pursuant to the Arrangement, all of the Filer's warrants now entitle the holders to receive shares of the Purchaser;

5. the only outstanding securities of the Filer are 8,171,500 warrants of the Filer (the Warrants);

6. to the best of the Filer's knowledge and belief, there are 46 beneficial holders of Warrants, of which 2 are in Alberta, 10 are in British Columbia, 1 is in Manitoba, 18 are in Ontario, 1 is in Québec and 14 are in Australia;

7. the Filer is not required to remain a reporting issuer pursuant to the terms of the certificates representing the Warrants (the Warrant Certificates);

8. the treatment of the Warrants in the Arrangement is consistent with the terms of the Warrant Certificates, and as a result of such treatment, the Warrants represent the right to receive Purchaser Shares and not Filer Shares, and no consents or approvals were required from the holders of the Warrants;

9. the directors of the Purchaser have authorized the issuance of Purchaser Shares upon the exercise of the Warrants;

10. the Purchaser Shares are listed on the TSX Venture Exchange and the Purchaser is a reporting issuer in each of British Columbia, Alberta and Ontario;

11. the Purchaser is subject to continuous disclosure requirements, and the disclosure filed under such requirements are the only relevant disclosure to the Warrants holders as such holders are only entitled to receive Purchaser Shares upon exercise of the Warrants;

12. the Purchaser is not in default of securities legislation in any jurisdiction;

13. the Filer has no intention to seek a public financing by offering securities;

14. the Filer Shares have been delisted from the Canadian Securities Exchange on September 27, 2023;

15. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;

16. 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;

17. the Filer is not in default of securities legislation in any jurisdiction;

18. the Filer is not eligible to use the simplified procedure in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* because the securities of the Filer are not beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada; and

19. 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.

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.

"Noreen Bent"
Chief, Corporate Finance Legal Services
British Columbia Securities Commission

OSC File #: 2023/0495

B.3
Reasons and Decisions

B.3.1 Pollitt Investment Counsel Inc.

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

AND

IN THE MATTER OF
POLLITT INVESTMENT COUNSEL INC.

DECISION OF THE DIRECTOR

Having reviewed and considered the agreed statement of facts, the admissions by Pollitt Investment Counsel Inc. (**PIC**), and the joint recommendation to the Director by PIC and Compliance and Registrant Regulation Branch of the Ontario Securities Commission (**CRR Branch**) contained in the settlement agreement signed by Douglas Pollitt on behalf of PIC on December 15, 2023, by Kevin Richard, Counsel for PIC, on December 18, 2023 and by Michael Denyszyn, Manager, CRR Branch, on December 18, 2023 (the **Settlement Agreement**), a copy of which is attached as Appendix "A" to this Decision, and on the basis of those agreed facts and admissions, I, Debra Foubert, in my capacity as Director under the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act**), accept the joint recommendation of the parties, and make the following decision:

1. The registration of PIC is suspended pursuant to s. 28 of the Act effective from the date of this decision (the **Effective Date**), and PIC will not apply for reactivation of registration for a period of at least six-months from the Effective Date unless there is a proposed material change in its ownership.

2. In case there is a proposed material change in ownership, PIC may apply for reactivation of registration before six months end subject to satisfying the requirements under sections 11.9 and 11.10 of NI 31-103. CRR Branch will conduct due diligence on the combined entity of the acquiring party and PIC as if the combined entity were a new applicant for registration unless the acquiring party is already a registered firm in the portfolio manager category.

3. The remaining transfers of client accounts will be completed by January 2024.

4. If PIC applies for reactivation of registration after six months, the CRR Branch will review PIC's suitability for registration and whether its registration would be objectionable.

5. This Settlement Agreement will be published on the website of the Ontario Securities Commission and in the OSC Bulletin.

December 19, 2023

"Debra Foubert"

Appendix "A"

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

AND

IN THE MATTER OF
POLLITT INVESTMENT COUNSEL INC.

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. This settlement agreement (the **Settlement Agreement**) between the Compliance and Registrant Regulation Branch (**CRR Branch)** of the Ontario Securities Commission (**OSC**) and Pollitt Investment Counsel Inc. (**PIC**) relates to CRR Branch's recommendation to the Director that PIC's registration be suspended pursuant to s. 28 of the *Securities Act*, R.S.O. 1990, c. S.5 (the **Act)**.

2. It is a central requirement that Investment Fund Managers and Portfolio Managers comply with securities law. PIC has failed to comply with the requirement in National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations* (**NI 31-103**) to deliver audited annual financial statements to the OSC. PIC has also failed to designate an ultimate designated person (**UDP**) pursuant to s. 11.2 of NI 31-103. Although PIC proposed an applicant in the category of chief compliance officer (**CCO**) and the applicant's principal regulator continued to consider the application, the application was not approved and was withdrawn.

3. As a result, the CRR Branch has recommended to the Director that PIC's registration as a portfolio manager be suspended. Pursuant to section 31 of the Act, PIC would be entitled to an opportunity to be heard (an **OTBH**) in respect of CRR Branch's recommendation. However, in lieu of an OTBH, the CRR Branch and PIC have agreed to make a joint recommendation to the Director regarding PIC's registration, as more particularly described in this Settlement Agreement.

II. AGREED STATEMENT OF FACTS

4. CRR Branch and PIC agree as to the following facts.

5. PIC was registered under the Act as an investment fund manager from September 2013 until May 1, 2023. PIC has been registered as a portfolio manager since September 2009 and offers discretionary and non-discretionary portfolio management services to its clients.

6. The firm is located in Toronto, Ontario.

7. PIC's financial year end is May 31.

A. Compliance Review of PIC

8. CRR Branch conducted a compliance review of PIC, which commenced on June 1, 2021 (the **Compliance Review**). The Compliance Review identified a number of deficiencies in PIC's compliance with Ontario securities law, which are set out in a Compliance Field Review Report dated January 10, 2023 (the **Report**). Yvan Gregoire was registered as the Chief Compliance Officer (**CCO**) and the UDP of PIC since 2009. CRR Branch invited Mr. Gregoire to discuss the deficiencies identified in the Report.

9. On January 20, 2023, the Director issued a summons to Mr. Gregoire pursuant to s. 33.1 of the Act (the **Summons**). The Summons required Mr. Gregoire, on behalf of PIC, to attend an examination under oath by a person appointed by the Director at a specified time and place (the **Proposed Examination**). However, Mr. Gregoire did not make himself available to attend the Proposed Examination.

B. Failure to Designate a CCO and a UDP

10. Instead, PIC submitted a Notice of End of Individual Registration in respect of Mr. Gregoire on February 15, 2023 and informed CRR Branch that Mr. Gregoire had resigned his position at PIC.

11. Accordingly, since February 15, 2023, no CCO and UDP have been registered on behalf of PIC, contrary to s. 11.2 and 11.3(1) of NI 31-103.

12. On March 7, 2023, PIC submitted a request for a predetermination application for an interim CCO in the portfolio manager category. On April 18, 2023, the CRR Branch advised PIC that it was of the opinion that the education and experience qualified the applicant as an interim CCO in the portfolio manager category.

13. On April 28, 2023, PIC submitted an application to register its interim CCO through the National Registration Database, which is now withdrawn.

14. On May 1, 2023, PIC surrendered its IFM registration because PIC was unable to identify a proficient CCO applicant for the IFM category.

15. PIC has been without a CCO and a UDP since February 15, 2023.

C. Failure to Submit Audited Financial Statements

16. Subsection 12.12(1) of NI 31-103 requires portfolio managers, like PIC, to deliver to the OSC their audited annual financial statements and a completed Form 31-103F1 Calculation of Excess Working Capital (a **Form F1**) as at the end of their financial year within 90 days of the end of that financial year.

17. On August 29, 2022, PIC was late in delivering its audited financial statements and Form F1 for its financial year ending May 31, 2022.

18. PIC has not submitted the audited financial statements to the CRR Branch that were due August 29, 2022.

19. Subsection 12.1(2) of NI 31-103 provides that the excess working capital of a registered firm, as calculated in accordance with Form F1, must not be less than zero for two consecutive days. PIC has failed to comply with these provisions. PIC was deficient in meeting the minimum capital requirements in subsection 12.1 of NI 31-103 by $58,412 based on the draft financial statements as of May 31, 2022. PIC was able to demonstrate on March 22, 2023 that it had rectified the capital deficiency. On March 27, 2023, CRR Branch imposed terms and conditions on PIC's registration, as is typically the case once an identified capital deficiency is rectified.

D. Recommendation to Suspend

20. By letter dated June 1, 2023, CRR Branch advised PIC, that it recommended that the firm's registration be suspended for failure to comply with the requirements in NI 31-103 to deliver audited financial statements and to designate a UDP.

III. JOINT RECOMMENDATION TO THE DIRECTOR

21. The parties jointly recommend to the Director that PIC's registration be suspended pursuant to s. 28 of the Act, subject to the following:

    (a) The registration of PIC shall be suspended, pursuant to section 28 of the Act effective the date the Director approves this Settlement Agreement, and PIC will not reapply for registration under the Act in any category for a period of at least six months from that date unless there is a proposed material change in its ownership;

    (b) In case there is a proposed material change in ownership, PIC may reapply for registration before six months subject to satisfying the requirements under sections 11.9 and 11.10 of NI 31-103. PIC acknowledges that in the event of a material change in ownership, the CRR Branch will conduct the due diligence on the combined entity of the acquiring party and PIC as if the combined entity were a new applicant for registration, unless the acquiring party is already a registered firm in the portfolio manager category.

    (c) PIC submits that except two client accounts, all of PIC's clients' accounts have been transferred to other registrants. The client residing in the US is in the process of an account transfer to another registered firm in the US which will be completed by January 2024. The client residing in Canada is in the process of account transfer which will be completed in December 2023. Both clients have no registrable activities and will not require any advice from PIC until their account transfers are completed.

    (d) If PIC reapplies for registration after six months, the CRR Branch will review PIC's suitability for registration and whether its registration otherwise would be objectionable.

22. CRR Branch and PIC acknowledge that if the Director does not accept this Joint Recommendation:

    (a) this joint recommendation and all discussions and negotiations between CRR Branch and PIC in relation to this matter shall be without prejudice to the parties; and

    (b) PIC will be entitled to an OTBH in accordance with section 31 of the Act in respect of any recommendation that may be made by CRR Branch regarding its registration status.

23. PIC waives its right to an opportunity to be heard under s. 31 of the Act, and its right to a hearing and review under s. 8 of the Act, in connection with this decision of the Director to suspend its registration for the reasons described herein.

24. The parties agree that this Joint Recommendation, and any Director's decision approving of it, will be published on the OSC's website and in the OSC Bulletin.

"Michael Denyszyn"
Manager, Registrant Conduct
Compliance and Registrant Regulation

December 18, 2023

"Douglas Pollitt"
on behalf of Pollitt Investment Counsel Inc.

December 15, 2023

"Kevin Richard"
Groia & Company Professional Corporation, Counsel to Pollitt Investment Counsel Inc.

December 18, 2023

B.3.2 I.G. Investment Management, Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted under subsection 62(5) of the Securities Act to permit extensions of two prospectus lapse dates by 104 and 123 days, to facilitate consolidation of the funds' prospectuses with the prospectus of other funds under common management – no conditions.

Applicable Legislative Provisions

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

December 15, 2023

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

AND

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

AND

**IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(the Filer or IGIM)**

AND

**IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE A
(the Sector Funds)**

AND

**THE FUNDS LISTED IN SCHEDULE B
(the Twin Trust Funds, and together with the Sector Funds, the Funds)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the time limits for the renewal of the simplified prospectus and fund facts for the Sector Funds dated February 27, 2023 (the **Sector Funds SP**) and the simplified prospectus and fund facts for the Twin Trust Funds dated March 17, 2023 (the **Twin Trust Funds SP**, and together with the **Sector Funds SP**, the **Prospectuses**) be extended to those time limits that would apply if the lapse date of the Prospectuses were June 29, 2024 (the **Exemption Sought**).

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

(i) the Manitoba Securities Commission is the principal regulator for this application; and

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut (together with the **Jurisdictions**, the **Canadian Jurisdictions**); and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, NI 81-101, and National Instrument 81-102 *Investment Funds* (**NI 81-102**) 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:

Background Facts

The Filer

1. The Filer is a corporation continued under the laws of Ontario with its head office in Winnipeg, Manitoba.

2. The Filer is registered as a Portfolio Manager and an Investment Fund Manager in Manitoba, Ontario, and Quebec and as an Investment Fund Manager in Newfoundland and Labrador.

3. The Filer is the trustee and manager of each of the Funds.

4. Neither the Filer nor any of the Funds are in default of securities legislation in any of the Canadian Jurisdictions.

5. Each Fund is an open-ended mutual fund trust established under the laws of Manitoba and is a reporting issuer as defined in the securities legislation of each of the Canadian Jurisdictions.

6. Securities of each of the Funds are currently distributed in the Canadian Jurisdictions pursuant to their respective simplified prospectus.

Reasons for the Lapse Date Extension

7. Pursuant to subsection 2.5(2) of NI 81-101 and subsection 62(1) of the *Securities Act* (Ontario) (the **Act**), the lapse date of the Sector Funds SP is February 27, 2024, and the lapse date of the Twin Trust Funds SP is March 17, 2024. Accordingly, pursuant to subsections 2.5(3) and 2.5(4) of NI 81-101 and subsection 62(2) of the Act, the distribution of securities of each Fund would have to cease on its current lapse date unless: (i) the Funds file a *pro forma* simplified prospectus within 30 days before the current lapse date; (ii) the final simplified prospectus is filed within 10 days after its current lapse date; and (iii) a receipt for the final simplified prospectus is obtained within 20 days after its current lapse date.

8. The Filer is the investment fund manager of 80 other funds listed in Schedule C (the **June Funds**) that currently distribute their securities under a simplified prospectus and fund facts with a lapse date of June 29, 2024 (the **June Prospectus**).

9. The Filer wishes to combine the Prospectuses with the June Prospectus in order to reduce renewal, printing, and related costs.

10. Offering the Funds and the June Funds under one prospectus would facilitate the distribution of the Funds in the Canadian Jurisdictions under the same prospectus and enable the Filer to streamline disclosure across the Filer's fund platform. The Funds share many common operational and administrative features with the June Funds and combining them under one prospectus (as opposed to three) will allow investors to compare their features more easily.

11. It would be impractical to alter and modify all the dedicated systems, procedures, and resources required to prepare the June Prospectus and unreasonable to incur the costs and expenses associated therewith, so that the June Prospectus can be filed earlier with the Prospectuses.

12. If the Exemption Sought is not granted, it will be necessary to renew the Prospectuses twice within a short period of time in order to consolidate the Prospectuses with the June Prospectus.

13. The Filer may make minor changes to the features of the Funds as part of the Prospectuses. The ability to file the Prospectuses with the June Prospectus will ensure that the Filer can make the operational and administrative features of the respective funds consistent with each other.

14. Except as otherwise disclosed in Amendment No.1 to the Sector Funds SP dated March 31, 2023, there have been no material changes in the affairs of the Sector Funds since the date of the Sector Funds SP. There have been no material changes in the affairs of the Twin Trust Funds since the date of the Twin Trust Funds SP. Accordingly, the current Prospectuses and fund facts represent the current information of the Funds.

15. Given the disclosure obligations of the Funds, should a material change in the affairs of any of the Funds occur, the Prospectuses will be amended as required under the Legislation.

16. New investors of the Funds will receive delivery of the most recently filed fund facts document(s) of the applicable Fund(s). The Prospectuses will still be available upon request.

17. The Exemption Sought will not affect the accuracy of the information contained in the Prospectuses and therefore will not be prejudicial to the public interest.

