

The Ontario Securities Commission

# OSC Bulletin

February 15, 2018

Volume 41, Issue 7

(2018), 41 OSCB

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

**The Ontario Securities Commission**

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

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

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:

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

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

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

Fax: 416-593-2318



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

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

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

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

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

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

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

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

© Copyright 2018 Ontario Securities Commission  
ISSN 0226-9325  
Except Chapter 7 ©CDS INC.



---

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

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

# Table of Contents

<p><b>Chapter 1 Notices / News Releases ..... 1273</b></p> <p><b>1.1 Notices ..... 1273</b></p> <p>1.1.1 CSA Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana-Related Activities ..... 1273</p> <p><b>1.2 Notices of Hearing..... 1277</b></p> <p>1.2.1 Macquarie Capital Markets Canada Ltd., formerly known as Yorkton Securities Inc. – s. 144..... 1277</p> <p><b>1.3 Notices of Hearing with Related Statements of Allegations ..... 1278</b></p> <p>1.3.1 Muchoki Fungai Simba (also known as Henderson MacDonald Alexander Butcher) – ss. 127(1), 127.1 ..... 1278</p> <p><b>1.4 News Releases ..... (nil)</b></p> <p><b>1.5 Notices from the Office of the Secretary ..... 1282</b></p> <p>1.5.1 Donald Mason ..... 1282</p> <p>1.5.2 Macquarie Capital Markets Canada Ltd., formerly known as Yorkton Securities Inc..... 1282</p> <p>1.5.3 Pheylonian Bee Works et al. .... 1283</p> <p>1.5.4 Muchoki Fungai Simba (also known as Henderson MacDonald Alexander Butcher)..... 1283</p> <p>1.5.5 Dennis L. Meharchand and Valt.X Holdings Inc. .... 1284</p> <p><b>1.6 Notices from the Office of the Secretary with Related Statements of Allegations ..... (nil)</b></p> <p><b>Chapter 2 Decisions, Orders and Rulings ..... 1285</b></p> <p><b>2.1 Decisions ..... 1285</b></p> <p>2.1.1 Fidelity Investments Canada ULC ..... 1285</p> <p>2.1.2 Solium Capital Inc. and Michael Broadfoot ..... 1290</p> <p>2.1.3 Kaushik Rakhit et al. .... 1294</p> <p>2.1.4 Advantage Oil &amp; Gas Ltd. .... 1299</p> <p><b>2.2 Orders..... 1301</b></p> <p>2.2.1 Equity Financial Holdings Inc. .... 1301</p> <p>2.2.2 Ateba Resources Inc. – s. 144 ..... 1304</p> <p>2.2.3 DIR Industrial Properties Inc. – s. 1(6) of the OBCA ..... 1307</p> <p>2.2.4 Donald Mason – s. 8 ..... 1309</p> <p>2.2.5 Dream Industrial LP..... 1311</p> <p>2.2.6 Pure Technologies Ltd. .... 1312</p> <p>2.2.7 Pheylonian Bee Works et al. – ss. 127(1), 127(5) ..... 1313</p> <p>2.2.8 ZoomMed Inc. .... 1314</p> <p><b>2.3 Orders with Related Settlement Agreements..... (nil)</b></p> <p><b>2.4 Rulings ..... (nil)</b></p>	<p><b>Chapter 3 Reasons: Decisions, Orders and Rulings ..... 1317</b></p> <p><b>3.1 OSC Decisions ..... 1317</b></p> <p>3.1.1 Dennis L. Meharchand and Valt.X Holdings Inc. – s. 28 of the Rules of Procedure and Forms ..... 1317</p> <p><b>3.2 Director’s Decisions ..... (nil)</b></p> <p><b>3.3 Court Decisions ..... (nil)</b></p> <p><b>Chapter 4 Cease Trading Orders ..... 1327</b></p> <p>4.1.1 Temporary, Permanent &amp; Rescinding Issuer Cease Trading Orders..... 1327</p> <p>4.2.1 Temporary, Permanent &amp; Rescinding Management Cease Trading Orders ..... 1327</p> <p>4.2.2 Outstanding Management &amp; Insider Cease Trading Orders ..... 1327</p> <p><b>Chapter 5 Rules and Policies ..... 1329</b></p> <p>5.1.1 Notice of Adoption of the Ontario Securities Commission’s Adjudication Guideline ..... 1329</p> <p>5.1.2 OSC Adjudication Guideline ..... 1330</p> <p><b>Chapter 6 Request for Comments ..... (nil)</b></p> <p><b>Chapter 7 Insider Reporting ..... 1335</b></p> <p><b>Chapter 9 Legislation..... (nil)</b></p> <p><b>Chapter 11 IPOs, New Issues and Secondary Financings..... 1437</b></p> <p><b>Chapter 12 Registrations..... 1447</b></p> <p>12.1.1 Registrants..... 1447</p> <p><b>Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories ..... 1449</b></p> <p><b>13.1 SROs ..... 1449</b></p> <p>13.1.1 IIROC – Proposed Amendments to Form 1 for Use in, and Consistency, with the Plain Language Dealer Member Rules Rule Book – Request for Comment..... 1449</p> <p><b>13.2 Marketplaces ..... (nil)</b></p> <p><b>13.3 Clearing Agencies ..... (nil)</b></p> <p><b>13.4 Trade Repositories ..... (nil)</b></p> <p><b>Chapter 25 Other Information ..... (nil)</b></p> <p><b>Index..... 1451</b></p>
--	--



# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 CSA Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana-Related Activities



Canadian Securities  
Administrators

Autorités canadiennes  
en valeurs mobilières

### CSA Staff Notice 51-352 (Revised) *Issuers with U.S. Marijuana-Related Activities*

February 8, 2018

#### I. Background

The marijuana industry has accelerated in recent years as a number of jurisdictions, including Canada and certain U.S. states, continue to explore liberalization measures around marijuana law. While most jurisdictions have a uniform national framework for marijuana regulation, in the U.S., there is a conflict between state and federal law related to marijuana with certain U.S. states permitting its use and sale within a regulatory framework notwithstanding that marijuana continues to be listed as a controlled substance under U.S. federal law. As such, marijuana-related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law (these activities are referred to in this notice as **marijuana-related activities**).

#### II. Purpose

This notice has been revised to provide further guidance on CSA staff's disclosure expectations for issuers with U.S. marijuana-related activities. This guidance recognizes that the political and regulatory circumstances surrounding the treatment of U.S. marijuana-related activities are uncertain. In the event that U.S. federal law against marijuana is enforced, there could be material consequences for any issuer with U.S. marijuana-related activities, including prosecution and asset seizure.

Given the critical importance of the legal and regulatory environment to issuers operating in this industry, we expect issuers to carefully consider any legal or regulatory actions or changes in order to determine whether they would result in material changes that trigger timely disclosure obligations.<sup>1</sup>

#### III. CSA Disclosure Expectations

Securities regimes across Canada are primarily disclosure-based, with requirements for timely and accurate disclosure of information. These principles require that each issuer's disclosure fairly presents all material facts and risks so that investors can make informed investment decisions.