Decision

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

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

"Chris Besko"
Director

Application File #: 2023/0622
SEDAR+ File #: 6061542

SCHEDULE "A"

SECTOR FUNDS

IG Mackenzie Global Consumer Companies Fund

IG Mackenzie Global Health Care Fund

IG Mackenzie Global Infrastructure Fund

IG Mackenzie Global Precious Metals Fund

SCHEDULE "B"

TWIN TRUST FUNDS

IG JPMorgan Emerging Markets Fund II

IG Mackenzie Pacific International Fund II

IG Mackenzie Global Natural Resources Fund II

IG Mackenzie Global Science & Technology Fund II

IG Mackenzie U.S. Opportunities Fund II

SCHEDULE "C"

THE JUNE FUNDS

IG Mackenzie Canadian Corporate Bond Fund

IG Mackenzie Canadian Money Market Fund

IG Mackenzie Floating Rate Income Fund

IG Mackenzie Global Bond Fund

IG Mackenzie High Yield Fixed Income Fund

IG Mackenzie Income Fund

IG Mackenzie Mortgage and Short Term Income Fund

IG Mackenzie U.S. Money Market Fund

IG PIMCO Global Bond Fund

IG Putnam U.S. High Yield Income Fund

IG Cornerstone Portfolio

IG Beutel Goodman Canadian Balanced Fund

IG Mackenzie Dividend Fund

IG Mackenzie Global Dividend Fund

IG Mackenzie Mutual of Canada

IG Mackenzie Strategic Income Fund

IG Mackenzie U.S. Dividend Registered Fund

IG Beutel Goodman Canadian Equity Fund

IG Beutel Goodman Canadian Small Cap Fund

IG FI Canadian Equity Fund

IG Franklin Bissett Canadian Equity Fund

IG Mackenzie Betterworld SRI Fund

IG Mackenzie Canadian Dividend & Income Equity Fund

IG Mackenzie Canadian Equity Fund

IG Mackenzie Canadian Small/Mid Cap Fund

IG Mackenzie Canadian Small/Mid Cap Fund II

IG Mackenzie U.S. Equity Fund

IG Mackenzie U.S. Opportunities Fund

IG Putnam U.S. Growth Fund

IG T. Rowe Price U.S. Large Cap Equity Fund

IG BlackRock International Equity Fund

IG JPMorgan Emerging Markets Fund

IG Mackenzie European Equity Fund

IG Mackenzie European Mid-Cap Equity Fund

IG Mackenzie Global Fund

IG Mackenzie Global Fund II

IG Mackenzie International Small Cap Fund

IG Mackenzie Ivy European Fund

IG Mackenzie North American Equity Fund

IG Mackenzie Pacific International Fund

IG Mackenzie Pan Asian Equity Fund

IG Mackenzie Global Financial Services Fund

IG Mackenzie Global Natural Resources Fund

IG Mackenzie Global Science & Technology Fund

IG Core Portfolio – Balanced

IG Core Portfolio – Balanced Growth

IG Core Portfolio – Global Income

IG Core Portfolio – Growth

IG Core Portfolio – Income

IG Core Portfolio – Income Balanced

IG Core Portfolio – Income Focus

IG Core Portfolio – Income Plus

IG Managed Payout Portfolio

IG Managed Payout Portfolio with Enhanced Growth

IG Managed Payout Portfolio with Growth

IG Managed Growth Portfolio – Canadian Focused Equity

IG Managed Growth Portfolio – Canadian Neutral Balanced

IG Managed Growth Portfolio – Global Equity

IG Managed Growth Portfolio – Global Equity Balanced

IG Managed Growth Portfolio – Global Neutral Balanced

IG Managed Risk Portfolio – Balanced

IG Managed Risk Portfolio – Growth Focus

IG Managed Risk Portfolio – Income Balanced

IG Managed Risk Portfolio – Income Focus

IG Climate Action Portfolio – Global Equity

IG Climate Action Portfolio – Global Equity Balanced

IG Climate Action Portfolio – Global Fixed Income Balanced

IG Climate Action Portfolio – Global Neutral Balanced

IG Target Education 2030 Portfolio

IG Target Education 2035 Portfolio

IG Target Education 2040 Portfolio

IG Graduation Portfolio

IG Mackenzie U.S. Dollar Fund – Global Equity

IG Mackenzie U.S. Dollar Fund – Global Equity Balanced

IG Mackenzie U.S. Dollar Fund – Global Fixed Income Balanced

IG Mackenzie U.S. Dollar Fund – Global Neutral Balanced

IG U.S. Taxpayer Portfolio – Global Equity

IG U.S. Taxpayer Portfolio – Global Equity Balanced

IG U.S. Taxpayer Portfolio – Global Fixed Income Balanced

IG U.S. Taxpayer Portfolio – Global Neutral Balanced

B.3.3 Manulife Securities Investment Services Inc./ Placements Manuvie Services d'investissement Inc.

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – Relief from certain filing requirements of NI 33-109 in connection with a bulk transfer of business locations and registered individuals in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

December 19, 2023

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

AND

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

AND

**IN THE MATTER OF
MANULIFE SECURITIES INVESTMENT SERVICES
INC./PLACEMENTS MANUVIE SERVICES
D'INVESTISSEMENT INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for relief from the requirements contained in sections 2.2, 2.3, 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33-109**), pursuant to section 7.1 of NI 33-109, to allow the bulk transfer (the **Bulk Transfer**) of the securities registration of all of the registered and permitted individuals of the Filer and all of the branches of the Filer (the **Business Locations**) to Manulife Wealth Inc./ Patrimoine Manuvie Inc. (**Amalco**), the entity resulting from the Proposed Amalgamation (as defined below) of the Filer and Manulife Securities Incorporated/ Placements Manuvie Incorporée (**MSI** and together with the Filer, the **Amalgamating Firms**), expected to occur on or about January 1st, 2024 (the **Effective Date**), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

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

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

(ii) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada (together with the Jurisdiction, 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:

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act* (**CBCA**) and has its head office at 1235 North Service Road West, Suite 500, Oakville, Ontario, L6M 2W2.

2. The Filer is currently registered as a mutual fund dealer and as an exempt market dealer in the Jurisdictions.

3. As of the date hereof, the Filer has a total of 450 registered individuals (440 of which are mutual fund dealing representatives) and permitted individuals registered with the Canadian securities regulators and 34 Business Locations in the Jurisdictions.

4. MSI is a corporation incorporated under the *Business Corporations Act* (Ontario) and has its head office at 1235 North Service Road West, Suite 500, Oakville, Ontario, L6M 2W2.

5. MSI will be continued into the CBCA shortly before the Proposed Amalgamation.

6. MSI is currently registered as an investment dealer in the Jurisdictions and as a derivatives dealer in Québec. MSI currently has terms and conditions imposed on its registration in British Columbia with respect to its activities in the over-the-counter markets in the United States.

7. Each of the Amalgamating Firms are a member of the Canadian Investment Regulatory Organization (**CIRO**).

8. Each of the Amalgamating Firms is a wholly-owned subsidiary of The Manufacturers Life Insurance Company (**MLI**). MLI is a wholly-owned subsidiary of Manulife Financial Corporation.

9. Neither of the Amalgamating Firms are in default of any requirements of the securities legislation in any of the Jurisdictions.

10. It is proposed that the Amalgamating Firms will amalgamate under the requirements of the CBCA (the **Proposed Amalgamation**), which is scheduled to occur on the Effective Date.

11. It is also expected that MSISI's registration as an EMD will be surrendered concurrent with, or prior to, the completion of the Proposed Amalgamation.

12. Following the completion of the Proposed Amalgamation, MSI will act as the continuing entity under the CBCA and will concurrently change its name to "Manulife Wealth Inc./ Patrimoine Manuvie Inc." on the Effective Date.

13. It is intended that Amalco will maintain MSI's National Registration Database (**NRD**) number 17820.

14. On September 22, 2023, the Amalgamating Firms provided written notice to staff at the Ontario Securities Commission that they would be amalgamating and applying for Amalco to be registered as both an investment dealer and a mutual fund dealer.

15. A Request for Business Change and a Dual Registration Application (the **CIRO Application**) under the CIRO Rules was filed with CIRO on September 8th, 2023 with respect to MSI (which will effectively be Amalco) acting as a fully integrated dealer with both investment dealer and mutual fund dealer operations.

16. As of the Effective Date, all of the Filer's registered and permitted individuals and Business Locations will be transferred to Amalco on the NRD by way of Bulk Transfer.

17. Amalco's registration will encompass the registration categories and Jurisdictions of each Amalgamating Firm immediately prior to the Proposed Amalgamation, which will provide the opportunity to seamlessly transfer the registered and permitted individuals and Business Locations on the Effective Date by way of Bulk Transfer.

18. It is expected that the current registered and permitted individuals of MSI will hold the same positions in Amalco immediately after the Proposed Amalgamation.

19. Following the Proposed Amalgamation, Amalco will conduct the same business operations in substantially the same manner and with essentially the same personnel as the Amalgamating Firms.

20. Amalco will have the necessary resources to ensure compliance with all applicable conditions of its registrations under Canadian securities laws.

21. The Bulk Transfer will not be contrary to public interest and will have no negative consequences on the ability of Amalco to comply with all applicable regulatory requirements or the ability to satisfy any obligations in respect of the clients of the Amalgamating Firms.

22. Given the number of registered and permitted individuals and Business Locations to be

transferred from the Filer to Amalco on the Effective Date, it would be unduly time consuming and difficult to transfer each of the registered and permitted individuals and Business Locations through the NRD in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted. Moreover, it is important that the transfer of the affected registered and permitted individuals and Business Locations occur on the same date (i.e., the Effective Date), in order to ensure that there is no lapse in registration.

23. In addition, the Exemption Sought:

    a. provides the information and satisfies the conditions set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix D thereto.

    b. will provide for an efficient and timely transfer of information and reduce the risk of inadvertent errors caused by a large number of separate transactions and entries on the NRD, thus reducing administrative costs.

24. Subject to obtaining approval of the Exemption Sought, it is not expected that there will be any disruption in the services provided by registered and permitted individuals to clients of the Amalgamating Firms as a result of the Proposed Amalgamation.

25. The clients of the Filer have been contacted and advised of the Proposed Amalgamation.

26. It is anticipated that CIRO will approve the CIRO Application and the Proposed Amalgamation in due course and prior to the anticipated Effective Date.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Filer makes acceptable arrangements with CDS Inc. for the payment of the costs associated with the Bulk Transfer, and makes such payment in advance of the Bulk Transfer.

"Elizabeth King"
Deputy Director
Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2023/0464

B.3.4 J.P. Morgan Securities Canada Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.18(2)(b) and 15.1(2).

December 20, 2023

**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
J.P. MORGAN SECURITIES CANADA INC.
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to

be relied upon by the Filer and its Registered Individuals (as defined below) in each of the other provinces and territories of Canada (together with the Jurisdiction, the **Jurisdictions**) in respect of the Exemption Sought.

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the federal laws of Canada. The head office of the Filer is located in Toronto, Ontario.

2. The Filer is registered as an investment dealer under the securities legislation of all the jurisdictions of Canada; is also registered as a dealer (futures commission merchant) in Ontario and a derivatives dealer in Québec.

3. The Filer is a member of the *Canadian Investment Regulatory Organization* (**CIRO**), the TSX Venture Exchange, NEO Exchange and the Canadian Securities Exchange, is a participant of CDS Clearing and Depository Services Inc., is an approved participant of the Montréal Exchange and is a participating organization of the Toronto Stock Exchange.

4. The Filer is not in default of securities or commodity futures legislation in any of the Jurisdictions.

5. The Filer is a wholly-owned, indirect subsidiary of JPMorgan Chase & Co., a corporation organized and existing under the laws of the State of Delaware.

6. The institutional division of the Filer offers a range of capital markets products and sales and trading services to corporate, government and institutional clients. Products offered include M&A advisory, debt and equity financing, equities trading and clearing on Canadian exchanges of customer transactions, including those booked by affiliates of the Filer.

7. The Filer is the sponsoring firm for registered individuals that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer pursuant to applicable corporate law (the **Registered Individuals**).

8. The number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately 20 Registered Individuals.

9. The current titles used by the Registered Individuals include the words “Managing Director”, “Executive Director” and “Vice-President”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**).

10. The Filer has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual’s sales activity or revenue generation is not a primary factor in the decision by the Filer to award one of the Titles.

11. The Registered Individuals interact only with institutional clients that are, each, a non-individual “institutional client” as defined in CIRO Corporation *Investment Dealer and Partially Consolidated* Rule 1201 (the **Clients**).

12. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.

13. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.

14. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.

15. For the reasons provided above, it would not be prejudicial to the public interest to grant the Exemption Sought.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are

exclusively non-individual "institutional clients" as defined in CIRO Corporation *Investment Dealer and Partially Consolidated* Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

"Debra Foubert"
Director, Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2023/0078

B.3.5 CI Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from sections 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations to permit in-specie subscriptions by top funds in relation to related private funds, subject to conditions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.5 and 15.1.

December 21, 2023

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
CI INVESTMENTS INC.
(CI)

AND

THE TOP FUNDS
AND
THE PRIVATE MARKETS FUNDS
(both as defined below)

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from CI and its affiliates (collectively, the **Filer**), on behalf of investment funds managed by the Filer subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**) and National Instrument 81-107 *Independent Review Committee for Investment Funds* (**NI 81-107**) (the **Existing Public Top Funds**) and investment funds managed by the Filer that are not reporting issuers subject to NI 81-102 and NI 81-107 (the **Existing Private Top Funds**) and any future investment funds managed by the Filer that are, or will be, reporting issuers subject to NI 81-102 and NI 81-107 (the **Future Public Top Funds**, and together with the Existing Public Top Funds, the **Public Top Funds**) or are not, or will not be, reporting issuers subject to NI 81-102 and NI 81-107 (the **Future Private Top Funds**, together with the Existing Private Top Funds, the **Private Top Funds**, and the Private Top Funds together with the Public Top Funds, the **Top Funds**).

The Filer intends to

(a) cause the Applicable Top Funds (as defined below) to make an *in specie* subscription (each subscription, an ***In Specie*** **Subscription**)) for securities of the Existing Private Markets Fund(s) (as defined below) whereby the Applicable Top Fund would purchase securities of the Existing Private Markets Fund(s) by transferring the Underlying Investments (as defined below) held by the Applicable Top Fund in payment of the subscription price and

(b) cause a Top Fund to make an *In Specie* Subscription for securities of a Private Markets Fund (as defined below) whereby the Top Fund would purchase securities of the Private Markets Fund by transferring liquid market securities in payment of the subscription price

and therefore has applied for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer when it wishes to cause a Top Fund to make an *In Specie* Subscription for securities of a Private Markets Fund from the restrictions in paragraph 13.5(2)(b) (ii) and (iii) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including

an investment fund for which it acts as adviser, to transfer securities of any issuer to another investment fund of which the registered adviser also acts as an adviser (the **Exemption Sought)**.

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

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

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

Applicable Top Funds means each of CI Select 100e Managed Portfolio Corporate Class, CI Select 20i80e Managed Portfolio Corporate Class, CI Select 30i70e Managed Portfolio Corporate Class, CI Select 40i60e Managed Portfolio Corporate Class, CI Select 50i50e Managed Portfolio Corporate Class, CI Select 60i40e Managed Portfolio Corporate Class, CI Select 70i30e Managed Portfolio Corporate Class, CI Select 80i20e Managed Portfolio Corporate Class, CI Income Fund, Global Income Allocation Corporate Class, Global Income Allocation Pool and Global Equity Allocation Pool.

Existing Private Markets Funds means each of CI Private Markets Growth Fund and CI Private Markets Income Fund.

Private Markets Funds means the Existing Private Markets Funds, and any other similar investment fund created by the Filer after the date hereof.

Underlying Investments means the investments to be made by the Private Markets Funds pursuant to their investment objectives in securities of issuers that are not investment funds.

Representations

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

The Filer

1. CI is a corporation amalgamated under the laws of the province of Ontario with its head office located in Toronto, Ontario.

2. CI is registered as follows:

   (a) under the securities legislation of all provinces and territories of Canada as a portfolio manager;

   (b) under the securities legislation of Ontario, Québec, and Newfoundland and Labrador as an investment fund manager;

   (c) under the securities legislation of all provinces and territories of Canada as an exempt market dealer; and

   (d) under the *Commodity Futures Act* (Ontario) as a commodity trading counsel and a commodity trading manager.

3. The Filer is not a reporting issuer in any province or territory of Canada.

4. The Filer and its affiliates are not in default of securities legislation in any province or territory of Canada.

The Top Funds

5. Each of the Applicable Top Funds is a Public Top Fund and is a reporting issuer under the laws of one or more provinces and territories of Canada.

6. The Filer acts as the manager and portfolio adviser of the Top Funds, which includes Public Top Funds and Private Top Funds.