Consistent with these principles, the purpose of this notice is to provide CSA staff's specific disclosure expectations for issuers that currently have, or are in the process of developing, marijuana-related activities in U.S. states where such activity has been authorized within a state regulatory framework (**U.S. Marijuana Issuers**). Our disclosure-based approach, as outlined in the table below, is premised on the assumption that marijuana-related activities are conducted in compliance with the current laws and regulations of a U.S. state where such activities are legal.

<sup>1</sup> Under National Instrument 51-102 *Continuous Disclosure Obligations (NI 51-102)* a material change includes a change in the business, operations or capital of the reporting issuer that would reasonably be expected to have a significant effect on the market price or value of any of its securities.

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties <sup>2</sup>
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer's involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.
	Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.
	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana-related activities.
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.
U.S. Marijuana Issuers with direct involvement in cultivation or distribution <sup>3</sup>	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.
U.S. Marijuana Issuers with indirect involvement in cultivation or distribution <sup>4</sup>	Outline the regulations for U.S. states in which the issuer's investee(s) operate.
	Provide reasonable assurance, through either positive or negative statements <sup>5</sup> , that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any non-compliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.
U.S. Marijuana Issuers with material ancillary involvement <sup>6</sup>	Provide reasonable assurance, through either positive or negative statements <sup>7</sup> , that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.

<sup>2</sup> All issuers are expected to provide these disclosures. We expect these disclosures to be clearly and prominently disclosed in prospectus filings and other required documents such as an issuer's AIF, marketing materials, and MD&A (see for example Part 2, Item 1.2 of Form 51-102F1 – *Management's Discussion & Analysis* of NI 51-102). In the context of a prospectus, such disclosure should include bold boxed cover page disclosure about the illegal nature of marijuana under U.S. federal law and the potential risks associated with this circumstance. We also expect issuers who enter our capital markets through a reverse takeover or spinoff transaction to include these disclosures in their listing statement, or other documents, as applicable.

<sup>3</sup> Direct industry involvement arises when an issuer, or a subsidiary that it controls, is directly engaged in the cultivation or distribution of marijuana in accordance with a U.S. state license.

<sup>4</sup> Indirect industry involvement arises when an issuer has a non-controlling investment in an entity who is directly involved in the U.S. marijuana industry.

<sup>5</sup> In circumstances where an issuer with indirect U.S. marijuana exposure holds one or more investments which are in the aggregate significant to the issuer, staff may consider whether negative statements (for example, indicating that the issuer is not aware of non-compliance) are sufficient.

<sup>6</sup> Ancillary industry involvement arises when an issuer provides goods and/or services not limited to financing, branding, recipes, leasing, consulting or administrative services to third parties who are directly involved in the U.S. marijuana industry.

<sup>7</sup> Negative statements may include statements indicating that the issuer is not aware of non-compliance.

Staff expect that these disclosures, and any related risks, will be evaluated, monitored and reassessed by U.S. Marijuana Issuers on an ongoing basis and will be supplemented, amended and communicated forthwith to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding marijuana regulation.

Responsibility remains with each U.S. Marijuana Issuer to ensure that it meets our disclosure expectations and the other requirements of securities laws.

U.S. Marijuana Issuers who do not provide appropriate disclosure, including confirming how they comply with applicable regulatory frameworks, may be subject to regulatory action such as:

- Receipt refusal in the context of prospectus offerings.
- Requests for restatements of non-compliant filings.
- Referrals for appropriate enforcement action.

#### **IV. Exchange Listings**

In determining whether to list entities with U.S. marijuana-related activities, each exchange applies its own listing requirements as outlined in its rules, including rules related to compliance with applicable laws.

Different exchanges may make their own judgements in the application of their listing requirements and an independent assessment of compliance and risk-analysis. Investors should be aware that even if an exchange lists a U.S. Marijuana Issuer that discloses the risks in accordance with this notice, the listing does not change the treatment of the issuer's marijuana-related activities under U.S. federal law.

#### **V. Ongoing Monitoring**

We continue monitoring industry developments. In the normal course, we consider the facts and circumstances of each issuer. In this context, there may exist fact patterns and novel business models in the U.S. marijuana industry, or in other industries engaged in U.S. marijuana-related activity, which may give rise to public interest concerns which cannot be addressed by disclosure. In these circumstances, consideration will be given as to whether regulatory action is appropriate and warranted.

#### **VI. Questions**

Please refer your questions to any of the following:

##### **Ontario Securities Commission**

Sonny Randhawa  
Deputy Director, Corporate Finance  
416-204-4959  
[srandhawa@osc.gov.on.ca](mailto:srandhawa@osc.gov.on.ca)

Katrina Janke  
Senior Legal Counsel, Corporate Finance  
416-593-8297  
[kjanke@osc.gov.on.ca](mailto:kjanke@osc.gov.on.ca)

Jonathan Blackwell  
Senior Accountant, Corporate Finance  
416-593-8138  
[jblackwell@osc.gov.on.ca](mailto:jblackwell@osc.gov.on.ca)

##### **British Columbia Securities Commission**

Mike Moretto  
Chief of Corporate Disclosure, Corporate Finance  
604-899-6767  
[mmoretto@bcsc.bc.ca](mailto:mmoretto@bcsc.bc.ca)

Allan Lim  
Manager, Corporate Disclosure  
604-899-6780  
[alim@bcsc.bc.ca](mailto:alim@bcsc.bc.ca)

**Alberta Securities Commission**

Tom Graham  
Director, Corporate Finance  
403-297-5355  
[tom.graham@asc.ca](mailto:tom.graham@asc.ca)

Roger Persaud  
Senior Securities Analyst, Corporate Finance  
403-297-4324  
[roger.persaud@asc.ca](mailto:roger.persaud@asc.ca)

**Autorité des marchés financiers**

Lucie J. Roy  
Senior Director, Corporate Finance  
514-395-0337, ext. 4361  
[lucie.roy@lautorite.qc.ca](mailto:lucie.roy@lautorite.qc.ca)

Kristina Beauclair  
Analyst, Corporate Finance  
514-395-0337, ext. 4397  
[kristina.beauclair@lautorite.qc.ca](mailto:kristina.beauclair@lautorite.qc.ca)

**Financial and Consumer Affairs Authority of Saskatchewan**

Tony Herdzik  
Deputy Director, Corporate Finance  
306-787-5849  
[tony.herdzik@gov.sk.ca](mailto:tony.herdzik@gov.sk.ca)

**Financial and Consumer Services Commission (New Brunswick)**

Susan Powell  
Deputy Director, Securities  
506-643-7697  
[susan.powell@fcbn.ca](mailto:susan.powell@fcbn.ca)

**Manitoba Securities Commission**

Wayne Bridgeman  
Deputy Director, Corporate Finance  
204-945-4905  
[wayne.bridgeman@gov.mb.ca](mailto:wayne.bridgeman@gov.mb.ca)

**Nova Scotia Securities Commission**

Abel Lazarus  
Director, Corporate Finance  
902-424-6859  
[abel.lazarus@novascotia.ca](mailto:abel.lazarus@novascotia.ca)



1.2 Notices of Hearing

1.2.1 Macquarie Capital Markets Canada Ltd., formerly known as Yorkton Securities Inc. – s. 144

FILE NO.: 2018-4

**IN THE MATTER OF  
MACQUARIE CAPITAL MARKETS CANADA LTD.,  
FORMERLY KNOWN AS YORKTON SECURITIES INC.**

**NOTICE OF HEARING**

Section 144 of the *Securities Act*, RSO 1990, c S.5

**PROCEEDING TYPE:** Application for Revocation or Variation of a Decision

**HEARING DATE AND TIME:** In Writing

**PURPOSE**

The purpose of this proceeding is to consider an Application made by Macquarie Capital Markets Canada Ltd., formerly known as Yorkton Securities Inc., to vary the terms of an Order issued by the Commission on December 19, 2001 relating to the Settlement Agreement dated December 14, 2001 between Staff of the Commission and Yorkton Securities Inc.

The parties have requested to proceed by written hearing pursuant to Rule 23(2) of the Commission's Rules of Procedure and Forms.

**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 Secretary's Office 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 Bureau du secrétaire par écrit le plus tôt si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this 9th day of February, 2018.

"Grace Knakowski"  
Secretary to the Commission

**For more information**

Please visit [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or contact the Registrar at [registrar@osc.gov.on.ca](mailto:registrar@osc.gov.on.ca).

**1.3 Notices of Hearing with Related Statements of Allegations**

**1.3.1 Muchoki Fungai Simba (also known as Henderson MacDonald Alexander Butcher) – ss. 127(1), 127.1**

**FILE NO.:** 2018-6

**IN THE MATTER OF  
MUCHOKI FUNGAI SIMBA  
(also known as Henderson MacDonald Alexander Butcher)**

**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:** March 29, 2018 at 10:00 a.m.

**LOCATION:** 20 Queen Street West, 17th Floor, Toronto, Ontario

**PURPOSE**

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the orders requested in the Statement of Allegations filed by Staff of the Commission on February 8, 2018.

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 Commission's *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 Secretary's Office 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 Bureau du secrétaire par écrit le plus tôt si le participant demande qu'une instance soit tenue entièrement ou partiellement en français.

Dated at Toronto this February 12, 2018

"Grace Knakowski"  
Secretary to the Commission

For more information

Please visit [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or contact the Registrar at [registrar@osc.gov.on.ca](mailto:registrar@osc.gov.on.ca).

**IN THE MATTER OF  
MUCHOKI FUNGAI SIMBA  
(also known as Henderson MacDonald Alexander Butcher)**

**STATEMENT OF ALLEGATIONS**

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

**A. ORDER SOUGHT**

Staff of the Enforcement Branch of the Ontario Securities Commission ("**Enforcement Staff**") request that the Commission make the following orders:

1. that trading in any securities or derivatives by Muchoki Fungai Simba, also formerly known as Henderson MacDonald Alexander Butcher (the "**Respondent**"), cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the "**Act**");
2. that the acquisition of any securities by the Respondent is prohibited permanently or for such period as is specified by the Commission, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
3. that any exemptions contained in Ontario securities law do not apply to the Respondent permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of subsection 127(1) of the Act;
4. that the Respondent be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
5. that the Respondent be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
6. that the Respondent pay an administrative penalty of not more than \$1 million for each failure by the Respondent to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
7. that the Respondent 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;
8. that the Respondent pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
9. such other order as the Commission considers appropriate in the public interest.

**B. FACTS**

Enforcement Staff make the following allegations of fact:

**(a) Overview**

1. This proceeding involves a former registrant who engaged in unregistered trading and advising in securities in the account of a retired person.
2. Between January 6, 2014 and March 16, 2015 (the "**Material Time**"), the Respondent purchased and sold securities in the Locked-in Retirement Account ("**LIRA Account**") of H.B. at Scotia iTRADE. The Respondent entered over 440 buy/sell orders in the LIRA Account during the Material Time.
3. During the Material Time, H.B. relied on the Respondent to make and execute all investment decisions relating to the funds in his LIRA Account. Pursuant to a verbal agreement between the Respondent and H.B., the Respondent had unfettered access to and complete discretionary trading authority over H.B.'s LIRA Account.
4. The Respondent's activities during the Material Time resulted in a total loss of \$56,009.26 in H.B.'s LIRA Account. To date, the Respondent has paid H.B. \$5,000.00 as compensation for his losses.
5. In the course of his conduct, the Respondent failed to comply with the registration requirements of Ontario securities law and, in doing so, breached a cornerstone of the regulatory framework of the Act. The registration requirements serve important gate-keeping and investor protection functions by ensuring that only properly qualified and suitable persons are permitted to engage in the business of trading and advising in securities.

**(b) The Respondent**

6. The Respondent is, and was during the Material Time, a resident of Ontario.
7. During the Material Time, the Respondent was not registered with the Commission in any capacity.
8. From 1998 to November 2009, the Respondent was a mutual fund and insurance salesperson with Canfin Magellan Investments Inc. (“**Canfin**”). From about 1999 to 2003, H.B. was a client of the Respondent at Canfin.
9. On February 20, 2012, the Mutual Fund Dealers Association (the “**MFDA**”) issued an order permanently prohibiting the Respondent from conducting securities related business in any capacity while in the employ of or associated with any member of the MFDA.
10. The Respondent was not registered with the Commission in any capacity during the Material Time.

**(c) Conduct at Issue**

11. In the fall of 2013, H.B. contacted the Respondent to invest his retirement funds from the Pension Plan of the Canadian YMCA. At the time, H.B. was not aware that the Respondent was no longer employed by Canfin or had been sanctioned by the MFDA.
12. The Respondent agreed to invest H.B.’s retirement funds. H.B. agreed to compensate the Respondent based on the performance of the investments the Respondent would make on his behalf, although the Respondent was never paid.
13. In November 2013, the Respondent helped H.B. open a LIRA Account at Scotia iTRADE. In the same month, the Respondent helped H.B. transfer his retirement funds, totalling \$94,760.84, to his LIRA Account.
14. At around the same time, the Respondent also helped H.B. open a tax-free savings account (“**TFSA Account**”) at Scotia iTRADE. Although H.B. requested that the Respondent transfer \$20,000 from the retirement funds to the TFSA Account, the TFSA Account was never used or funded. However, more than \$20,000 in cash was maintained in H.B.’s LIRA Account until December 2014.
15. During the Material Time, the Respondent had unfettered access to H.B.’s LIRA Account through the online platform at Scotia iTRADE. Using the online platform, the Respondent entered over 440 buy/sell orders in H.B.’s LIRA Account. Approximately 230 buy/sell orders were made with respect to options while the remainder related to shares of publicly listed companies.
16. No other person, including H.B., purchased or sold securities through the LIRA Account during the Material Time.
17. During the Material Time, the Respondent had complete discretionary trading authority over H.B.’s LIRA Account. H.B. had little role, if any, in the investment decision-making process. H.B. relied on the Respondent to make and execute all investment decisions relating to his LIRA Account. The Respondent made the ultimate decision regarding all investments in H.B.’s LIRA Account.
18. On March 4, 2015, when contacted by H.B. about withdrawing \$20,000 from the TFSA Account, the Respondent stated that he pressed a wrong button and that all the money just disappeared. In fact, the LIRA Account did not have sufficient funds to satisfy the proposed withdrawal due to the Respondent’s trading activities. H.B. subsequently learned that the Respondent had left Canfin and was sanctioned by the MFDA.
19. The Respondent’s conduct during the Material Time led to a total loss of \$56,009.26 in H.B.’s LIRA Account.
20. During the Material Time, the Respondent was not registered with the Commission in any capacity.
21. To date, the Respondent has paid H.B. a total of \$5,000.00 as compensation for the losses he incurred in H.B.’s LIRA Account.