7. The Filer, as manager of each Top Fund, has established an independent review committee (**IRC**) for each Top Fund in accordance with the requirements of NI 81-107.

8. The Top Funds are not in default of securities legislation in any province or territory of Canada.

The Private Markets Funds

9. Each of the Existing Private Markets Funds is organized as a trust established under the laws of the province of Ontario. Any future Private Markets Fund is expected to also be created under the laws of the province of Ontario.

10. The securities of the Existing Private Markets Funds are distributed on a private placement basis pursuant to available prospectus exemptions, including to the Top Funds pursuant to a decision of the Ontario Securities Commission dated November 30, 2022 (the **2022 Decision**). The Existing Private Markets Funds are not reporting issuers under the laws of any province or territory of Canada. The Existing Private Markets Funds are non-redeemable investment funds (and not mutual funds) as such terms are defined under Canadian securities legislation. Any future Private Markets Fund will also not be reporting issuers and will be non-redeemable investment funds, and not mutual funds.

11. The Filer acts as the manager and portfolio adviser of the Existing Private Markets Funds and will act as manager and portfolio adviser of any future Private Markets Fund.

12. The investment objectives of the Existing Private Markets Funds are:

    (a) For CI Private Markets Growth Fund - to seek to deliver long-term capital appreciation by providing exposure to a globally diversified portfolio of private equity, private debt and other private market and public market investments. To achieve its investment objective, CI Private Markets Growth Fund will invest in Underlying Investments, including private equity, venture capital, private debt, real estate, infrastructure and other private markets funds and vehicles, managed by third-party and/or related managers, as well as make related co-investments. CI Private Markets Growth Fund will also invest in equity and equity-related securities, as well as fixed income securities issued by Canadian and U.S. governments and companies, directly or indirectly through investment funds and exchange-traded funds.

    (b) For CI Private Markets Income Fund - to seek to deliver income generation by providing exposure to a globally diversified portfolio of private debt and other private market and public market investments. To achieve its objective, CI Private Markets Income Fund will invest in Underlying Investments, including private debt, private equity, real estate, infrastructure, agriculture, timberlands, royalty funds and other private markets funds and vehicles, managed by third-party and/or related managers, as well as make related co-investments. CI Private Markets Income Fund will also invest in fixed income securities issued by Canadian and U.S. governments and companies and other income generating assets, directly or indirectly through investment funds and exchange-traded funds.

13. Each of the Existing Private Markets Fund is not in default of securities legislation in any province or territory of Canada.

14. Any future Private Markets Fund established after the date of this Application will have similar investment objectives and strategies and will be consistent with the description of Look-Through Funds as defined in the 2022 Decision.

One-time In Specie Subscriptions – Applicable Top Funds and Existing Private Markets Funds

15. The Filer wishes to engage in the *In Specie* Subscriptions, pursuant to which each Applicable Top Fund will subscribe for securities of one or both of the Existing Private Markets Funds and, as payment for those securities, deliver Underlying Investments held by the Applicable Top Fund. It is anticipated that the *In Specie* Subscriptions of Underlying Investments will be completed during the first quarter of 2024 and will be timed to coincide with the current valuation of the Underlying Investments and the Existing Private Markets Funds. The investments held by the Applicable Top Funds in Underlying Investments are securities of CI Adams Street Global Private Markets Fund and HarbourVest Infrastructure Income Cayman Parallel Partnership LP. The Applicable Top Funds made the investment in CI Adams Street Global Private Markets Fund pursuant to a decision of the Ontario Securities Commission dated December 29, 2020. No regulatory relief was required to permit the Applicable Top Funds to invest in HarbourVest Infrastructure Income Cayman Parallel Partnership LP, given that the Filer is not related to the manager and portfolio adviser of this Underlying Investment.

16. As the Filer is the registered portfolio adviser of the Applicable Top Funds, the Filer is a “responsible person” within the meaning of NI 31-103 in respect of the Applicable Top Funds, and any affiliate of the Filer that has access to, or participates in formulating, an investment decision on behalf of an Applicable Top Fund would be a ‘responsible person’ within the meaning of NI 31-103 in respect of such Top Fund.

17. As an affiliate of the Filer is the trustee of the Existing Private Markets Funds, the Existing Private Markets Funds may be “associates” of the Filer and accordingly, absent the grant of the Exemption Sought, the Filer may be precluded by the provisions of section 13.5(2)(b)(ii) of NI 31-103 from effecting *In Specie* Subscriptions. As the Filer is the manager and portfolio adviser of the Existing Private Markets Funds, absent the grant of the Exemption Sought, the Filer may be precluded by section 13.5(2)(b)(iii) of NI 31-103 from effecting the *In Specie* Subscriptions.

18. The Filer has determined that the Underlying Investments held by the Applicable Top Funds are better held directly by the Existing Private Markets Funds to allow for cost effective and efficient ways for the Filer to manage the Underlying

Investments within the Existing Private Markets Funds and not within a broader universe of the Top Funds. Causing the Underlying Investments to be held by the Existing Private Markets Funds, rather than directly by the Applicable Top Funds is also expected to increase the asset base of the Existing Private Markets Funds, which is expected to result in additional benefits to all Top Funds (as well as the Existing Private Markets Funds and any other investor investing in the Existing Private Markets Funds), including increased diversification and better economies of scale through greater administrative efficiency, all which will allow the Top Funds that wish to have exposure to Underlying Investments in the manner contemplated in the 2022 Decision to achieve their investment strategy in a more cost efficient manner.

19. In the circumstances, an Applicable Top Fund is not able to dispose of the Underlying Investments into the "markets" in the way that might be possible for a publicly traded security, given the nature of the Underlying Investments and the restrictions on transfers. The Filer considers there is no other way to cause the Applicable Top Funds to transfer the Underlying Investments to the Existing Private Markets Funds, absent the grant of the Exemption Sought, given the provisions of NI 31-103. An inter-fund transfer of the Underlying Investments between the Applicable Top Funds and the Existing Private Markets Fund is also not possible, since section 6.1 of NI 81-107 only permits inter-fund transfers of listed securities.

20. The only cost which will be incurred by an Applicable Top Fund for an *In Specie* Subscription may be a nominal administrative charge, if any, levied by the custodian of the relevant Applicable Top Fund in recording the trades, and any commission charged by the dealer (if any) executing the trade.

21. The Filer, as manager of the Funds, will value the Underlying Investments transferred by an Applicable Top Fund under an *In Specie* Subscription on the same valuation day on which the purchase price of the securities of the Existing Private Markets Funds is determined. With respect to the purchase of the securities of the Existing Private Markets Funds, the Underlying Investments transferred to the Existing Private Markets Funds under an *In Specie* Subscription in satisfaction of the purchase price of those securities will be valued as if the Underlying Investments were portfolio assets of the Existing Private Markets Funds, as contemplated by section 9.4(2)(b)(iii) of NI 81-102. The valuation of the Underlying Investments to be transferred by the Applicable Top Funds will be based on the independent valuations of the Underlying Investments carried out by:

    (a) Adams Street Partners, LLC, which is not related to the Filer, and which manages Adams Street Global Private Markets Fund LP through which CI Adams Street Global Private Markets Fund invests and

    (b) HarbourVest Partners L.P., which is not related to the Filer and which manages HarbourVest Infrastructure Income Cayman Parallel Partnership LP, a Cayman Islands exempted limited partnership.

22. The securities of the Existing Private Markets Funds that will be issued to the Applicable Top Funds under the *In Specie* Subscription will be valued at the current valuation of the Existing Private Markets Funds, which will be consistent with the 2022 Decision, which requires that the net asset value of the Existing Private Markets Funds be based on the valuation of the applicable portfolio assets to which the various Underlying Investments held by the Existing Private Markets Funds has exposure, determined independently from the Filer or any CI Associate (as applicable).

23. The *In Specie* Subscriptions will be subject to (i) compliance with the written policies and procedures of the Filer respecting *In Specie* Subscriptions that are consistent with applicable securities legislation, and (ii) the oversight of the Chief Compliance Officer of the Filer to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Applicable Top Fund, uninfluenced by considerations other than the best interests of the Applicable Top Fund.

24. The Filer has determined that it will be in the best interests of the Applicable Top Funds and the Existing Private Markets Funds to obtain the Exemption Sought and effect the *In Specie* Subscriptions of Underlying Investments. The IRC for the Top Funds will be asked to approve the *In Specie* Subscriptions in respect of Underlying Investments.

25. The Filer obtained a decision from the Ontario Securities Commission to permit "*in specie* transfers" between its Managed Accounts, Pooled Funds and NI 81-102 Funds (all as defined) pursuant to a decision dated June 9, 2022 (the **In Specie Decision**). The *In Specie* Subscriptions of the Applicable Top Funds with the Existing Private Markets Funds are not contemplated by the In Specie Decision (which permits in specie subscriptions and redemptions for specific scenarios involving the Top Funds, none of which contemplate the *In Specie* Subscriptions between the Applicable Top Funds and the Existing Private Markets Funds), nor are they permitted by NI 81-102 in the same way that *in specie* subscriptions between funds subject to NI 81-102 are permitted. The purpose of the *In Specie* Subscriptions by the Applicable Top Funds for securities of the Existing Private Markets Funds is to give effect to the Filer's objective to cause the applicable Underlying Investments (and only the Underlying Investments) to be transferred to, and held within the Existing Private Markets Funds. This will be a one-time *In Specie* Subscription by the Applicable Top Funds for securities of the Existing Private Markets Funds, where payment will be through the transfer of the Underlying Investments.

26. The *In Specie* Subscriptions of each Applicable Top Fund with the Existing Private Markets Funds will only be carried out if the Applicable Top Fund will, following such subscriptions, not have more than 10% of its net assets invested in the Existing Private Markets Funds and will be in compliance with section 2.4 of NI 81-102.

***In Specie* Subscriptions – Top Funds (Liquid Securities) and Private Markets Funds**

27. The Filer wishes to engage in additional *In Specie* Subscriptions, pursuant to which a Top Fund would purchase securities of one of the Private Markets Funds and, as payment for those securities, deliver liquid market securities held by the Top Fund.

28. The same reasons why the Exemption Sought is requested in respect of *In Specie* Subscriptions in respect of Underlying Investments applies to *In Specie* Subscriptions into the Private Market Funds in respect of liquid market securities.

29. The *In Specie* Subscriptions by the Top Funds are expected to increase the asset base of the Private Markets Funds, which is expected to result in additional benefits to all Top Funds (as well as the Private Markets Funds and any other investor investing in the Private Markets Funds), including more favourable pricing and transaction costs on portfolio trades, increased access to investments when there is a minimum subscription or purchase amount and better economies of scale through greater administrative efficiency.

30. In the circumstances, instead of a Top Fund disposing of the liquid market securities and the Private Markets Funds purchasing the same securities and incurring unnecessary brokerage costs, the portfolio securities will, pursuant to the *In Specie* Subscriptions, be acquired by the Private Markets Funds in exchange for an issuance of securities rather than an outlay of cash. Similarly, the Filer does not wish to engage in an "interfund trade" (which would require the Private Markets Fund to pay cash for these liquid market securities), but rather wishes to engage in *In Specie* Subscriptions, so as to preserve the cash balances of the Private Markets Funds.

31. The only cost which will be incurred by a Top Fund for an *In Specie* Subscription of liquid market securities may be a nominal administrative charge, if any, levied by the custodian of the relevant Top Fund in recording the trades, and any commission charged by the dealer (if any) executing the trade.

32. The Filer, as manager of the Funds, will value the liquid market securities transferred by a Top Fund under an *In Specie* Subscription on the same valuation day on which the purchase price of the securities of the Private Markets Fund is determined. With respect to the purchase of the securities of the Private Markets Fund, the liquid market securities transferred to the Private Markets Fund under an *In Specie* Subscription in satisfaction of the purchase price of those securities will be valued as if the liquid market securities were portfolio assets of the Private Markets Fund, as contemplated by section 9.4(2)(b)(iii) of NI 81-102.

33. The securities of the Private Markets Funds that will be issued to the Top Funds under these *In Specie* Subscriptions will be valued at the current valuation of the Private Markets Funds, which will be consistent with the 2022 Decision, which requires that the net asset value of the Private Markets Funds be based on the valuation of the applicable portfolio assets to which the various Underlying Investments held by the Private Markets Funds has exposure, determined independently from the Filer or any CI Associate (as applicable).

34. The Filer will cause these *In Specie* Subscriptions to occur whenever it considers it appropriate for the applicable Private Markets Funds to hold securities for cash management purposes as contemplated in the 2022 Decision and the Top Fund wishes to invest in the Private Markets Fund.

35. These *In Specie* Subscriptions will be subject to (i) compliance with the written policies and procedures of the Filer respecting *In Specie* Subscriptions that are consistent with applicable securities legislation, and (ii) the oversight of the Chief Compliance Officer of the Filer to ensure that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Top Fund, uninfluenced by considerations other than the best interests of the Top Fund.

36. The Filer has determined that it will be in the best interests of the Top Funds and the Private Markets Funds to obtain the Exemption Sought and effect the *In Specie* Subscriptions of liquid market securities.

37. The In Specie Decision does not contemplate these *In Specie* Subscriptions in respect of liquid market investments (due to the specific in specie subscriptions and redemptions contemplated in the In Specie Decision), nor are these *In Specie* Subscriptions permitted by NI 81-102 in the same way that *in specie* subscriptions between NI 81-102 funds subject to NI 81-102 are permitted.

38. The *In Specie* Subscriptions of each Top Fund with the Private Markets Funds will only be carried out if the Top Fund will, following such subscriptions, not have more than 10% of its net assets invested in the Private Markets Funds and will be in compliance with section 2.4 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 Exemption Sought is granted provided that:

(a) For the *In Specie* Subscriptions of the Applicable Top Funds in the Existing Private Markets Funds:

(i) the IRC for the Applicable Top Funds has approved the *In Specie* Subscriptions as a one-time transaction in accordance with the terms of subsection 5.2(2) of NI 81-107;

(ii) The valuation of the Underlying Investments to be transferred to the Existing Private Markets Funds pursuant to the *In Specie* Subscriptions will be conducted in accordance with paragraphs 15 and 21 of this Decision and the value of the Underlying Investments transferred to the Existing Private Markets Funds by the Applicable Top Funds is equal to the issue price of the securities of the Existing Private Markets Funds for which they are used as payment, valued as if the Underlying Investments were portfolio assets of those Existing Private Markets Funds.

(iii) The Underlying Investments are acceptable to the Filer, as portfolio adviser of the Existing Private Markets Funds and consistent with the Existing Private Markets Funds' investment objectives.

(iv) The Existing Private Markets Funds would, at the time of the transaction, be permitted to acquire the Underlying Investments held by the Applicable Top Funds.

(v) The valuation of the securities of the Existing Private Markets Fund to be issued to the Applicable Top Funds as part of the *In Specie* Subscriptions will be conducted in accordance with paragraphs 15 and 22 of this Decision.

(b) For the *In Specie* Subscriptions by the Top Funds for securities of the Private Markets Funds where liquid market securities are transferred in payment for the purchase price:

(i) the IRC for the Top Funds has approved the *In Specie* Subscriptions in accordance with the terms of subsection 5.2(2) of NI 81-107.

(ii) The Filer, as manager of the Top Funds, and the IRC, comply with the requirements of section 5.4 of NI 81-107 for any standing instructions the IRC provides in respect of the *In Specie* Subscriptions by the Top Funds.

(iii) The Private Markets Funds would, at the time of the *In Specie* Subscriptions, be permitted to acquire the liquid market securities.

(iv) The liquid market securities are acceptable to the Filer, as portfolio adviser of the Private Markets Funds and consistent with the Private Markets Funds' investment objectives.

(v) The value of the liquid market securities transferred to the Private Markets Funds by the Top Funds is equal to the issue price of the securities of the Private Markets Funds for which they are used as payment, valued as if the liquid market securities were portfolio assets of those Private Markets Funds.

(vi) The valuation of the securities of the Private Markets Funds to be issued to the Top Funds as part of the *In Specie* Subscriptions will be conducted in accordance with paragraph 33 of this Decision.

(c) Each Top Fund keeps written records of all *In Specie* Subscriptions in a financial year of the Top Fund, reflecting details of the portfolio securities delivered by the Top Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place.