**C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST**

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

1. the Respondent engaged in, or held himself out as engaging in, the business of trading in securities without being registered to do so, and where no exemption to the registration requirement of Ontario securities law was available, contrary to subsection 25(1) of the Act; and

2. the Respondent engaged in, or held himself out as engaging in, the business of advising with respect to investing in, buying or selling securities without being registered to do so, and where no exemption to the registration requirement of Ontario securities law was available, contrary to subsection 25(3) of the Act.

Enforcement Staff reserve the right to make such other allegation as Enforcement Staff may advise and the Commission may permit.

**DATED** at Toronto, February 8, 2018.

“Alvin Qian”  
Litigation Counsel  
Enforcement Branch  
Tel: (416) 263-3784

Lawyer for Staff of the Ontario Securities Commission

**1.5 Notices from the Office of the Secretary**

**1.5.1 Donald Mason**

**FOR IMMEDIATE RELEASE  
February 8, 2018**

**DONALD MASON,  
File No. 2018-1**

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

A copy of the Order dated February 7, 2018 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.2 Macquarie Capital Markets Canada Ltd.,  
formerly known as Yorkton Securities Inc.**

**FOR IMMEDIATE RELEASE  
February 9, 2018**

**MACQUARIE CAPITAL MARKETS CANADA LTD.,  
FORMERLY KNOWN AS  
YORKTON SECURITIES INC.,  
File No. 2018-4**

**TORONTO** – On February 9, 2018, the Commission issued a Notice of Hearing pursuant to Section 144 of the *Securities Act*, RSO 1990, c S.5 to consider an Application made by Macquarie Capital Markets Canada Ltd., formerly known as Yorkton Securities Inc., to vary the terms of an Order issued by the Commission on December 19, 2001 relating to the Settlement Agreement dated December 14, 2001 between Staff of the Commission and Yorkton Securities Inc.

The parties have requested to proceed by written hearing pursuant to Rule 23(2) of the Commission's *Rules of Procedure and Forms*.

A copy of the Notice of Hearing dated February 9, 2018 and the Application dated February 5, 2018 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.3 Pheysonian Bee Works et al.**

**FOR IMMEDIATE RELEASE**  
February 9, 2018

**PHEYLONIAN BEE WORKS,  
BEE WORKS ENTERPRISES INC.,  
NATURAL BEE WORKS APIARIES INC.,  
CANADIAN BIO DYNAMICS,  
TAWLIA CHICKALO,  
RINALDO LANDUCCI and  
ELISE MAXHELEAU**

**TORONTO** – The Commission issued a Temporary Order pursuant to Subsections 127(1) and 127(5) in the above named matter.

A copy of the Temporary Order dated February 8, 2018 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.4 Muchoki Fungai Simba (also known as Henderson MacDonald Alexander Butcher)**

**FOR IMMEDIATE RELEASE**  
February 12, 2018

**MUCHOKI FUNGAI SIMBA  
(also known as  
Henderson MacDonald Alexander Butcher),  
File No. 2018-6**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on February 12, 2018 setting the matter down to be heard on March 29, 2018 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter. The hearing will be held at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto.

A copy of the Notice of Hearing dated February 12, 2018 and Statement of Allegations of Staff of the Ontario Securities Commission dated February 8, 2018 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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

**1.5.5 Dennis L. Meharchand and Valt.X Holdings Inc.**

**FOR IMMEDIATE RELEASE**  
**February 13, 2018**

**DENNIS L. MEHARCHAND and**  
**VALT.X HOLDINGS INC.**

**TORONTO** – Following a hearing held in the above noted matter, the Commission issued its Reasons and Decision on a Motion.

A copy of the Reasons and Decision on a Motion dated February 12, 2018 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
GRACE KNAKOWSKI  
SECRETARY TO THE COMMISSION

For media inquiries:

[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

For investor inquiries:

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



## Chapter 2

# Decisions, Orders and Rulings

---

---

### 2.1 Decisions

#### 2.1.1 Fidelity Investments Canada ULC

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief from the requirement in s. 3.2.01 of NI 81-101 to deliver a fund facts document to investors who purchase mutual fund securities of series only sold under an initial sales charge pursuant to automatic switches from certain series only sold under deferred sales charge options – Mutual fund securities of series that are only sold under deferred sales charge options will, after a minimum holding period, be automatically switched to the initial sales charge series – Upon the automatic switch, investors will benefit from lower management fees as well as from possible tiered management fee reductions – Automatic switches between series of a fund triggering a distribution of securities and the requirement to deliver a fund facts document – Relief granted from the requirement to deliver a fund facts document upon the automatic switch subject to compliance with certain notification, prospectus and fund facts document disclosure requirements.

##### Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 3.2.01, 6.1.

December 21, 2017

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

AND

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

AND

IN THE MATTER OF  
FIDELITY INVESTMENTS CANADA ULC  
(the Filer)

DECISION

##### Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer on behalf of each existing mutual fund established as a mutual fund trust (each a **Trust Fund** and collectively, the **Trust Funds**) and each existing class fund established as a class of shares of a mutual fund corporation (each a **Class Fund** and collectively, the **Class Funds**) and any mutual fund that the Filer may establish in the future (together with the Trust Funds and Class Funds, the **Funds**, and each, a **Fund**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Funds from the requirement in subsection 3.2.01(1) of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (**NI 81-101**) for a dealer to deliver the most recently filed fund facts documents (**Fund Facts**) to a purchaser before the dealer accepts an instruction from the purchaser for the purchase of a security of a mutual fund (the **Fund Facts Delivery Requirement**) in respect of purchases of Series B, Series S5 and Series S8 securities of the Funds that are made pursuant to the Automatic Conversions (as defined below) (the **Requested Relief**).