(d) The Filer does not receive any compensation in respect of any subscription for securities of the Private Markets Funds and, in respect of any delivery of portfolio securities further to an *In Specie* Subscription, the only charge paid by a Top Fund if any, is a nominal administrative charge levied by the custodian in recording the trade and any commission charged by the dealer (if any) executing the trade.

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

Application File #: 2023/0450

B.3.6 Canfin Private Wealth Inc.

Headnote

Pursuant to National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the dealer registration requirement, the know-your-client, trusted contact person and suitability requirements, and the requirements to deliver account statements and investment performance reports granted to a portfolio manager in respect of investors in a model portfolio program offered through an affiliated mutual fund dealer.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
Securities Act, R.S.O. 1990, c. S.5, ss. 25, 74(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 13.2, 13.2.01, 13.3, 14.14, 14.14.1, 14.18 and 15.1(2).

December 21, 2023

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
CANFIN PRIVATE WEALTH INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (**Principal Regulator**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (**Legislation**) exempting the Filer from the following requirements with respect to clients in the Model Portfolio Program (as defined below):

(a) the requirement (the **Dealer Registration Requirement**) in the Legislation that the Filer be registered as a dealer in order to effect Rebalancing Trades (as defined below), executed with respect to a Model Portfolio (as defined below) (the **Dealer Registration Exemption**);

(b) the requirement (the **Know Your Client Requirement**) in the Legislation that the Filer take reasonable steps to:

(i) establish the identity of a client and, if the Filer has cause for concern, make reasonable inquiries as to the reputation of the client;

(ii) establish whether the client is an insider of a reporting issuer or any other issuer whose securities are publicly traded;

(iii) ensure that the Filer has sufficient information regarding the client's investment needs, objectives, financial circumstances, and risk profile, among other information, to enable the Filer to meet its obligations under the Legislation to make a determination with respect to the Suitability Requirement (as defined below); and

(iv) keep the information described above current;

(collectively, the **Know Your Client Exemption**);

(c) the requirement (the **Trusted Contact Person Requirement**) in the Legislation that the Filer take reasonable steps to:

(i) obtain from the client the name and contact information of a trusted contact person, and the written consent of the client for the Filer to contact the trusted contact person to confirm or make inquiries about any of the following:

a. the Filer's concerns about possible financial exploitation of the client;

b. the Filer's concerns about the client's mental capacity as it relates to the ability of the client to make decisions involving financial matters;

c. the name and contact information of a legal representative of the client, if any;

d. the client's contact information; and

(ii) keep the information described above current

(collectively, the **Trusted Contact Person Exemption**);

(d) the requirement (the **Suitability Requirement**) in the Legislation that the Filer take reasonable steps to ensure that, before it makes a recommendation to or accepts an instruction from a client to buy or sell a security or makes a purchase or sale of a security for a client's account, or upon the occurrence of any other required suitability assessment event, such action is suitable for the client (the **Suitability Exemption**); and

(e) the requirement (the **Statement Delivery Requirement**) in the Legislation that the Filer deliver account statements and investment performance reports to clients who have invested in the Model Portfolios (the **Statement Delivery Exemption**).

The Dealer Registration Exemption, Know Your Client Exemption, Trusted Contact Person Exemption, Suitability Exemption, and the Statement Delivery Exemption are collectively referred to as 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 by the Filer in Alberta and each jurisdiction where the Filer seeks registration in the future (together with Ontario, the **Canadian Jurisdictions**) (see representation 9 below).

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* 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 its Affiliate

1. The Filer is a business corporation incorporated under the laws of Canada, registered as a portfolio manager in Ontario and Alberta. The Filer offers discretionary investment management services to its clients, with its head office located in Toronto, Ontario.

2. Canfin Magellan Investments Inc. (the **Dealer**) is a business corporation incorporated under the laws of Canada. The Dealer is registered as a mutual fund dealer in each of Ontario, Alberta, British Columbia and Saskatchewan and as an exempt market dealer (**EMD**) in Ontario. The Dealer is a member of the Canadian Investment Regulatory Organization (**CIRO**).

3. The Filer and the Dealer are both wholly owned subsidiaries of Canfin Holdings Inc.

4. The Dealer, as a mutual fund dealer, offers investment solutions involving mutual funds as defined in the Legislation. However, the Dealer's dealing representatives cannot take on discretionary trading authority to manage portfolios in order to gain portfolio management efficiencies and provide enhanced client experience.

5. The Filer, in conjunction with the Dealer, will offer a model portfolio program comprising Model Portfolios constructed and managed by the Filer (the **Model Portfolio Program**).

6. The Filer is not in default of securities legislation in the Jurisdiction.

The Model Portfolio Program

7. The Dealer provides wealth management services to its clients, including financial planning and mutual fund dealer services in accordance with applicable securities legislation, including CIRO rules (applicable to a mutual fund dealer).

8. Where suitable, the Dealer's dealing representatives may offer their clients the Managed Portfolio Program, comprising of Model Portfolios provided by the Filer.

9. The Model Portfolios will be provided through the Dealer only in the jurisdictions where both the Filer and the Dealer are registered (as of the date of this decision, Ontario and Alberta only). In the future, if the Filer seeks registration in additional jurisdictions, the Filer will file a passport notice pursuant to section 4.7(1) of MI 11-102 to rely on this decision in these jurisdictions.

10. The Filer will construct and manage the managed portfolio solutions (**Model Portfolios**) exclusively from:

    (a) investment funds that meet the definition of a mutual fund under the Legislation, including exchange-traded funds (**ETF**) and alternative mutual funds (collectively, **Funds** and, individually, a **Fund**), each of which: (i) does not employ leverage or short selling strategies in excess of the limits prescribed in National Instrument 81-102 *Investment Funds* (**NI 81-102**); and (ii) is managed by a third-party investment fund manager that is unaffiliated with the Filer; and

    (b) cash and cash equivalents.

11. Each of the Funds is or will be a reporting issuer in one or more of the Canadian Jurisdictions, and subject to the requirements of NI 81-102.

12. The securities of each of the Funds are, or will be, qualified for distribution in one or more of the Canadian Jurisdictions pursuant to a: (a) simplified prospectus, annual information form and Fund Facts, prepared and filed in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, or (b) long form prospectus and ETF Facts, prepared and filed in accordance with National Instrument 41-101 *General Prospectus Requirements*.

13. The securities of each Fund that is an ETF are, or will be, listed and traded on a recognized exchange.

14. Each Model Portfolio will have a set allocation to equity, fixed income and cash (the **Asset Classes**) which are suitable for clients with short, medium or long-term investment horizons and with different risk profiles.

15. Exposure to the different Asset Classes in a Model Portfolio will be achieved using the Funds. Each Fund will have a percentage target weight within an Asset Class (the **Target Weight**) which may, due to changes in the market value of the Fund, increase or decrease within an upper and lower range (the **Permitted Range**). From time to time, the Filer may decide to change the Target Weight or Permitted Range of the Funds in the Model Portfolio or may replace a Fund with one or more alternative Funds (the **Model Re-allocation**).

16. When, due to changes in the relative market value of each Fund, one or more Funds in a client's Model Portfolio exceed the Permitted Range, the Filer will execute appropriate trades so that each Fund is returned to a relative weight that is within the Permitted Range (the **Account Rebalance**). The Account Rebalance may include rebalancing of additional funds invested in the client's account.

17. Prospective clients of the Dealer will complete a goal-based questionnaire (the **Questionnaire**) and have a meaningful discussion with a dealing representative of the Dealer, subject to any applicable exemption or relief order, in order to determine which Model Portfolio is suitable for the prospective client for a specific goal or an account.

18. The Dealer and the Filer will jointly create the Questionnaire, and each agree that the Questionnaire is an effective tool for determining whether each client's goal or account is suitable for a Model Portfolio.

19. The Dealer will use the information obtained from the prospective client, including their responses to the Questionnaire and any discussions held with the prospective client and the dealing representative's knowledge of the prospective client's affairs, to complete a know your client (**KYC**) and suitability assessment on the prospective client, as required under sections 13.2 and 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

20. Having determined which Model Portfolio or a set of Model Portfolios are suitable for a prospective client's goal or account, the Dealer will recommend those Model Portfolios, and the prospective client will decide if they wish to accept the recommendation and invest in one of the suitable Model Portfolios.

21. The Dealer will make trades in the Funds to invest the client's account in their chosen Model Portfolio. Any decision by the Filer to effect a Rebalancing Trade (as defined below) will be made through the Dealer, its carrying dealer, or another dealer, including an affiliate, registered in a category that permits the trade.

22. Prospective clients and existing clients will have no direct contact with the Filer in connection with the Filer's management of the Model Portfolio, and prospective clients and existing clients will interact solely with the Dealer and dealing representatives of the Dealer in connection with the Filer's management of the Model Portfolios and the Dealer's administration of the client accounts.

23. Where a Dealer's dealing representative determines that a Model Portfolio is no longer appropriate for the client or that a different Model Portfolio would be more appropriate for the client, the Dealer's dealing representative will communicate with the client, and take appropriate action. A change to a different Model Portfolio will not be made without the client entering into a new Agreement (as defined below) or providing instructions to the Dealer in respect of the new Model Portfolio.

24. A client may terminate their participation in the Model Portfolio Program at any time by notifying the Dealer.

Client Agreement and Client Reporting

25. If the prospective client decides to invest in a Model Portfolio, a tripartite agreement (the **Agreement**) is entered into between the client, the Dealer and the Filer that:

    (a) will authorize the Filer to manage the client's investment on a discretionary basis with a view to ensuring that the client's account is managed in accordance with the agreed upon Model Portfolio and within the Permitted Ranges, which may be adjusted at the discretion of the Filer;

    (b) will authorize the Filer to use its discretion to effect a Model Re-allocation or an Account Rebalance (**Rebalancing Trades**). To facilitate the Rebalancing Trades, the client will consent to providing the Filer with access to view the client's account with the Dealer that holds the Funds included in the Model Portfolio, and use the account holding information;

    (c) provides that the Dealer may in the future recommend changing to a different Model Portfolio than the one currently accepted by the client if there are:

        i. material changes in the client's financial circumstances or risk profile; or

        ii. Filer-initiated changes to the Asset Classes in the Model Portfolio currently accepted by the client;

        but the Dealer will not implement any such recommendation without the client's prior approval obtained in writing or through any other electronic means, including via a secure online portal;

    (d) provides that the Filer will be responsible to the client for ensuring that the selected Model Portfolio is managed in accordance with the terms agreed upon by the client;

    (e) provides that satisfying the Know Your Client Requirement, the Trusted Contact Person Requirement and the Suitability Requirement will not be the responsibility of the Filer but instead will be that of the Dealer who will gather and periodically update the KYC information concerning the client and confirm, on at least an annual basis, the suitability of the Model Portfolio;

    (f) provides that the Dealer will not have discretionary authority to participate in the management of the Model Portfolio or to effect Rebalancing Trades; and

    (g) provides that the Filer:

        i. may appoint one or more sub-advisers (each a **Sub-Adviser**) to design Model Portfolios for the Filer; and

        ii. shall pay the Sub-Adviser from the Filer's Model Portfolio management fee, which will differ from Sub-Adviser to Sub-Adviser and may be higher than the fee on Model Portfolios managed solely by the Filer.

26. In addition to the Agreement, the client is also provided, including via a secure online portal:

    (a) with an investment plan (the **Investment Plan**) prior to or concurrently with the execution of the Agreement which sets out the composition of the Model Portfolio, the percentage allocation of the Asset Classes, the

method by which the Permitted Range is determined, the fees payable to the Dealer and the Filer (if any) as well as the rules governing the investment and management of the Model Portfolio;

(b) prior to the Agreement being entered into, or within two days of trades being implemented for the Model Portfolio, with the Fund Facts or other document required by Legislation, in respect of the Funds included in the Model Portfolio. In the event that a new replacement Fund is incorporated into the Model Portfolio as part of the Rebalancing Trades, the client will similarly be provided with the Fund Facts for the replacement Fund, subject to any applicable exemption or relief order; and

(c) trade confirmations for every transaction in the client's account, including Rebalancing Trades, within the timelines required by Legislation, subject to any applicable exemption or relief order.

27. Sales communications and account opening documents will explain the different responsibilities of the Dealer and the Filer with respect to the client and the client's Model Portfolio. This will include disclosure that the Filer is responsible for managing the Model Portfolio without reference to the client's circumstances and only in accordance with the Model Portfolio agreed upon by the client, and the Dealer alone will have the responsibility to determine that the selected Model Portfolio is and remains suitable for the client.

28. The Funds that comprise each Model Portfolio are directly held by each client in their own account with the Dealer (including via any carrying dealer), and if the client has not already opened an account with the Dealer, the client will complete an account application. All Rebalancing Trades are reflected in the client's account within two business days.

29. The Dealer will maintain records as required under section 11.5 of NI 31-103 and applicable CIRO rules and reconcile all trades executed in the account with the Rebalancing Trades provided by the Filer.

30. An account statement will be provided to the client by the Dealer on a monthly basis.

31. An investment performance report will be provided to the client by the Dealer at least annually.

32. The Dealer will also provide the client with an annual tax reporting package.

33. There will be no duplication of any fees or charges as a result of a client's decision to use the Model Portfolio Program.

34. The fees and expenses charged by the Dealer, Sub-Advisor (if any) and the Filer will be disclosed in the Agreement. The Filer will not receive any management, administration and other fees from the Funds and no sales charges, redemption fees, switch fees or early trading fees will be charged in connection with Rebalancing Trades.

Oversight and Monitoring

35. The Filer will carry out the following monitoring and oversight procedures in connection with the client's account designated to hold the Funds included in the Model Portfolio:

(a) Ongoing monitoring of the composition of the client account and providing adjustment instructions to the Dealer to ensure the account is managed in accordance with the agreed upon Model Portfolio and within the Permitted Ranges;

(b) Ongoing oversight responsibilities on the composition of the Model Portfolios and make recommendations for changes where considered appropriate;

(c) Ongoing oversight responsibilities on the portfolio guidelines and make recommendations for changes when considered appropriate;

(d) No less frequently than annually, the Filer will review any Model Portfolio managed by a Sub-Adviser to ensure that it complies with its applicable mandate.

36. The Filer will maintain policies and procedures to comply with NI 31-103 and other applicable securities regulations that pertain to the category of portfolio manager, which will contain a section that covers the processes and controls related to client accounts invested in the Model Portfolio Program.

37. As part of the Model Portfolio Program, provided that the client's dealing representative of the Dealer is given at least 45 days' advance written notice (the **Written Notice**) and the Model Portfolio remains consistent with its stated investment objective at all times, the Filer may also, from time to time, use its discretion to make decisions regarding certain changes to the Permitted Ranges (the **Weighting Changes**).

38. The Written Notice will describe the proposed Weighting Change and will provide sufficient detail for the Dealer's dealing representatives to determine whether the Model Portfolios, after the implementation of the proposed change, would

continue to be appropriate for their clients. The Written Notice will specify that if the Dealer's dealing representative does not provide an objection on behalf of his / her client to the proposed Weighting Change by a specified date, such non-objection will be deemed to be consent for the changes on the effective date.

Exemption Sought

39. In the absence of the Exemption Sought, the Filer would be required:

(a) to register as a mutual fund dealer under the Legislation and become a member of CIRO (mutual fund dealer division) in order to effect the Rebalancing Trades;

(b) to gather and update the information contemplated by the Know Your Client Requirement in section 13.2 of NI 31-103 for each client;

(c) to gather and update the information contemplated by the Trusted Contact Person Requirement in section 13.2.01 of NI 31-103 for each client;

(d) by the Suitability Requirement in section 13.3 of NI 31-103, to ensure that each Rebalancing Trade is suitable for the client, rather than invested in accordance with the terms of the Investment Plan; and

(e) by the Statement Delivery Requirement in sections 14.14 or 14.14.1 and 14.18 of NI 31-103, to deliver a quarterly account statement and annual investment performance report to each client.

40. The Dealer does not require an exemption from the adviser registration requirement under the Legislation as a result of the Dealer's involvement with the Model Portfolios, as the Dealer will not be engaged in providing discretionary trading services to clients in connection with the management of the Model Portfolios or the client accounts.

Decision

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

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

(a) The Filer is, at the time of each Rebalancing Trade, registered under the Legislation as an adviser in the category of portfolio manager;

(b) any Sub-Adviser will be registered as an adviser in the category of portfolio under the Legislation, or be exempt from the requirement to be registered as an adviser pursuant to NI 31-103;

(c) each Rebalancing Trade will be made in accordance with the terms of the Model Portfolio and the Investment Plan;

(d) the Dealer will maintain records pertaining to the client accounts;

(e) each client is informed in writing in the Agreement or otherwise:

(i) of the roles, duties and responsibilities of the Filer and the Dealer, including that:

a. The Filer will manage the Model Portfolios without reference to the client's circumstances and only in accordance with the terms of the Model Portfolio selected by the client;

b. the Dealer will be solely responsible for gathering and periodically updating KYC and trusted contacted person information concerning the client and reviewing, on at least an annual basis, the suitability of the selected Model Portfolio for the client;

(ii) that the client will receive account statements and performance reports from the Dealer, and will not receive account statements and performance reports from the Filer;

(f) the Filer:

(i) will adopt, maintain and apply oversight policies and procedures designed to provide reasonable assurance that the Dealer complies with its KYC, trusted contact person and suitability obligations with respect to each client, including requiring that:

a. the Dealer not market and sell the Model Portfolios through an order-execution-only, suitability-exempt channel;

b. the Dealer notify the Filer of each instance where a Model Portfolio is provided to a client on the basis of a client-directed trade as contemplated in section 13.3 of NI 31-103 and similar provisions under CIRO rules (applicable to mutual fund dealers);

c. the Dealer be responsible for gathering and periodically updating KYC and trusted contacted person information concerning the client and confirming, on at least an annual basis, the suitability of the selected Model Portfolio for each client; and

d. the Dealer, on an annual basis, no later than 30 days after the end of the calendar year, provide a certificate to the Filer that the Dealer has complied with its KYC, trusted contacted person, and suitability obligations with respect to each client;

(ii) will maintain its own records of each client's investment positions and trades;

(iii) will have a written agreement with the Dealer concerning their respective responsibilities regarding the delivery of account statements and investment performance reports to clients; and

(iv) will adopt, maintain, and apply oversight policies and procedures designed to provide reasonable assurance that the Dealer complies with the client reporting obligations under the rules of NI 31-103 and CIRO (applicable to mutual fund dealers), as applicable, in respect of clients, including requiring that the Dealer, on an annual basis, no later than 30 days after the end of the calendar year, provide a certificate to the Filer that:

a. the Dealer has complied with its client reporting obligations under the rules of NI 31-103 and CIRO (applicable to mutual fund dealers), as applicable, and

b. the Dealer has undertaken steps in accordance with its policies and procedures to provide reasonable assurance that account statements and investment performance reports delivered to clients are complete, accurate and delivered on a timely basis in a format that is compliant with the rules of NI 31-103 and CIRO (applicable to mutual fund dealers); and

(v) will adopt, maintain and apply oversight policies and procedures designed to provide reasonable assurance that the Dealer complies with its obligations to provide Fund Facts and trade confirmations to a client with respect to the client's initial investment in a Model Portfolio, including requiring that each Dealer, on an annual basis, no later than 30 days after the end of the calendar year, provide a certificate to the Filer that the Dealer has provided Fund Facts and trade confirmations to clients in connection with such trades.

"Felicia Tedesco"
Deputy Director
Compliance and Registrant Regulation
Ontario Securities Commission

OSC File #: 2023/0221

B.3.7 Bridgemarq Real Estate Services Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – issuer's operating business is carried on by limited partnership – entity holds units in limited partnership which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded restricted voting shares – issuer may include entity's indirect interest in issuer when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions – relief granted subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.5(a), 5.7(1)(a) and 9.1.

December 21, 2023

**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
BRIDGEMARQ REAL ESTATE SERVICES INC.
(the "Filer")**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the "**Application**") from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") that the Filer be granted an exemption pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") from the minority approval and formal valuation requirements under Part 5 of MI 61-101 relating to any related party transaction of the Filer entered into indirectly through Residential Income Fund L.P. (the "**Partnership**") or any other subsidiary entity (as such term is defined in MI 61-101) of the Partnership, if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101 if the indirect equity interest in the Filer, which is held by Brookfield BBP (Canada) Holdings LP ("**Brookfield**") or any of its permitted transferees (as set out in the Partnership Agreement (as defined below)), in the form of exchangeable Class B limited partnership units of the Partnership ("**Exchangeable LP Units**"), was included in the calculation of the Filer's market capitalization (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 the Application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in Alberta, Manitoba, New Brunswick, Quebec and Saskatchewan.

Interpretation

Terms defined in National Instrument 14-101 *Definitions,* MI 11-102 and MI 61-101 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation incorporated on October 28, 2010, under the laws of the Province of Ontario.

2. The Filer and its subsidiaries were originally structured as an income trust. Such structure was converted to a corporate structure on December 31, 2010 as a response to proposed tax changes for publicly traded income trusts. The restructuring was effected pursuant to an arrangement agreement. Each holder of units of Brookfield Real Estate Services Fund (the "**Fund**") received one Restricted Voting Share (as defined below) for each unit held. The rights attached to the Restricted Voting Shares are, in all material respects, identical to those that were attached to the units of the Fund. In addition, the special voting units of the Fund were redeemed by the Fund and Brookfield received one Special Voting Share (as defined below).

3. The Filer's head office is located at 39 Wynford Drive, Suite 200, Toronto, Ontario, M3C 3K5.

4. The Filer is a reporting issuer (or the equivalent thereof) in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan and, is not currently in default of any applicable requirements of the securities legislation thereunder.

5. The Filer is authorized to issue an unlimited number of restricted voting shares ("**Restricted Voting Shares**"), an unlimited number of preferred shares and one special voting share ("**Special Voting Share**"). As at the date hereof, the Filer has 9,483,850 Restricted Voting Shares, no preferred shares and one Special Voting Share issued and outstanding.

6. Brookfield holds the one Special Voting Share. The Special Voting Share is not transferable other than to affiliates of Brookfield.

7. The Restricted Voting Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "BRE".

8. The Partnership is a limited partnership formed under the laws of the Province of Ontario and is governed by a second amended and restated limited partnership agreement dated as of December 31, 2012 (the "**Partnership Agreement**"). The Partnership's head office is located at 39 Wynford Drive, Suite 200, Toronto, Ontario, M3C 3K5.

9. The Partnership is not a reporting issuer (or the equivalent thereof) in any jurisdiction and none of its securities are listed or posted for trading on any stock exchange or other market.

10. The general partner of the Partnership (the "**General Partner**") is a corporation incorporated under the laws of the province of Ontario. The Filer and Brookfield own 75% and 25%, respectively, of the outstanding shares of the General Partner. The General Partner has the authority to manage the business and affairs of the Partnership.

11. The Partnership is authorized to issue (i) an unlimited number of Class A limited partnership units ("**Class A LP Units**"), of which 9,983,000 Class A LP Units are issued and outstanding as at the date hereof and are held by the Filer and (ii) an unlimited number of Exchangeable LP Units, of which 3,327,667 Exchangeable LP Units are issued and outstanding as at the date hereof and are held by Brookfield. The Exchangeable LP Units were issued to Brookfield when the Filer was incorporated in connection with the Filer's indirect acquisition of certain assets from Brookfield.

12. The Exchangeable LP Units are, in all material respects, the economic equivalent of the Restricted Voting Shares on a per unit basis. The Exchangeable LP Units are exchangeable into Restricted Voting Shares on a one-for-one basis (subject to customary anti-dilution adjustments) at the option of the holder, at any time. In the past 5 years, the monthly distributions made on the Exchangeable LP Units have been equal to the monthly distributions made on the Class A LP Units paid to the Filer. Distributions on the Class A LP Units are used to pay income taxes and operating costs of the Filer and dividends on the Restricted Voting Shares of the Filer. The Exchangeable LP Units are voting units of the Partnership, and the Special Voting Share also entitles the holder of the Exchangeable LP Units to a number of votes at any meeting of Restricted Voting Shares (except that the holder of the Special Voting Share is not entitled to vote for the election of the elected directors) equal to the number of Restricted Voting Shares that would be obtained upon the exchange of all the Exchangeable LP Units held by the holder and/or its affiliates. The Exchangeable LP Units are transferable, subject to the satisfaction of the applicable conditions set forth in the Partnership Agreement. The Exchangeable LP Units are not exchangeable for securities other than the Restricted Voting Shares nor are they redeemable for cash.

13. The operating business of the Filer is carried on by the Partnership. The principal activity of the Partnership is to conduct the business of a franchisor of residential property brokerage franchises and to carry out all activities consistent with the strategy of the Filer and the Fourth Amended and Restated Management Services Agreement dated as of November 6, 2018, among, *inter alia*, the Filer, the Partnership and Bridgemarq Real Estate Services Manager Limited.

14. As at the date hereof, Brookfield holds an approximate 28.4% effective interest in the Filer on a fully-diluted basis through ownership of 315,000 Restricted Voting Shares and all of the 3,327,667 issued and outstanding Exchangeable LP Units.

15. It is anticipated that the Filer may from time to time enter into transactions with certain related parties (as such term is defined in MI 61-101), including Brookfield or any of its affiliates, indirectly through the Partnership or its subsidiaries.

16. If Part 5 of MI 61-101 applies to a related party transaction by an issuer and the transaction is not otherwise exempt:

    (a) the issuer must obtain a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 prepared by an independent valuator; and

    (b) the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (requirements (a) and (b) are collectively referred to as the "**Minority Protections**").

17. A related party transaction that is subject to MI 61-101 may be exempt from the Minority Protections if, at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization (the "**Transaction Size Exemption**").

18. The Filer may not be entitled to rely on the Transaction Size Exemption available under MI 61-101 from the requirements relating to related party transactions in MI 61-101 because the definition of "market capitalization" in MI 61-101 does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.

19. The Exchangeable LP Units represent part of the equity value of the Filer and provide the holder of the Exchangeable LP Units with economic rights which are, in all material respects, equivalent to the Restricted Voting Shares. The effect of Brookfield's exchange right is that Brookfield will receive Restricted Voting Shares upon the exchange of the Exchangeable LP Units. Moreover, the economic interests that underlie the Exchangeable LP Units are identical to those underlying the Restricted Voting Shares; namely, the assets held directly or indirectly by the Partnership.

20. If the Exchangeable LP Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of the interest in the Partnership represented by Brookfield's Exchangeable LP Units (approximately 25% as of the date hereof). As a result, related party transactions by the Filer may be subject to the Minority Protections in circumstances where the fair market value of the transaction is effectively less than 25% of the fully-diluted market capitalization of the Filer.

21. Section 1.4 of MI 61-101 treats an operating entity of an "income trust", as such term is defined in National Policy 41-201 *Income Trusts and Other Indirect Offerings* ("**NP 41-201**"), on a consolidated basis with its parent trust entity for the purpose of determining which entities are related parties of the issuer and which transactions MI 61-101 should apply. Section 1.2 of NP 41-201 provides that references to an "income trust" refer to a trust or other entity (including corporate and non-corporate entities) that issues securities which provide for participation by the holder in net cash flows generated by an underlying business owned by the trust or other entity. Therefore, it is consistent with MI 61-101 that securities of the operating entity, such as the Exchangeable LP Units, be treated on a consolidated basis for the purposes of the Transaction Size Exemption.

22. The inclusion of the Exchangeable LP Units when determining the Filer's market capitalization pursuant to MI 61-101 is consistent with the logic of including unlisted equity securities of the issuer which are convertible into listed securities of the issuer in determining an issuer's market capitalization in that both are securities that are considered part of the equity value of the issuer whose value is measured on the basis of the listed securities into which they are convertible or exchangeable.

Decision

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

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

(a) the applicable transaction would qualify for the Transaction Size Exemption contained in MI 61-101 if the Exchangeable LP Units were considered an outstanding class of equity securities of the Filer that were convertible into Restricted Voting Shares;

(b) there is no material change to the terms of the Exchangeable LP Units and the Special Voting Share, including the exchange rights associated therewith, as described above and in the Articles of Incorporation of the Filer, the Partnership Agreement and the Amended and Restated Exchange Agreement dated December 31, 2012, whether by amendment to such documents, contractual agreement or otherwise;

(c) the applicable transaction is made in compliance with the rules and policies of the TSX or such other exchange upon which the Filer's securities trade; and

(d) any material change report filed in respect of a related party transaction in which the Exemption Sought is applicable and any annual information form or equivalent of the Filer that is filed or required to be filed in

accordance with applicable Canadian securities law, contains the following disclosure, with any immaterial modifications as the context may require:

> "Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to formal valuation and minority approval requirements under MI 61-101. An exemption from such requirements is available when the fair market value of the transaction does not exceed 25% of the market capitalization of the issuer. Bridgemarq Real Estate Services Inc. has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and formal valuation requirements for transactions that would have a value of less than 25% of Bridgemarq Real Estate Services Inc.'s market capitalization, if the exchangeable Class B limited partnership units of Residential Income Fund L.P. held by Brookfield BBP (Canada) Holdings LP are included in the calculation of Bridgemarq Real Estate Services Inc.'s market capitalization. As a result, the 25% threshold, above which the minority approval and formal valuation requirements would apply, is increased to include the approximately 25% indirect exchangeable equity interest in Bridgemarq Real Estate Services Inc. held by Brookfield BBP (Canada) Holdings LP in the form of exchangeable Class B limited partnership units of Residential Income Fund L.P."

"David Mendicino"
Manager, Office of Mergers & Acquisitions
Ontario Securities Commission

B.3.8 ATB Securities Inc. and ATB Capital Markets Inc.

Headnote

Multilateral Instrument 11-102 Passport System, National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, CSA Staff Notice 31-358 Guidance on Registration Requirements for Chief Compliance Officers – Investment dealer with separate divisions dedicated to institutional and retail clients exempted from requirement to designate only a single UDP and a single CCO for the registrant firm – permitted to designate two CCOs and two UDPs, one of each for each division.

Applicable Legislative Provisions

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, s. 3.6(3)(b).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 11.2, 11.3 and 15.1.

Citation: *Re ATB Securities Inc.*, 2023 ABASC 168

December 19, 2023

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

AND

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

AND

**IN THE MATTER OF
ATB SECURITIES INC.
(ATBSI)**

AND

**ATB CAPITAL MARKETS INC.
(ATBCM and, with ATBSI, the Filers)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filers, on behalf of the corporation resulting from the proposed amalgamation (the **Amalgamation**) of the Filers (the **Amalgamated Corporation**), for a decision under the securities legislation of the Jurisdictions (the **Legislation**), pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), for an exemption from the requirements contained in:

(a) section 11.2 of NI 31-103 to designate an individual to be the ultimate designated person (**UDP**), in order to permit the Amalgamated Corporation to designate and register two individuals as UDPs, one of whom has accountability for the retail investor line of business of the Amalgamated Corporation and one of whom has accountability for the institutional investor line of business of the Amalgamated Corporation, and

(b) section 11.3 of NI 31-103 to designate an individual to be the chief compliance officer (**CCO**), in order to permit the Amalgamated Corporation to designate and register two individuals as CCOs, one of whom has accountability for the retail investor line of business of the Amalgamated Corporation and one of whom has accountability for the institutional investor line of business of the Amalgamated Corporation,

(the **Exemption Sought**).

Pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (for a dual application):

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

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each jurisdiction of Canada, other than Alberta and Ontario (together with the Jurisdictions, the **Filing Jurisdictions**), and

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

Interpretation

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

Representations

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

ATBSI

1. ATBSI is a wholly-owned subsidiary of ATB Financial.

2. ATBSI is registered as an investment dealer in each of the Jurisdictions other than Québec and Nunavut, and is currently seeking registration as an investment dealer in Québec and Nunavut. ATBSI is a member of the Canadian Investment Regulatory Organization (**CIRO**) and has its head office in Edmonton, Alberta.

3. ATBSI primarily provides non-discretionary investment advisory services to retail clients, offering equity securities, fixed income securities, mutual funds and other investment products (the **ATBSI Retail Business**).

4. ATBSI has approximately 200 registered representatives carrying on business in Alberta.

5. ATBSI is not in default of any requirements of securities legislation in the Jurisdictions.

ATBCM

6. ATBCM is a wholly-owned subsidiary of ATB Financial.

7. ATBCM is registered as an investment dealer in each of the Jurisdictions, is a member of CIRO and has its head office in Calgary, Alberta.