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

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

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

### Interpretation

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

### Representations

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

#### **The Filer**

1. The Filer is a corporation amalgamated under the laws of Alberta as an unlimited liability company with its head office in Toronto, Ontario.
2. The Filer is registered in Ontario, Québec and Newfoundland and Labrador in the category of investment fund manager. The Filer is also registered as a portfolio manager and mutual fund dealer in each of the provinces and territories of Canada and is registered under the *Commodity Futures Act* (Ontario) in the category of commodity trading manager.
3. The Filer is the investment fund manager and trustee of the Trust Funds and the investment fund manager of the Class Funds. The Filer may, in the future, establish and manage additional mutual funds.
4. The Filer is not in default of securities legislation in any of the Jurisdictions.
5. In a previous decision dated December 23, 2004 (the **2004 Decision**), the Filer obtained exemptive relief from the dealer registration and prospectus requirements set out in the Legislation in connection with the automatic conversions (the **Automatic Conversions**) of securities of the Funds sold on a deferred sales charge (**DSC**) basis to securities sold on an initial sales charge (**ISC**) basis to permit investors to benefit from lower management fees and operating expenses once their DSC securities had matured. The 2004 Decision expired upon the coming into force of the Point of Sale Stage 2 amendments and the Fund Facts have not been delivered in respect of the Automatic Conversions from DSC to ISC securities due to the Filer relying on the rationale underlying the exemptive relief granted in the 2004 Decision. Accordingly, the Filer requires the Requested Relief in order to continue the Automatic Conversions without compliance with the Fund Facts Delivery Requirement.
6. On October 28, 2015 and May 30, 2016, the Filer obtained exemptive relief from the Fund Facts Delivery Requirement in respect of purchases of securities of the Funds in a set of tiered series with progressively lower combined management and administration fees, made pursuant to automatic conversions. On February 10, 2017, the Filer obtained exemptive relief from certain requirements in NI 81-102, relating to the inclusion of performance data of the original series in the sales communications of the tiered series and from NI 81-101 and Form 81-101F3 *Contents of Fund Facts Documents (Form 81-101F3)* to permit the Funds to prepare a consolidated Fund Facts for each set of tiered series.
7. Based on the Filer's limited review of the relevant data, the Filer anticipates that a small number of those that buy securities on a DSC or low load basis and are automatically switched to an ISC account will meet the threshold for tiered pricing.

#### **The Funds**

8. Each Fund is, or will be, an open-end mutual fund trust created under the laws of the Province of Ontario or an open-end mutual fund that is a class of shares of a mutual fund corporation.
9. Each Fund is, or will be, a reporting issuer in some or all of the provinces and territories of Canada and subject to National Instrument 81-102 *Investment Funds*. The securities of the Funds are, or will be, qualified for distribution pursuant to a simplified prospectus, Fund Facts and annual information form that have been, or will be, prepared and filed in accordance with NI 81-101.
10. The Trust Funds are open-end mutual fund trusts established under the laws of the Province of Ontario under an Amended and Restated Master Declaration of Trust dated October 28, 2016, as amended.

## Decisions, Orders and Rulings

---

11. The Class Funds are classes of shares of Fidelity Capital Structure Corp., which was incorporated under the laws of the Province of Alberta on August 30, 2001.
12. Units of the Trust Funds are currently offered under simplified prospectuses, Fund Facts and annual information forms dated September 29, 2016, as amended, and October 28, 2016, as amended, and shares of the Class Funds are currently offered under simplified prospectuses, Fund Facts and annual information forms dated September 29, 2016, as amended and March 28, 2017, as may be amended.
13. The Trust Funds and Class Funds are not in default of securities legislation in any of the Jurisdictions.
14. The Funds currently offer up to 35 series of securities, as applicable – Series A, B, E1, E2, E3, E4, E5, F, P1, P2, P3, P4, P5, O, T5, T8, S5, E1T5, E2T5, E3T5, E4T5, E5T5, S8, F5, P1T5, P2T5, P3T5, P4T5, P5T5, F8, I, I5, I8, C and D securities.
15. Securities of the Trust Funds and Class Funds may be purchased through the Filer, as representative dealer, and may also be purchased from other dealers (**Dealers**) that may or may not be affiliated with the Filer.
16. Each Dealer is, or will be, registered as a dealer in one or more of the Jurisdictions.

### **Automatic Conversions**

17. Prior to January 10, 2005 (the **Implementation Date**), Series A and Series T securities of the Funds were offered on an ISC and DSC basis. Under the ISC purchase option, investors paid a commission to their dealer at the time they purchased securities of the Funds. Under the DSC purchase option, no commission was paid by the investors at the time of purchase, but investors were required to pay a redemption fee if they redeemed within six years from the date of the purchase.
18. On the Implementation Date, the Filer reduced the management fees and operating expenses charged on securities sold on an ISC basis (which would be lower than those charged on securities sold on a DSC basis), and re-designated DSC securities to ISC securities after investors held them for a period of seven years, so that investors in the DSC securities would also receive the benefit of the lower fees and expenses of the ISC securities (the **Changes**).
19. As a result of the 2004 Decision and for purposes of implementing the Changes, effective from the Implementation Date, the following steps were taken by the Filer:
  - (i) Series A was split into Series A (DSC) and Series B (ISC) securities for each of the Funds;
  - (ii) Series T was split into Series T (DSC) and Series S (ISC) securities for each of the Funds that offer Series T;
  - (iii) the new Series B and Series S securities were only available on an ISC basis, with lower management fees and operating expenses than Series A and Series T;
  - (iv) Series A and Series T securities were only available on a DSC and low load (**LL**) basis;
  - (v) on the Implementation Date, the securities of investors who owned Series A and Series T securities on an ISC basis were re designated as Series B and Series S securities, respectively, of the same Fund; and
  - (vi) Series A and Series T securities purchased on a DSC or LL basis prior to or after the Implementation Date were automatically converted into Series B and Series S securities, respectively, of the same Fund once investors held their securities for the minimum period as specified in the simplified prospectus.
20. In advance of the Implementation Date, the Filer communicated the details of the Changes in client account statements.
21. For Series A, Series T5 or Series T8 securities held or purchased under the deferred sales option, the Automatic Conversions occur after investors have held their securities for a period of seven years, for Series A, Series T5 or Series T8 securities held or purchased on a low load deferred sales option, the Automatic Conversions occur after investors have held their securities for a period of three years, and for Series A, Series T5 or Series T8 securities held or purchased under a low load 2 deferred sales option, the Automatic Conversions occur after investors have held their securities for a period of four years (each, a **Minimum Period**). The Filer proposes to continue the Automatic Conversions of Series A, Series T5 or Series T8 securities to Series B, Series S5 or Series S8, respectively, after the expiration of the Minimum Period.
22. The only differences (the **Series Differences**) between Series A, Series B, Series T5, Series S5, Series T8 and Series S8 securities of the same Fund, in addition to the feature that allows Automatic Conversions, are that:

## Decisions, Orders and Rulings

---

- (i) Series B, Series S5 and Series S8 securities are available for purchase and are sold on an ISC basis, while Series A, Series T5 and Series T8 securities are available for purchase and are sold on a DSC basis;
  - (ii) the management fees for Series B, Series S5 and Series S8 are lower than the respective management fees for Series A, Series T5 and Series T8 securities;
  - (iii) investors in Series B and Series S5 securities are able to potentially benefit from tiered management and administration fee reductions; and
  - (iv) upon the Automatic Conversion, the investor's representative will receive a trailing commission that is higher than the rates disclosed for Series A, Series T5 and Series T8, but the overall management fee applicable to the investment will decrease.
23. The Automatic Conversions have no adverse tax consequences on investors under current Canadian tax legislation.
24. Series A, Series T5 or Series T8 securities will automatically convert into Series B, Series S5 or Series S8 securities, respectively, after the expiration of the Minimum Period.
25. Each Automatic Conversion entails a redemption of Series A, Series T5 or Series T8 securities, immediately followed by a purchase of Series B, Series S5 or Series S8 securities, respectively. Each purchase of securities done as part of the Automatic Conversion is a "distribution" under the Legislation that triggers the Fund Facts Delivery Requirement.
26. While the Filer initiates each trade done as part of the Automatic Conversions, the Filer does not currently deliver the Fund Facts to investors in connection with the purchase of Series B, Series S5 or Series S8 securities made pursuant to Automatic Conversions, since such investors would have received a Fund Facts disclosing that, after the Series A, Series T5 or Series T8 securities were held for the applicable Minimum Period, such securities would be switched to Series B, Series S5 or Series S8 securities of the same Fund.
27. The investment of investors of Series B, Series S5 or Series S8 securities will be in securities of the same Fund with the same underlying pool of assets, the same investment objectives and investment strategies and the same valuation procedures and will be otherwise identical, except for the feature that allows Automatic Conversions and the Series Differences.
28. As each investor who has received a Series A, Series T5 or Series T8 Fund Facts will be fully informed of the Series Differences and the Automatic Conversions, there would be no benefit for such investor to receive a Fund Facts in connection with the purchase of Series B, Series S5 or Series S8 securities made pursuant to an Automatic Conversion.
29. The simplified prospectus and Series A, Series T5 and Series T8 Fund Facts discloses, or will disclose:
- (i) that the Series A, Series T5 and Series T8 securities, as applicable, will be automatically switched following the expiry of the applicable Minimum Period on the applicable switch date, to Series B, Series S5 and Series S8 securities (which is an initial sales change series), as the case may be, of the same Fund;
  - (ii) that such Series B, Series S5 or Series S8 securities will have a lower management fee than the corresponding Series A, Series T5 or Series T8 securities, will not be subject to a deferred/low load sales charge with a redemption fee, and in the case of Series B and Series S5, may qualify for tiered management fee reductions based on the level of assets invested;
  - (iii) the rate of the management fee for Series B, Series S5 or Series S8 securities, as applicable; and
  - (iv) the trailing commission rates payable by the Filer in respect of the Series B, Series S5 or Series S8 securities, upon the Automatic Conversion.
30. In the absence of the Requested Relief, the Automatic Conversions are not capable of being implemented without compliance with the Fund Facts Delivery Requirement.

### Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

1. For investors who purchase Series A, Series T5 and Series T8 securities:

- a. each Fund Facts for Series A, Series T5 and Series T8, filed on the earlier of the next renewal of or amendment filing, and thereafter, each subsequent renewal of, or amendment filing for, each Fund shall disclose:
    - i. that the Series A, Series T5 and Series T8 securities, as applicable, will be automatically switched following the expiry of the applicable Minimum Period on the applicable switch date, to Series B, Series S5 and Series S8 securities (which is an initial sales charge series), as the case may be, of the same Fund;
    - ii. that such Series B, Series S5 or Series S8 securities will have a lower management fee than the corresponding Series A, Series T5 or Series T8 securities, will not be subject to a deferred/low load sales charge with a redemption fee, and in the case of Series B and Series S5 securities, may qualify for tiered management fee reductions based on the level of assets invested;
    - iii. the rate of the management fee for Series B, Series S5 or Series S8 securities, as applicable; and
    - iv. the trailing commission rates payable by the Filer in respect of the Series B, Series S5 or Series S8 securities upon the Automatic Conversion (collectively with items (i), (ii) and (iii), the **Series A, Series T5 and Series T8 Disclosure**);
  - b. the Fund Facts for Series A, Series T5 and Series T8 securities, as applicable, containing the Series A, Series T5 and Series T8 Disclosure is delivered to prospective Series A, Series T5 and Series T8 investors before a dealer accepts an instruction from such investors to purchase Series A, Series T5 and Series T8 securities in accordance with the Fund Facts Delivery Requirement;
  - c. the Filer incorporates the Series A, Series T5 and Series T8 Disclosure in the simplified prospectus of the Funds;
2. for investors in Series A, Series T5 and Series T8 securities, the Filer sends to such investors an annual reminder notice advising that they will not receive the Fund Facts upon an Automatic Conversion, but that:
    - a. they may request the most recently filed Fund Facts for the relevant series by calling a specified toll-free number or by sending a request via email to a specified address or email address;
    - b. the most recently filed Fund Facts will be sent or delivered to them at no cost;
    - c. the most recently filed Fund Facts may be found either on the SEDAR website or on the Filer's website; and
    - d. they will not have the right to withdraw from an agreement of purchase and sale in respect of a purchase of Series B, Series S5 and Series S8 securities made pursuant to an Automatic Conversion, but they will have the right of action for damages or rescission in the event any Fund Facts or document incorporated by reference into a simplified prospectus for the Series B, Series S5 and Series S8 securities, as applicable, contains a misrepresentation, whether or not they request the Fund Facts;
  3. the Filer provides to the principal regulator beginning 60 days after the date upon which the Requested Relief is first relied upon by a Dealer, and thereafter, annually within 60 days of the calendar year end, either:
    - a. a current list of all such Dealers that are relying on the Requested Relief, or
    - b. an update to the list of such Dealers or confirmation that there has been no change to such list; and
  4. prior to a Dealer relying on the Requested Relief, the Filer provides to the Dealer a disclosure statement informing the Dealer of the implications of this decision.

"Vera Nunes"  
Manager  
Investment Funds and Structured Products Branch  
Ontario Securities Commission

## 2.1.2 Solium Capital Inc. and Michael Broadfoot

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – reporting insider granted relief from the requirement in subsection 107(2) of the Securities Act (Ontario) to file an insider report within five days of each disposition of securities occurring pursuant to an automatic securities disposition plan, provided that the insider files an insider report in respect of all dispositions under the automatic securities disposition plan on an annual basis.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 107(2).

National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 3.3.

**Citation:** Re Solium Capital Inc., 2018 ABASC 19

February 6, 2018

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  
SOLIUM CAPITAL INC.  
(Solium)

AND

MICHAEL BROADFOOT  
(Broadfoot)  
(collectively, 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 for a decision (the **Exemption Sought**) under the securities legislation (the **Legislation**) of the Jurisdictions exempting Mr. Broadfoot, a director of Solium, from the requirement in section 3.3 of National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (**NI 55-104**) and subsection 107(2) of the Securities Act (Ontario) (the **Ontario Act**) to file an insider report within five days following the disposition of securities under his ASDP (as defined below), subject to certain conditions.

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

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

### Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 55-104 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 Filers:

#### **Solium**

1. Solium is a corporation existing under the laws of the Province of Alberta and is a reporting issuer under the securities legislation of each of the provinces of Canada. Solium is not in default of securities legislation in any jurisdiction.
2. The head office of Solium is located in Calgary, Alberta.
3. The authorized share capital of Solium consists of an unlimited number of common shares (**Common Shares**) and an unlimited number of preferred shares, issuable in series. As at December 21, 2017, Solium had 55,865,526 Common Shares and no preferred shares of any series issued and outstanding.
4. The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "SUM".