8. ATBCM primarily provides a broad spectrum of services to institutional clients, including corporate financial services, equity underwriting, debt underwriting, corporate and asset advisory services, institutional research and sales and trading (the **Institutional Business**). Additionally, ATBCM also has a small number of retail clients (**ATBCM Retail Business**).

9. ATBCM has approximately 24 registered representatives carrying on business in Alberta.

10. ATBCM is not in default of any requirements of securities legislation in the Jurisdictions.

The Amalgamation

11. For various business reasons, on January 1, 2024 the Filers intend to amalgamate.

12. The Amalgamation will be effected under the *Business Corporations Act* (Alberta) as a horizontal short form amalgamation. As such, after the Amalgamation, the Filers will continue as a single legal entity with the name “ATB Securities Inc.” (with the French version being “Valeurs mobilières ATB”).

13. Upon the Amalgamation, the Amalgamated Corporation will carry on the activities currently conducted by the Filers in the following two distinct operating lines of business (the **Divisions**):

    (a) one Division (the **Institutional Division**), which will undertake the Institutional Business currently carried on by ATBCM;

    (b) another Division (the **Retail Division**), which will undertake the ATBSI Retail Business and the ATBCM Retail Business, currently carried on by ATBSI and ATBCM, respectively.

14. The Amalgamated Corporation results from the amalgamation of two distinct corporate entities with two distinct lines of business. As a result, each Division will have a well-established and distinct supervisory and compliance structure, with compliance personnel clearly assigned to each Division, which are the residual compliance divisions of ATBSI and ATBCM before the Amalgamation.

15. Additionally, although the divisions will be housed within the same corporate structure for legal, tax, accounting and other entity-level reporting purposes, the divisions will have distinct business plans, service offerings, distribution lines, and client segmentation and thus operate in a distinct manner from each other.

The UDPs

16. After the Amalgamation, the Filers intend that the Amalgamated Corporation will designate one individual as UDP of the Retail Division and a different individual as UDP of the Institutional Division.

17. The Filers intend that the Amalgamated Corporation will designate the current UDP of ATBSI to be the initial UDP of the Retail Division, and the current UDP of ATBCM to be the initial UDP of the Institutional Division.

18. The Filers will structure the Amalgamated Corporation to ensure that each of the UDPs will be the most senior manager of their respective Division and will be a senior officer of the Amalgamated Corporation. The UDP of each Division, regardless of their title from time to time, will have the role that is the functional equivalent of chief executive officer in respect of the Division for which they are responsible and will be the most senior and final decision maker for their Division. This means that each UDP will fulfill the following roles for their Division:

    (a) supervise, oversee and otherwise be responsible for running the Division;

    (b) provide clear leadership and promote a culture of compliance within the Division;

    (c) be accountable for the operations and financial performance of the Division;

    (d) be the individual that the executive management within the Division report to;

    (e) be accountable for reporting at least annually to the Board of Directors of the Amalgamated Corporation with respect to the Division; and

    (f) have ultimate authority over compliance-related matters for the Division within the Amalgamated Corporation.

19. The Filers will structure the Amalgamated Corporation to ensure that there will be no line of reporting between the two UDPs. Each UDP will have direct access to the Board of Directors of the Amalgamated Corporation and no other executive officer of the Amalgamated Corporation will have the authority to overrule a decision of either of them.

The CCOs

20. After the Amalgamation, the Filers intend that the Amalgamated Corporation will designate one individual as CCO of the Retail Division and a different individual as CCO of the Institutional Division.

21. The Filers intend that the Amalgamated Corporation will designate the current CCO of ATBSI to be the initial CCO of the Retail Division, and the current CCO of ATBCM to be the initial CCO of the Institutional Division.

22. Each of the CCOs will meet the proficiency requirements to act in the role, as provided for in NI 31-103.

23. Upon the Exemption Sought being granted, the CCO of the Retail Division will focus on the needs of retail clients and will oversee compliance systems that are reasonably designed to ensure suitability of investment advice and products and services for retail clients.

24. Upon the Exemption Sought being granted, the CCO of the Institutional Division will focus on the needs of institutional clients and will oversee compliance systems that are reasonably designed to ensure integrity of the marketplace and the needs of institutional clients.

25. Upon the Exemption Sought being granted, each CCO will have direct access to the UDP of the same Division, will provide reports to the Board of Directors of the Amalgamated Corporation and will comply in all other respects with applicable securities law requirements, including the requirements set out in NI 31-103.

REASONS FOR EXEMPTION SOUGHT

26. Under section 11.2 of NI 31-103, a registered firm is required to designate and have registered an individual to be the UDP (the **UDP Requirement**). The UDP must be: (a) the chief executive officer of the registered firm or, if the firm does

not have a chief executive officer, an individual acting in a capacity similar to a chief executive officer; (b) the sole proprietor of the registered firm; or (c) an officer in charge of a division of the registered firm, if the activity that requires the firm to register occurs only in the division and the firm has significant other business activities. Absent the Exemption Sought, the Amalgamated Corporation would be required to designate one individual as UDP with ultimate responsibility for both Divisions.

27. Under section 11.3 of NI 31-103, a registered firm is required to designate and have registered an individual to be the CCO (the **CCO Requirement**). Absent the Exemption Sought, the Amalgamated Corporation would be required to designate one individual as CCO with compliance oversight responsibility for both Divisions.

28. In section 5.2 of Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, the Canadian Securities Administrators (**CSA**) indicate that:

> "Firms must designate one CCO. However, in large firms, the scale and kind of activities carried out by different operating divisions may warrant the designation of more than one CCO. We will consider applications, on a case-by-case basis, for different individuals to act as the CCO of a firm's operating divisions."

29. Additionally, CSA Staff Notice 31-358 *Guidance on Registration Requirements for Chief Compliance Officers and Request for Comments* indicates that the CSA may allow registered firms to implement their CCO responsibilities in a manner that better aligns with their operational needs and business models. It acknowledges that larger firms may benefit from implementing a multiple CCO model where they have distinct business lines or registration categories and require, *inter alia*, that a firm must demonstrate that each CCO has their own separate responsibilities and that no CCO delegates or transfers to another CCO their responsibilities under section 5.2 of NI 31-103 .

30. Given the scope, specialized, and diversified business operations within each of the Retail Division and the Institutional Division, it would be:

    (a) challenging for one individual to be expected to effectively carry out all of the responsibilities of the UDP, and for one individual to be expected to effectively carry out all of the responsibilities of the CCO, for both the Retail Division and the Institutional Division;

    (b) challenging for one UDP and one CCO to effectively identify and stay abreast of the different issues and risks applicable to clients and the capital markets stemming from both the Retail Division and the Institutional Division; and

    (c) challenging for one CCO to escalate all such issues and risks to one UDP and the Board of Directors of the Amalgamated Corporation in a timely and effective manner.

31. Aligning the UDP, CCO and the compliance structure with the Amalgamated Corporation's business model would be effective in fulfilling the policy objectives of the UDP Requirement and the CCO Requirement and facilitates maintaining an effective compliance program.

Decision

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

The decision of each Decision Maker under the Legislation is that the Exemption Sought is granted so that the Amalgamated Corporation may designate and register a separate UDP and a separate CCO for each of the Retail Division and Institutional Division of the Amalgamated Corporation, provided that:

(a) each Division shall have its own UDP, who shall be the equivalent of the chief executive officer in respect of the Division for which they are the UDP;

(b) only one individual is the UDP of each Division;

(c) each UDP fulfills the responsibilities set out in section 5.1 of NI 31-103, or any successor provision thereto, in respect of the Division for which they are the designated UDP;

(d) each Division shall have its own CCO;

(e) only one individual is the CCO of each Division;

(f) each CCO reports to the UDP of the Division for which they are the designated CCO;

(g) each CCO fulfills the responsibilities set out in section 5.2 of NI 31-103, or any successor provision thereto, in respect of the Division for which they are the designated CCO; and

(h) each UDP and each CCO has direct access to the Board of Directors of the Amalgamated Corporation.

This decision shall become effective upon the amalgamation of the Filers.

"Lynn Tsutsumi"
Director, Market Regulation
for the Executive Director
Alberta Securities Commission

OSC File #: 2022/0533

B.3.9 ATB Capital Markets Inc. and ATB Securities Inc.

Headnote

Multilateral Instrument 11-102 Passport System, National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, National Instrument 33-109 Registration Information – Bulk transfer of individual registrants and business locations between affiliated entities within the same jurisdiction and registration category, upon amalgamation.

Applicable Legislative Provisions

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, s. 3.6(3)(b).
National Instrument 33-109 Registration Information, ss. 2.2, 2.3, 2.4, 3.2 and 4.2.

Citation: *Re ATB Capital Markets Inc. and ATB Securities Inc.*, 2023 ABASC 166

December 19, 2023

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

AND

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

AND

**IN THE MATTER OF
ATB CAPITAL MARKETS INC.
(ATBCM)**

AND

**ATB SECURITIES INC.
(ATBSI)
(the Filers)**

DECISION

Background

The securities regulatory authority or regulator in each of Alberta and Ontario (the **Decision Makers**) has received an application from the Filers, for a decision under the securities legislation of those jurisdictions (the **Legislation**) providing exemptions from the requirements contained in sections 2.2, 2.3, 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information* (**NI 33109**) pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of registered individuals (the **ATBSI Individuals**) and all business locations (the **Locations**) of ATBSI from ATBSI to ATBCM on or about January 1, 2024 (the **Amalgamation Date**), in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

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

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filers in each of other provinces and territories of Canada (collectively, with Alberta and Ontario, the **Jurisdictions**); and

(c) the decision with respect of the Exemption Sought is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

ATBSI

1. ATBSI is a wholly-owned subsidiary of ATB Financial.

2. ATBSI is registered as an investment dealer in each of the Jurisdictions other than Quebec and Nunavut. ATBSI is a member of the Canadian Investment Regulatory Organization (**CIRO**) and has its head office in Edmonton, Alberta.

3. ATBSI has approximately 340 registered representatives carrying on business throughout Alberta.

4. ATBSI is not in default of any requirements of securities legislation in the Jurisdictions.

ATBCM

5. ATBCM is a wholly-owned subsidiary of ATB Financial.

6. ATBCM is registered as an investment dealer in each of the Jurisdictions. ATBCM is a member of CIRO and has its head office in Calgary, Alberta.

7. ATBCM is not in default of any requirements of securities legislation in the Jurisdictions.

The Amalgamation

8. For various business reasons, on or about January 1, 2024, the Filers intend to amalgamate (the **Amalgamation**).

9. The Amalgamation will be effected under the *Business Corporations Act* (Alberta) as a horizontal short form amalgamation. As such, after the Amalgamation, the Filers will continue as a single legal entity with the name "ATB Securities Inc." (with the French version being "Valeurs mobilières ATB") (the **Amalgamated Corporation**).

10. The Amalgamated Corporation will be a wholly-owned subsidiary of ATB Financial.

11. The head office of the Amalgamated Corporation will be the same as the current head office location of ATBSI.

12. The principal regulator of the Amalgamated Corporation will be the ASC.

13. Upon the Amalgamation, the Amalgamated Corporation will carry on the activities currently conducted by each of ATBSI and ATBCM in two distinct operating lines of business. The Filers do not anticipate any other material changes in their primary business activities, target markets or products and services as a result of the Amalgamation.

14. The Amalgamated Corporation will adopt the trade names "ATB Wealth" for the retail division of the business and "ATB Capital Markets" for the institutional division of the business.

15. The Amalgamated Corporation will carry on under the registration of ATBCM and the registration of ATBSI will be surrendered. Accordingly, the registrations of all ATBSI Individuals must be terminated with ATBSI and reinstated under the registration of ATBCM effective on the Amalgamation Date. Additionally, the Locations of ATBSI must be transferred to the registration of ATBCM effective on the Amalgamation Date.

Submissions in support of the exemption

16. Effective as of the Amalgamation Date, all activities currently conducted by the Filers will be under the responsibility of the Amalgamated Corporation. The Amalgamated Corporation will conduct the same operations, essentially in the same manner as before the Amalgamation.

17. Subject to obtaining the Exemption Sought, no disruption in the services provided by the ATBSI Individuals to clients of ATBSI is anticipated as a result of the Amalgamation.

18. The Exemption Sought will not have any negative consequences on the ability of the Filers or the Amalgamated Corporation to comply with any applicable regulatory requirements or their ability to satisfy any of their obligations in respect of their clients.

19. Given the number of ATBSI Individuals and Locations to be transferred from ATBSI to the Amalgamated Corporation on the Amalgamation Date, it would be unduly time consuming and difficult to transfer each of the ATBSI Individuals and Locations through the National Registration Database in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.

20. The Filers are registered in the same category of registration, and ATBCM is registered in the same jurisdictions as ATBSI (in addition to other jurisdictions), thereby affording the opportunity to seamlessly transfer the ATBSI Individuals and Locations to the Amalgamated Corporation on the Amalgamation Date by way of Bulk Transfer.

21. At the time of the Bulk Transfer, all of the ATBSI Individuals will be the only registered individuals of ATBSI and the Locations will be the only business locations of ATBSI. Accordingly, the transfer of the ATBSI Individuals and Locations on the Amalgamation Date by means of the Bulk Transfer can be implemented without any significant disruption to the activities of the ATBSI Individuals, the Locations, the Filers or the Amalgamated Corporation.

22. Allowing the Bulk Transfer of the ATBSI Individuals to occur on the Amalgamation Date will benefit (and have no detrimental impact on) the clients of the Filers by facilitating seamless service on the part of the ATBSI Individuals, the Filers and the Amalgamated Corporation.

23. The Exemption Sought provides the information and satisfies the conditions for a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix D thereto.

Decision

The Decision Makers are satisfied that the decision meets the tests set out in the Legislation for the Decision Makers to make the decision.

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

"Lynn Tsutsumi"
Director, Market Regulation
Alberta Securities Commission

Application File #: 2023/0589

B.3.10 Manulife Investment Management Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – investment funds that are fixed income funds granted relief from the concentration restriction in subsections 2.1(1) and 2.1(1.1) of NI 81-102 to invest in debt securities issued by the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) beyond the limits permitted under NI 81-102 – Debt securities of Fannie Mae and Freddie Mac are implicitly guaranteed by the U.S. government – Fannie Mae and Freddie Mac are government sponsored entities in the U.S. and their securities are "government securities" under the U.S. Investment Company Act of 1940 – Fannie Mae and Freddie Mac have a U.S. government equivalent credit rating – exemptive relief granted from subsections 2.1(1) and 2.1(1.1) of NI 81-102, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1) and 2.1(1.1) and 19.1.

December 18, 2023

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

AND

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

AND

IN THE MATTER OF
MANULIFE INVESTMENT MANAGEMENT LIMITED
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of all existing and future investment funds managed by the Filer or an affiliate of the Filer (collectively, the **Funds** and individually, a **Fund**) that are subject to National Instrument 81-102 *Investment Funds* (**NI 81-102**), for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) pursuant to section 19.1 of NI 81-102, exempting the Funds from:

(a) the restriction contained in subsection 2.1(1) of NI 81-102 to permit each Fund that is a mutual fund, other than an alternative mutual fund, to purchase a security of an issuer, enter into a specified derivative transaction or purchase index participation units (each a **Purchase**) when, immediately after the Purchase, more than 10 percent of the net asset value of the Fund would be invested in debt obligations issued or guaranteed by either the Federal National Mortgage Association (**Fannie Mae**) or the Federal Home Loan Mortgage Corporation (**Freddie Mac**); and

(b) the restriction contained in subsection 2.1(1.1) of NI 81-102 to permit each Fund that is an alternative mutual fund or a non-redeemable investment fund to make a Purchase when, immediately after the Purchase, more than 20 percent of the net asset value of the Fund would be invested in debt obligations issued or guaranteed by either Fannie Mae or Freddie Mac,

(together, 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*, MI 11-102, and NI 81-102 have the same meaning if used in this decision, unless otherwise defined. In addition:

1940 Act means the United States *Investment Company Act of 1940*, as amended from time to time;

Fannie and Freddie Securities means debt obligations issued or guaranteed by either Fannie Mae or Freddie Mac including, without limitation, bonds and mortgage-backed securities and **Fannie or Freddie Security** means any one such debt obligation;

Minimum Rating means a credit rating of BBB-- assigned by S&P Global Ratings Canada or an equivalent rating assigned by one or more other designated rating organizations; and

U.S. Government Equivalent Rating means a credit rating assigned by S&P Global Ratings Canada, or an equivalent rating assigned by one or more other designated rating organizations, to a Fannie or Freddie Security that is not less than the credit rating then assigned by such designated rating organization to the debt of the United States government of approximately the same term as the remaining term to maturity of, and denominated in the same currency as, the Fannie or Freddie Security.

Representations

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

The Filer

1. The Filer is a corporation amalgamated under the laws of Canada, with its registered head office located in Toronto, Ontario.

2. The Filer is currently registered as a portfolio manager in each province and territory of Canada, an investment fund manager in each of Ontario, Québec and Newfoundland and Labrador, a commodity trading manager in Ontario and a derivatives portfolio manager in Québec.

3. The Filer, or an affiliate of the Filer, is or will be, the investment fund manager of each Fund.

4. The Filer or an affiliate may act as portfolio manager of the Funds or may appoint one or more portfolio managers for the Funds or sub-advisors to provide the Filer with investment advice in respect of a Fund's investments.

5. Neither the Filer nor the Existing Funds are in default of securities legislation in any Jurisdiction.

The Funds

6. Each Fund is, or will be, an investment fund to which NI 81-102 applies, subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities.

7. Securities of the Funds are, or will be, offered by a prospectus filed in the Jurisdictions and, accordingly, each Fund is, or will be, a reporting issuer in the Jurisdictions.

8. The investment objective of each Fund that will rely on the Exemption Sought permits, or will permit, the Fund to invest a majority of its assets in fixed income securities. The ability to invest in Fannie and Freddie Securities is, or will be, an important feature of each Fund due to the size and role of Fannie Mae and Freddie Mac in the United States mortgage industry.

Fannie Mae and Freddie Mac

9. Fannie Mae is a financial services corporation originally established by the United States Congress in 1938 to provide United States federal government money to local banks to finance home mortgages during the Great Depression. Its business includes borrowing money in the debt markets by selling bonds and providing liquidity to mortgage originators by purchasing whole loans which it then securitizes by issuing mortgage-backed securities. Fannie Mae also earns guarantee fees for assuming the credit risk on mortgage loans.

10. Freddie Mac is a financial services corporation that was created by the United States Congress in 1970 to expand the secondary market for mortgages in the United States. It was established to provide competition to Fannie Mae. Similar to Fannie Mae, the business of Freddie Mac includes buying mortgages in the secondary market, pooling them, and issuing mortgage-backed securities, as well as earning guarantee fees for assuming the credit risk on mortgage loans.

11. Fannie and Freddie Securities provide a substantial portion of the financing for residential mortgages in the United States.

12. Originally, the obligations of Fannie Mae were explicitly guaranteed by the United States government. The explicit guarantee was removed as part of a reorganization of Fannie Mae in 1968. Like Fannie Mae, there is no explicit guarantee of the obligations of Freddie Mac by the United States government.

13. Notwithstanding the absence of an explicit guarantee, it is widely assumed that there is an implied guarantee of the obligations of both Fannie Mae and Freddie Mac by the United States government. This assumption is based on the view that Fannie Mae and Freddie Mac each are considered to be “too big to fail” due to the critical roles they play as instrumentalities of the United States government existing to support the liquidity of the residential real estate mortgage market. Accordingly, it is widely believed that the United States government implicitly guarantees the obligations of Fannie Mae and Freddie Mac. This is reflected in Fannie and Freddie Securities currently having a U.S. Government Equivalent Rating.

14. The implied guarantee was evidenced during the 2008 financial crisis. At that time, Fannie Mae and Freddie Mac together owned or guaranteed approximately half of the United States’ US$12 trillion mortgage market and were at risk of defaulting on their obligations. Such a default would have increased the cost of obtaining mortgage financing from other sources, thereby exacerbating the decline in the U.S. residential real estate market, as well as negatively impacting investors (including retirement funds and money market funds) that held Fannie and Freddie Securities. As a result, on September 7, 2008, Fannie Mae and Freddie Mac were placed into conservatorship of the United States Federal Housing Financing Agency in order to stabilize them. The United States government avoided creating an explicit guarantee of the obligations of Fannie Mae and Freddie Mac due to the negative impact it would have had on the United States Treasury. Fannie Mae and Freddie Mac were expressly excluded from the bail-in regime created under Title II of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act to preclude future U.S. government bail-outs of large financial companies. It is expected that a further act of the U.S. Congress would be required to remove the implied guarantee of Fannie and Freddie Securities as part of a larger reform of the U.S. residential real estate market. No such initiative currently is a priority of the U.S. Congress.

15. Under the 1940 Act, an investment company registered with the United States Securities and Exchange Commission (the **SEC**) seeking to qualify as a “diversified company” is required, among other matters, to invest at least 75% of its total assets in a manner whereby not more than 5% of the value of its total assets is invested in the securities of any single issuer. This restriction is analogous to the diversification requirement imposed on public investment funds in Canada by subsections 2.1(1) and 2.1(1.1) of NI 81-102. Similar to paragraph 2.1(2)(a) of NI 81-102, the 1940 Act excludes a “government security” from the 5% limit described.

16. The definition of “government security” in the 1940 Act differs from that contained in NI 81-102 by including any security issued by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States (a **U.S. government instrumentality**). Each of Fannie Mae and Freddie Mac is considered to be a U.S. government instrumentality and Fannie and Freddie Securities therefore are “government securities” under the 1940 Act.

17. The definition of “government security” in NI 81-102 does not include U.S. government instrumentalities. Accordingly, the only United States securities which qualify as government securities are those directly issued by, or fully and unconditionally guaranteed by, the United States government. Fannie and Freddie Securities do not meet this definition since their obligations are not explicitly fully and unconditionally guaranteed by the United States government.

18. As a result, the restrictions in subsections 2.1(1) and 2.1(1.1) apply to each investment by a Fund in Fannie and Freddie Securities.

19. Fannie and Freddie Securities represent a large, attractive and unique category of investment that cannot be replicated by any other issuer. For this reason, it is important to the Funds that they be entitled to maximize their opportunity to invest in Fannie and Freddie Securities.

20. Investments in Fannie and Freddie Securities are considered to be more prudent than investments in equivalent bonds and mortgage-backed securities of other issuers due to the implied guarantee by the United States government. Accordingly, if the Exemption Sought is granted, each Fund will have the opportunity to maintain a more prudent portfolio through greater exposure to securities implicitly guaranteed by the United States government.

21. The Filer, or the US-based sub-adviser that the Filer intends to retain to advise Funds relying on this decision, manages investment companies in the United States that currently hold significant amounts of Fannie and Freddie Securities, in many cases with individual investment companies investing more than 10% of their net assets in the securities of either Fannie Mae or Freddie Mac. Granting the Exemption Sought will enable the Funds to invest in Fannie and Freddie Securities to the same degree and proportions as their equivalent U.S. investment company counterparts managed by such sub-adviser or the Filer.

22. The Filer intends, either directly or through sub-advisers, to research and monitor the investment attributes and trading operations for Fannie and Freddie Securities. Such ongoing research and monitoring will include monitoring proposals

to restructure the U.S. residential housing market that may impact the implied guarantee of Fannie and Freddie Securities by the U.S. government. If the U.S. Congress proposes legislation to change or remove the implied guarantee and the Filer determines in its judgement that, as a result of the announced proposed legislation, there is a significant risk that the Fannie and Freddie Securities held by the Funds could cease to have a U.S. Government Equivalent Rating or their credit ratings could decline below a Minimum Rating, the Funds will take steps that are reasonably required to dispose of their Fannie and Freddie Securities in an orderly and timely fashion such that the Fannie and Freddie Securities held by the Funds comply with subsections 2.1(1) and 2.1(1.1) 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 is that the Exemption Sought is granted provided that:

(a) at the time of Purchase, the Fannie or Freddie Security has a U.S. Government Equivalent Rating and a rating not less than the Minimum Rating;

(b) the prospectus or simplified prospectus of each Fund that is a mutual fund distributing its securities, the prospectus of each Fund that is a non-redeemable investment fund distributing its securities, and the prospectus or annual information form of each Fund that is not distributing its securities:

(i) discloses that the Fund has received permission to invest more than 10% (or, in the case of an alternative mutual fund or a non-redeemable investment fund, 20%) of its net assets in each of Fannie Mae and Freddie Mac provided the Fannie and Freddie Securities maintain a U.S. Government Equivalent Rating and a rating not less than the Minimum Rating;

(ii) discloses (in the case of a prospectus or simplified prospectus, under the heading or sub-heading "Investment Strategies") the maximum amount the Fund may invest in Fannie and Freddie Securities; and

(iii) contains risk factors that:

(A) the U.S. government may not guarantee payment of Fannie and Freddie Securities; and

(B) describe the risks associated with the Fund investing more than 10% (or, in the case of an alternative mutual fund or a non-redeemable investment fund, 20%) of its net assets in securities of Fannie Mae or Freddie Mac,

provided that in the case of a Fund that is a mutual fund currently distributing its securities, the information required by this condition (b) may instead be included in the simplified prospectus or prospectus of the Fund when it is next renewed or amended;

(c) if the rating of a Fannie or Freddie Security held by a Fund ceases to have a U.S. Government Equivalent Rating or declines below the Minimum Rating, the Fund will take the steps that are reasonably required to dispose of such Fannie or Freddie Security in an orderly and timely fashion such that the Fannie and Freddie Securities held by the Fund comply with subsections 2.1(1) and 2.1(1.1) of NI 81-102; and

(d) if the U.S. Congress:

(i) proposes legislation intended to change or remove the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac and the Filer determines in its judgement that, as a result of the announced proposed legislation, there is a significant risk that the Fannie and Freddie Securities held by the Funds could cease to have a U.S. Government Equivalent Rating or their credit ratings could decline below the Minimum Rating; or

(ii) enacts legislation that:

(A) removes the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac; or

(B) specifies a future effective date on which the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac will end,

the Funds will take the steps that are reasonably required to dispose of such Fannie and Freddie Securities in an orderly and timely fashion such that the Fannie and Freddie Securities held by the Funds comply with subsection 2.1(1) of NI 81-102 and/or 2.1(1.1) of NI 81-102, as applicable.

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

Application File #: 2023/0180
SEDAR File #: 3523399

B.4
Cease Trading Orders

[Editor's Note: this report covers the date range of December 21, 2023 to January 2, 2024 inclusive]

B.4.1 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
Affinor Growers Inc.	December 19, 2022	December 20, 2023
Real Luck Group Ltd.	December 5, 2023	
Wolverine Energy and Infrastructure Inc.	December 5, 2023	
Environmental Waste International Inc.	December 5, 2023	December 6, 2023
Critical Infrastructure Technologies Ltd.	November 03, 2023	December 11, 2023

B.4.2 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

B.4.3 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
Agrios Global Holdings Ltd.	September 17, 2020	
Sproutly Canada, Inc.	June 30, 2022	
iMining Technologies Inc.	September 30, 2022	
Alkaline Fuel Cell Power Corp.	April 4, 2023	
mCloud Technologies Corp.	April 5, 2023	
FenixOro Gold Corp.	July 5, 2023	
HAVN Life Sciences Inc.	August 30, 2023	
Falcon Gold Corp.	November 1, 2023	

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B.7
Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as in Thomson Reuters Canada's internet service SecuritiesSource (see www.westlawnextcanada.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).

B.9
IPOs, New Issues and Secondary Financings

[Editor's Note: these reports cover the date range of December 21, 2023 to January 2, 2024 inclusive]

INVESTMENT FUNDS

Issuer Name:
Probity Mining 2024 Short Duration Flow-Through Limited Partnership - Quebec Class
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06065946

Issuer Name:
Probity Mining 2024 Short Duration Flow-Through Limited Partnership - National Class
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06065958

Issuer Name:
Probity Mining 2024 Short Duration Flow-Through Limited Partnership – British Columbia Class
Principal Regulator – British Columbia
Type and Date:
Preliminary Long Form Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06065944

Issuer Name:
MRF 2024 Resource Limited Partnership
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 22, 2023
NP 11-202 Preliminary Receipt dated Dec 22, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06066137

Issuer Name:
Scotia Wealth Canadian Bond Pool
Scotia Wealth Fundamental International Equity Pool
Scotia Wealth Quantitative Canadian Small Cap Equity Pool
Scotia Wealth Quantitative Global Small Cap Equity Pool
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06065814

Issuer Name:
Ninepoint Capital Appreciation Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 19, 2023
NP 11-202 Preliminary Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06064999

Issuer Name:
Sprott Physical Uranium Trust
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated Dec 29, 2023
NP 11-202 Preliminary Receipt dated Dec 29, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06067946

Issuer Name:
Ninepoint 2024 Short Duration Flow-Through Limited Partnership - National Class
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 28, 2023
NP 11-202 Preliminary Receipt dated Dec 28, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06067590

Issuer Name:
Ninepoint 2024 Short Duration Flow-Through Limited Partnership - Quebec Class
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 28, 2023
NP 11-202 Preliminary Receipt dated Dec 28, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06067592

Issuer Name:
NewGen Credit Strategies Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 19, 2023
NP 11-202 Final Receipt dated Dec 19, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06049618

Issuer Name:
TDb Split Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated Dec 12, 2023
NP 11-202 Preliminary Receipt dated Dec 13, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062642

Issuer Name:
TDb Split Corp.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated Dec 19, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062642

Issuer Name:
Financial 15 Split Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated Dec 12, 2023
NP 11-202 Preliminary Receipt dated Dec 13, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062643

Issuer Name:
Financial 15 Split Corp.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated Dec 19, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062643

Issuer Name:
Canadian Large Cap Leaders Split Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 20, 2023
NP 11-202 Preliminary Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06065203

Issuer Name:
Marquest Mutual Funds Inc. - Explorer Series Fund
Principal Regulator – Ontario
Type and Date:
Final Simplified Prospectus dated Dec 21, 2023
NP 11-202 Final Receipt dated Dec 22, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06050747

Issuer Name:
MRF 2024 Resource Limited Partnership
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 22, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06066137

Issuer Name:
Dividend Select 15 Corp.
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated Dec 12, 2023
NP 11-202 Preliminary Receipt dated Dec 13, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062664

Issuer Name:
Dividend Select 15 Corp.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) dated Dec 19, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06062664

Issuer Name:
CI DoubleLine Core Plus Fixed Income US$ Fund
CI DoubleLine Income US$ Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Simplified Prospectus dated December 19, 2023
NP 11-202 Final Receipt dated Dec 27, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03540635

Issuer Name:
Lysander-Triasima All Country Long/Short Equity Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Simplified Prospectus dated December 14, 2023
NP 11-202 Final Receipt dated Dec 19, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03539492

Issuer Name:
CI Balanced Income Personal Portfolio
CI Conservative Income Personal Portfolio
CI Defensive Income Personal Portfolio
CI Growth & Income Personal Portfolio
CI Growth Personal Portfolio
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Simplified Prospectus dated December 19, 2023
NP 11-202 Final Receipt dated Dec 28, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03540664

Issuer Name:
The Children's Educational Foundation of Canada
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Long Form Prospectus dated December 18, 2023
NP 11-202 Final Receipt dated Dec 19, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03550612

Issuer Name:
BMO International Equity Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 3 to Simplified Prospectus dated December 19, 2023
NP 11-202 Final Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03523609

Issuer Name:
Horizons Active ESG Corporate Bond ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Long Form Prospectus dated December 18, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03509899

Issuer Name:
CI WisdomTree International Quality Dividend Growth Variably Hedged Index ETF
CI WisdomTree U.S. Quality Dividend Growth Variably Hedged Index ETF
CI Yield Enhanced Canada Aggregate Bond Index ETF
CI Yield Enhanced Canada Short-Term Aggregate Bond Index ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Long Form Prospectus dated December 19, 2023
NP 11-202 Final Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03527670

Issuer Name:
CI Morningstar US Momentum Index ETF
CI Morningstar US Value Index ETF
CI MSCI Canada Quality Index Class ETF
CI U.S. TrendLeaders Index ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Long Form Prospectus dated December 19, 2023
NP 11-202 Final Receipt dated Dec 22, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03505319