#### **Broadfoot**

5. Broadfoot is a director of Solium, is a reporting insider and is not in default of securities legislation in any jurisdiction.
6. As at December 21, 2017, Broadfoot beneficially owned, controlled or directed 6,880,140 Common Shares (representing approximately 12.3% of the then outstanding Common Shares) as well as stock options to acquire an additional 19,000 Common Shares and 12,845 restricted share units.
7. Broadfoot wishes to sell up to a total of 2,400,000 Common Shares pursuant to the ASDP (as defined below). Broadfoot will comply with the early warning requirements under Section 5.2(2) of National Instrument 62-104 *Take-Over Bids and Issuer Bids*.

#### **The Automatic Securities Disposition Plan**

8. Industrial Alliance Securities Inc. (the **Broker**), Solium and Broadfoot entered into an automatic securities disposition plan (the **ASDP**) dated effective December 27, 2017 to facilitate the automatic sale of up to 2,400,000 Common Shares beneficially owned by Broadfoot that have been deposited into an account managed by the Broker in accordance with the trading parameters and other instructions set out in the ASDP.
9. Broadfoot can only make changes to the trading parameters and other instructions set out in the ASDP or voluntarily terminate the ASDP if all of the following conditions are met:
  - (a) Broadfoot has obtained the prior written consent of Solium in accordance with Solium's disclosure policy;
  - (b) Broadfoot has provided notice to the public of the proposed change or termination by describing it in a filing on the System for Electronic Disclosure by Insiders (**SEDI**) and in a news release, which shall include a representation that at the time of the amendment or termination he was not aware of any undisclosed material fact or material change about Solium or any of the securities of Solium; and
  - (c) Broadfoot has provided the Broker with a certificate from Solium confirming, among other things, compliance with Solium's disclosure and insider trading policies and that Broadfoot is not in possession of material undisclosed information about Solium.
10. The ASDP does not provide for any waiting period following the voluntary termination of the ASDP by Broadfoot before he can enroll in a new ASDP. However, this decision does not provide the Requested Relief in respect of any new ASDP.
11. The Broker is a securities broker that is at arm's length to Solium and Broadfoot.

## Decisions, Orders and Rulings

---

12. The Broker has been appointed as an independent broker to effect sales of the Common Shares pursuant to the terms and conditions of the ASDP. The dispositions under the ASDP will be effected by the Broker in accordance with the pre-determined instructions as to the number and dollar value of the Common Shares to be sold, and other relevant information, all as set out in the ASDP.
13. Subject to the restrictions set forth in the ASDP, the Broker will execute the trades in such a way as to attempt to minimize the negative price impact on the market and to attempt to maximize the prices obtained for the Common Shares.
14. Except to set trading parameters in the manner described, Broadfoot does not have the authority to make investment decisions or influence or control any disposition effected by the Broker pursuant to the ASDP and the Broker and Broadfoot will not consult regarding any disposition.
15. Broadfoot will not disclose to the Broker any information concerning Solium that might influence the execution of any disposition under the ASDP.
16. The ASDP includes a waiting period of 30 days between the date of adoption of the ASDP and the date that the first disposition may be made under the ASDP.
17. The ASDP has been structured to comply with applicable securities legislation and guidance, including section 147(7)(c) of the *Securities Act* (Alberta) (the **Alberta Act**), section 175(2)(b) of the General Regulation under the Ontario Act and Ontario Securities Commission Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans*.
18. At the time of execution of, and entering into the ASDP, Broadfoot represented that he was not aware of or in possession of material non-public information about Solium or any securities of Solium and that he was entering into the ASDP in good faith and not as part of a plan or scheme to evade the insider trading prohibitions under applicable Canadian securities legislation.
19. The Common Shares are not subject to any liens, security interests or other impediments to transfer (except for limitations imposed by any applicable laws).
20. The ASDP will terminate on the earliest to occur of:
  - (a) December 31, 2019;
  - (b) the completion of all sales contemplated by the ASDP;
  - (c) a determination being made by Broadfoot or the Broker that the ASDP does not comply with applicable securities legislation or that Broadfoot made misstatements in his representations or warranties in the ASDP;
  - (d) receipt by the Broker of notice of: (i) the filing of a bankruptcy petition by Solium; (ii) the public announcement of a merger, recapitalization, acquisition, take-over bid or other business combination or reorganization resulting in the exchange or conversion of the Common Shares into shares of another company (within the meaning of the ASDP); or (iii) the conversion of the Common Shares into rights to receive fixed amounts of cash or into debt securities and/or preferred shares (in whole or in part);
  - (e) receipt by the Broker of notice of Broadfoot's death;
  - (f) the day that is seven days following the termination of the ASDP by the Broker; and
  - (g) the voluntary termination of the ASDP by Broadfoot in accordance with paragraph 9 above.
21. Broadfoot will not amend or terminate the ASDP with knowledge of a material fact or material change that has not been generally disclosed and will only do so in good faith and not as part of a plan or scheme to evade the prohibitions of section 147 of the Alberta Act, section 76 of the Ontario Act or comparable prohibitions in other securities legislation.

## Decision

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



## Decisions, Orders and Rulings

---

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that Broadfoot shall file a report through SEDI, by March 31 of each calendar year, of all dispositions under the ASDP during the prior calendar year not previously disclosed in a SEDI filing, disclosing either of the following:

- (a) each disposition on a transaction-by-transaction basis;
- (b) all dispositions as a single transaction using the average unit price of the securities.

"Tom Graham, CA"  
Director, Corporate Finance  
Alberta Securities Commission

2.1.3 Kaushik Rakhit et al.

**Headnote**

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – reporting insider party to automatic securities disposition plan – relief granted from section 3.3 of NI 55-104 and subsection 107(2) of the Securities Act (Ontario).

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 107(2).  
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 3.3.

**Citation:** Re Seven Generations Energy Ltd., 2018 ABASC 23

February 9, 2018

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  
KAUSHIK RAKHIT (Rakhit),  
BARRY HUCIK (Hucik),  
JORDAN JOHNSEN (Johnsen),  
CHRISTOPHER LAW (Law),  
GLEN NEVOKSHONOFF (Nevokshonoff),  
SUSAN TARGETT (Targett) (collectively, the Insiders)  
AND  
SEVEN GENERATIONS ENERGY LTD.  
(Seven Generations, and, together with the Insiders, 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 for a decision (the **Exemption Sought**) under the securities legislation (the **Legislation**) of the Jurisdictions exempting each of the Insiders from the requirement in section 3.3 of National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (**NI 55-104**) and subsection 107(2) of the *Securities Act* (Ontario) (the **Ontario Act**) to file an insider report within five days following the disposition of securities under the ASDP (as defined below), subject to certain conditions.

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

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

### Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 or NI 55-104 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 Filers:

#### **Seven Generations**

1. Seven Generations is a corporation existing under the laws of Canada, is a reporting issuer in each of the provinces of Canada and is not in default of securities legislation in any jurisdiction.
2. The head office of Seven Generations is located in Calgary, Alberta.
3. The authorized share capital of Seven Generations consists of an unlimited number of common shares (**Common Shares**), an unlimited number of class B common shares, an unlimited number of each of series A, series B, series C and series D preferred shares and an unlimited number of special voting shares. As at December 19, 2017, Seven Generations had 354,728,168 Common Shares issued and outstanding and no class B common shares, preferred shares of any series or special voting shares issued and outstanding.
4. The Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "VII".