Issuer Name:
Guardian Fundamental All Country Equity ETF
Guardian Fundamental Emerging Markets Equity ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 2 to Long Form Prospectus dated December 22, 2023
NP 11-202 Final Receipt dated Dec 27, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03557232

Issuer Name:
BetaPro Marijuana Companies 2x Daily Bull ETF
BetaPro Marijuana Companies Inverse ETF
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Long Form Prospectus dated December 18, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03562048

Issuer Name:
CI Asian Opportunities Corporate Class
CI Asian Opportunities Fund
CI Emerging Markets Corporate Class
CI Global Dividend Corporate Class
CI Global Quality Dividend Managed Corporate Class
CI Global Quality Dividend Managed Fund
CI Select Global Equity Corporate Class
Principal Regulator – Ontario
Type and Date:
Amendment No. 2 to Simplified Prospectus dated December 19, 2023
NP 11-202 Final Receipt dated Dec 21, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03552670

Issuer Name:
Davis-Rea Equity Fund
Davis-Rea Fixed Income Fund
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Simplified Prospectus dated December 18, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #06001041

Issuer Name:
iProfile International Equity Private Pool
Principal Regulator – Manitoba
Type and Date:
Amendment No. 2 to Simplified Prospectus dated December 22, 2023
NP 11-202 Final Receipt dated Dec 28, 2023
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Filing #03541164

NON-INVESTMENT FUNDS

Issuer Name:
EXI Ventures Corp.
Principal Regulator – Ontario
Type and Date:
Final CPC Prospectus dated Dec 20, 2023
NP 11-202 Final Receipt dated Dec 22, 2023
Offering Price and Description:
Minimum Offering: $300,000.00 (3,000,000 Common Shares)
Maximum Offering: $400,000.00 (4,000,000 Common Shares)
Price: $0.10 per Common Share
Minimum subscription: 1,000 Common Shares
Filing# 06043320

Issuer Name:
First Mining Gold Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 21, 2023
Offering Price and Description:
$100,000,000.00
Common Shares, Preferred Shares, Warrants, Subscription Receipts, Units
Filing# 06065978

Issuer Name:
FSD Pharma Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) Dec 22, 2023
NP 11-202 Final Receipt dated Dec 22, 2023
Offering Price and Description:
US$50,000,000.00
Class B Subordinate Voting Shares, Subscription Receipts, Warrants, Units
Filing# 06042944

Issuer Name:
GoviEx Uranium Inc.
Principal Regulator – British Columbia
Type and Date:
Final Short Form Prospectus dated Dec 20, 2023
NP 11-202 Final Receipt dated Dec 20, 2023
Offering Price and Description:
$12,000,000.00
75,000,000 Units
$0.16 per Unit
Filing# 06060616

Issuer Name:
Graphene Manufacturing Group Ltd.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated Dec 19, 2023
NP 11-202 Preliminary Receipt dated Dec 22, 2023
Offering Price and Description:
$75,000,000.00
Ordinary Shares, Warrants, Units, Subscription Receipts, Debt Securities
Filing# 03474294

Issuer Name:
GreenPower Motor Company Inc.
Principal Regulator – British Columbia
Preliminary Short Form Base Shelf Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 22, 2023
Offering Price and Description:
US$20,000,000.00
Common Shares, Preferred Shares, Warrants, Subscription Receipts, Units, Debt Securities, Share Purchase Contracts
Filing# 06066338

Issuer Name:
HEALWELL AI Inc.
Principal Regulator – Ontario
Type and Date:
Final Short Form Prospectus dated Dec 18, 2023
NP 11-202 Final Receipt dated Dec 18, 2023
Offering Price and Description:
$10,000,000.00
12,500,000 Units
Filing# 06060814

Issuer Name:
Integra Resources Corp.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated Dec 22, 2023
NP 11-202 Preliminary Receipt dated Dec 22, 2023
Offering Price and Description:
$100,000,000.00
Common Shares, Warrants, Subscription Receipts, Units
Filing# 06066436

Issuer Name:
Kubera Gold Corp.
Principal Regulator – British Columbia
Type and Date:
Final Long Form Prospectus dated Dec 18, 2023
NP 11-202 Final Receipt dated Dec 18, 2023
Offering Price and Description:
3,000,000 Common Shares
$0.25 per Common Share
Filing# 06045620

Issuer Name:
Li-FT Power Ltd.
Principal Regulator – British Columbia
Type and Date:
Amended and Restated Short Form Base Shelf Prospectus dated Dec 22, 2023
NP 11-202 First Amendment to Final Receipt dated Dec 22, 2023
Offering Price and Description:
$200,000,000.00
Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Filing# 03553484

Issuer Name:
Medicus Pharma Ltd. (formerly Interactive Capital Partners Corporation)
Principal Regulator – Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) Dec 15, 2023
NP 11-202 Preliminary Receipt dated Dec 18, 2023
Offering Price and Description:
US$50,000,000.00
Common Shares, Preferred Shares, Warrants, Subscription Receipts, Debt Securities, Units
Filing# 06063851

Issuer Name:
Open Text Corporation
Principal Regulator – Ontario
Type and Date:
Final Short Form Base Shelf Prospectus Dec 15, 2023
NP 11-202 Final Receipt dated Dec 18, 2023
Offering Price and Description:
Common Shares, Preference Shares, Debt Securities, Depositary Shares, Warrants, Purchase Contracts Subscription Receipts, Units
Filing# 06063922

Issuer Name:
Pembina Pipeline Corporation
Principal Regulator – Alberta
Type and Date:
Final Short Form Base Shelf Prospectus Dec 20, 2023
NP 11-202 Final Receipt dated Dec 21, 2023
Offering Price and Description:
Medium Term Notes (Unsecured)
Filing# 06065615

Issuer Name:
RTO Enterprises Inc.
Principal Regulator – Ontario
Type and Date:
Final Shelf Prospectus (NI 44-102) Dec 22, 2023
NP 11-202 Final Receipt dated Dec 22, 2023
Offering Price and Description:
Debt Securities, Preference Shares, Common Shares, Subscription Receipts, Warrants, Units
Filing# 06066455

Issuer Name:
Theratechnologies Inc.
Principal Regulator – Quebec
Type and Date:
Preliminary Short Form Base Shelf Prospectus Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 21, 2023
Offering Price and Description:
US$100,000,000.00
Common Shares, Preferred Shares, Subscription Receipts, Warrants, Debt Securities, Units
Filing# 06065957

Issuer Name:
Verses AI Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus Aug 16, 2023
NP 11-202 Preliminary Receipt dated Aug 16, 2023
Offering Price and Description:
$13,556,340.45
6,612,849 Units
405,383 Broker Warrants
Filing# 06060749

Issuer Name:
Callinex Mines Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated Dec 22, 2023
NP 11-202 Preliminary Receipt dated Dec 27, 2023
Offering Price and Description:
$30,000,000.00
Common Shares, Debt Securities, Subscription Receipts, Units, Warrants
Filing# 06066759

Issuer Name:
Cybin Inc.
Principal Regulator – Ontario
Type and Date:
Amendment No. 1 to Final Short Form Base Shelf Prospectus - dated Dec 22, 2023
NP 11-202 Subsequent Amendment to Final Receipt dated Dec 27, 2023
Offering Price and Description:
$400,000,000.00
Common Shares, Warrants, Units, Debt Securities, Subscription Receipts
Filing# 03550875

Issuer Name:
HIVE Digital Technologies Ltd.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Prospectus dated Dec 29, 2023
NP 11-202 Preliminary Receipt dated Dec 29, 2023
Offering Price and Description:
$28,750,000.00
5,750,000 Units Issuable upon Exercise of 5,750,000 Previously Issued Special Warrants
Filing# 06067964

Issuer Name:
Kootenay Silver Inc.
Principal Regulator – British Columbia
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 28, 2023
Offering Price and Description:
$40,000,000.00
Common Shares, Warrants, Subscription Receipts, Units, Debt Securities
Filing# 06066972

Issuer Name:
Quipt Home Medical Corp.
Principal Regulator – British Columbia
Preliminary Short Form Base Shelf Prospectus dated Dec 21, 2023
NP 11-202 Preliminary Receipt dated Dec 27, 2023
Offering Price and Description:
$300,000,000.00
Common Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Filing# 06066347

B.10
Registrations

[Editor's Note: this report covers the date range of December 21, 2023 to January 2, 2024]

B.10.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Desjardins Investment Management Inc.	Investment Fund Manager and Portfolio Manager	December 18, 2023
Voluntary Surrender	KES 7 Capital Inc.	Exempt Market Dealer	December 18, 2023
Voluntary Surrender	FrontFour Capital Corp.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	December 19, 2023
Voluntary Surrender	Radin Capital Partners Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	December 19, 2023
Voluntary Surrender	Bayxis Capital Management Inc.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	December 19, 2023
Voluntary Surrender	Layline Capital Inc.	Portfolio Manager and Commodity Trading Manager	December 20, 2023
Voluntary Surrender	Agentis Exempt Market Dealer Limited Partnership	Exempt Market Dealer	December 20, 2023
Consent to Suspension (Pending Surrender)	Bitvo Inc.	Restricted Dealer	December 21, 2023
Change of Registration Category	MANULIFE SECURITIES INVESTMENT SERVICES INC.	From: Mutual Fund Dealer and Exempt Market Dealer To: Mutual Fund Dealer	December 21, 2023
Name Change	From: Gluskin Sheff + Associates Inc. To: Onex Canada Asset Management Inc.	Investment Fund Manager, Commodity Trading Manager, Portfolio Manager and Exempt Market Dealer	December 1, 2023
Voluntary Surrender	MOERUS CAPITAL MANAGEMENT LLC	Portfolio Manager	December 22, 2023
Change of Registration Categories	Oak Bay Capital Incorporated	From: Portfolio Manager, Investment Fund Manager and Exempt Market Dealer To: Portfolio Manager	December 22, 2023

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	BOWMONT CAPITAL AND ADVISORY LTD.	Exempt Market Dealer	December 22, 2023
Consent to Suspension (Pending Surrender)	Backer Wealth Management Inc.	Portfolio Manager	December 27, 2023
Change of Registration Category	CWB Wealth Partners Ltd.	From: Investment Dealer & Investment Fund Manager To: Investment Dealer	December 27, 2023
Voluntary Surrender	Investment Partners Fund Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	December 28, 2023
Consent to Suspension (Pending Surrender)	Antera Capital Corp.	Exempt Market Dealer	December 22, 2023
Consent to Suspension (Pending Surrender)	Maplehill Capital Management Corporation	Portfolio Manager and Exempt Market Dealer	December 29, 2023
Consent to Suspension (Pending Surrender)	Edgehill Partners	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	December 29, 2023
Consent to Suspension (Pending Surrender)	Collins Barrow SNT Corporate Finance Inc.	Exempt Market Dealer	December 29, 2023
Consent to Suspension (Pending Surrender)	J.C. Hood Investment Counsel Inc.	Portfolio Manager	December 29, 2023
Consent to Suspension (Pending Surrender)	SAGUENAY STRATHMORE CAPITAL INC.	Portfolio Manager and Exempt Market Dealer	December 29, 2023
Consent to Suspension (Pending Surrender)	SLATE SECURITIES L.P.	Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	December 29, 2023
Consent to Suspension (Pending Surrender)	BLUEWATER TECHNOLOGIES INC.	Commodity Trading Manager	December 29, 2023
Voluntary Surrender	Nomura Asset Management U.S.A. Inc.	Portfolio Manager	December 29, 2023
Consent to Suspension (Pending Surrender)	Pangaea Asset Management Inc.	Portfolio Manager and Exempt Market Dealer	December 29, 2023
New Registration	Select Vantage Canada Inc.	Investment Dealer	January 2, 2024

Type	Company	Category of Registration	Effective Date
Amalgamation	MANULIFE SECURITIES INCORPORATED/PLACEMENTS MANUVIE INCORPORÉE and MANULIFE SECURITIES INVESTMENT SERVICES INC./Placements Manuvie Services d'Investissement Inc. To form: MANULIFE SECURITIES INCORPORATED/PLACEMENTS MANUVIE INCORPORÉE	From: Investment Dealer To: Investment Dealer and Mutual Fund Dealer	January 2, 2024

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B.11
CIRO, Marketplaces, Clearing Agencies and Trade Repositories

B.11.2 Marketplaces

B.11.2.1 360 Trading Networks UK Limited – Application for Interim Exemption from Recognition as an Exchange and from the Marketplace Rules – Notice of Commission Order

NOTICE OF COMMISSION ORDER

APPLICATION BY
360 TRADING NETWORKS UK LIMITED
FOR INTERIM EXEMPTION FROM RECOGNITION AS
AN EXCHANGE AND FROM THE MARKETPLACE RULES

On December 22, 2023, the Commission issued an interim order (the **Order**) exempting 360 TRADING NETWORKS UK LIMITED (the **Applicant**) from:

a. the requirement to be recognized as an exchange under subsection 21(1) of the *Securities Act* (Ontario) (the **Act**) pursuant to section 147 of the Act; and

b. the requirements in National Instrument 21-101 *Marketplace Operation* (**NI 21-101**) pursuant to section 15.1 of NI 21-101, the requirements of National Instrument 23-101 *Trading Rules* (**NI 23-101**) pursuant to section 12.1 of NI 23-101, and the requirements of National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (**NI 23-103**) pursuant to section 10 of NI 23-103.

The Order expires on the earlier of (i) June 30, 2024 and (ii) the effective date of a subsequent order.

A copy of the Order is published in Chapter B.2 of the OSC Bulletin published on January 4, 2024.

The Order is consistent with Staff Notice 21-702 – *Regulatory Approach for Foreign-Based Stock Exchanges* and the updated exemption criteria included at Appendix 1 to Schedule A of the Order.

B.11.4 Trade Repositories

B.11.4.1 KOR Reporting Inc. – Notice of Commission Order

KOR REPORTING INC.

NOTICE OF COMMISSION ORDER

On December 21, 2023, the Commission issued an order pursuant to section 21.2.2 of the Securities Act (Ontario) designating KOR Reporting Inc. (**KOR**), as a trade repository (**Order**), subject to terms and conditions as set out in the Order. A Director's Decision partially exempting KOR from the requirements in subsection 17(5) of OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting* is attached at Schedule "B" of the Order.

On October 19th, the Commission published KOR's application letter and draft designation order on the OSC website and in the OSC Bulletin at (2023), 46 OSCB 8611.

No comments were received.

In issuing the Order, only non-substantive changes were made to the draft order published for comment. The Order is published on the OSC website and in Chapter 2 of the Commission Bulletin.

B.12
Other Information

B.12.1 Approvals

B.12.1.1 Invesco Canada Ltd. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from requirement in subsection 2.3(1.1) of NI 41-101 that the Funds file a final prospectus within 90 days of the date of the receipt for the preliminary prospectus relating to the same offering. Filer granted an additional 60 days to file final prospectus to ensure that the final prospectus of the Funds is filed in the same calendar year the units of the Funds are planned to be listed on the TSX, thereby avoiding negative tax implications in respect of the Funds. Funds will not be pre-marketed prior to launch. Relief to be evidenced by final prospectus receipt.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1.1) and 19.1.

VIA SEDAR+

December 21, 2023

Invesco Canada Ltd.

Attention: David Swain

Re: Invesco Canada Ltd. (the Filer)

Invesco US Treasury Floating Rate Note Index ETF (CAD Hedged), Invesco Morningstar Global Next Gen AI Index ETF and Invesco US Treasury Floating Rate Note Index ETF (USD) (collectively, the Funds)

Preliminary Long Form Prospectus and ETF Facts dated September 20, 2023

Exemptive Relief Application under Part 19 of National Instrument 41-101 *General Prospectus Requirements* (NI 41-101)

Application No. 2023/0610; SEDAR+ Project No. 06060036

By letter dated December 4, 2023 (the **Application**), the Filer, the investment fund manager of the Funds, applied to the Director of the Ontario Securities Commission (the **Director**) under section 19.2 of NI 41-101 for relief from the operation of subsection 2.3(1.1) of NI 41-101, which prohibits an issuer from filing a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application as well as the First Response Letter dated December 21, 2023, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Funds' prospectus, subject to the condition that the prospectus be filed no later than **February 19, 2024**.

Yours very truly,

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

Application File #: 2023/0610
SEDAR+ File #: 06060036

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