#### **The Insiders**

5. Rakhit is a Director of Seven Generations and is a reporting insider. Rakhit is not in default of securities legislation in any jurisdiction.
6. As at December 19, 2017, Rakhit beneficially owned, controlled or directed 647,948 Common Shares (representing approximately 0.183% of the then outstanding Common Shares), and held 66,856 options (**Options**) to purchase Common Shares, each Option entitling the holder to purchase one Common Share, and 32,140 warrants (**Warrants**) to purchase Common Shares, each Warrant entitling the holder to purchase one Common Share. Rakhit holds 856 Options and 2,140 Warrants expiring on June 27, 2018, which will be subject to the ASDP.
7. Rakhit wishes to sell up to 2,996 Common Shares pursuant to the ASDP, by selling Common Shares gained upon exercise of the Options and Warrants expiring on June 27, 2018.
8. Hucik is Vice President, Drilling of Seven Generations and is a reporting insider. Hucik is not in default of securities legislation in any jurisdiction.
9. As at December 19, 2017, Hucik beneficially owned, controlled or directed 51,048 Common Shares (representing approximately 0.014% of the then outstanding Common Shares), and held 605,162 Options, each Option entitling the holder to purchase one Common Share, and 1,060,720 Warrants, each Warrant entitling the holder to purchase one Common Share. Hucik holds 357,214 Options and 893,036 Warrants expiring on June 27, 2018, which will be subject to the ASDP.
10. Hucik wishes to sell up to 1,250,250 Common Shares pursuant to the ASDP, by selling Common Shares gained upon exercise of the Options and Warrants expiring on June 27, 2018.
11. Johnsen is Vice President, Operations & Engineering of Seven Generations and is a reporting insider. Johnsen is not in default of securities legislation in any jurisdiction.
12. As at December 19, 2017, Johnsen beneficially owned, controlled or directed 6,139 Common Shares (representing approximately 0.002% of the then outstanding Common Shares), and held 237,556 Options, each Option entitling the holder to purchase one Common Share, and 725,568 Warrants, each Warrant entitling the holder to purchase one Common Share. Johnsen holds no Options and 505,940 Warrants expiring on June 27, 2018, which will be subject to the ASDP.
13. Johnsen wishes to sell up to 505,940 Common Shares pursuant to the ASDP, by selling Common Shares gained upon exercise of Warrants expiring on June 27, 2018.

## Decisions, Orders and Rulings

---

14. Law is Chief Financial Officer of Seven Generations and is a reporting insider. Law is not in default of securities legislation in any jurisdiction.
15. As at December 19, 2017, Law beneficially owned, controlled or directed 48,769 Common Shares (representing approximately 0.014% of the then outstanding Common Shares), and held 672,588 Options, each Option entitling the holder to purchase one Common Share, and 528,210 Warrants, each Warrant entitling the holder to purchase one Common Share. Law holds 201,814 Options and 247,720 Warrants expiring on June 27, 2018, which will be subject to the ASDP.
16. Law wishes to sell up to 449,534 Common Shares pursuant to the ASDP, by selling Common Shares gained upon exercise of the Options and Warrants expiring on June 27, 2018.
17. Nevokshonoff is Chief Operating Officer of Seven Generations and is a reporting insider. Nevokshonoff is not in default of securities legislation in any jurisdiction.
18. As at December 19, 2017, Nevokshonoff beneficially owned, controlled or directed 36,488 Common Shares (representing approximately 0.010% of the then outstanding Common Shares), and held 590,379 Options, each Option entitling the holder to purchase one Common Share, and 678,210 Warrants, each Warrant entitling the holder to purchase one Common Share. Nevokshonoff holds 145,150 Options and 397,720 Warrants expiring on June 27, 2018, which will be subject to the ASDP.
19. Nevokshonoff wishes to sell up to 542,870 Common Shares pursuant to the ASDP, by selling Common Shares gained upon exercise of the Options and Warrants expiring on June 27, 2018.
20. Targett is Executive Vice President, Corporate of Seven Generations and is a reporting insider. Targett is not in default of securities legislation in any jurisdiction.
21. As at December 19, 2017, Targett beneficially owned, controlled or directed 84,322 Common Shares (representing approximately 0.024% of the then outstanding Common Shares), and held 629,438 Options, each Option entitling the holder to purchase one Common Share, and 830,704 Warrants, each Warrant entitling the holder to purchase one Common Share. Targett holds 232,530 Options and 581,324 Warrants expiring on June 27, 2018, which will be subject to the ASDP.
22. Targett wishes to sell up to 813,854 Common Shares pursuant to the ASDP, by selling Common Shares gained upon exercise of the Options and Warrants expiring on June 27, 2018.

### ***The Automatic Securities Disposition Plan***

23. RBC Dominion Securities Inc. (the **Administrator**), Seven Generations and the Insiders entered into an automatic securities disposition plan (the **ASDP**) on December 19, 2017 to be effective upon receipt of the Exemption Sought, to facilitate the automatic exercise on each Insider's behalf of Options and Warrants and the automatic sale on each Insider's behalf of Common Shares, including those Common Shares acquired upon exercise of Options and Warrants. The Options and Warrants that are the subject of the ASDP are held in electronic form by an affiliate of Solium Capital Inc. (**Solium**) in its capacity as administrator of Seven Generations equity based compensation plans. Each Insider has deposited exercise forms with the Administrator, in respect of the Options and Warrants expiring on June 27, 2018, and appointed the Administrator to act as its agent to exercise the Options and Warrants. The Administrator will exercise those Options and/or Warrants (through Solium's systems) and sell the underlying Common Shares in accordance with the trading parameters provided by that Insider.
24. Seven Generations will issue a news release announcing the effectiveness of the ASDP promptly after issuance of this decision.
25. The ASDP may be modified or amended (including any amendments to the trading parameters or other instructions by an Insider) if all of the following conditions are met:
  - (a) there is written agreement between the Administrator, Seven Generations and each of the Insiders;
  - (b) each Insider in respect of whom the ASDP is modified or amended has provided notice to the public of the proposed change by describing it in a filing on the System for Electronic Disclosure by Insiders (**SEDI**) and Seven Generations has notified the public in a news release of both the modification or amendment and that each of the Insiders has confirmed that they are not aware of an undisclosed material fact or material change about Seven Generations or any of its securities;

- (c) any applicable regulatory approval has been obtained;
  - (d) there is no blackout period in effect in respect of the securities of Seven Generations;
  - (e) the Insider does not possess any material non-public information about Seven Generations or the securities of Seven Generations, and has no knowledge of a material fact or material change with respect to Seven Generations or any securities of Seven Generations (including the Common Shares) that has not been generally disclosed and has executed and delivered a certificate addressed to Seven Generations and the Administrator confirming that;
  - (f) such modification or amendment is made in good faith and not as part of a plan or scheme to evade the prohibitions of section 147 of the *Securities Act* (Alberta) (the **Alberta Act**), section 76 of the Ontario Act or comparable prohibitions in other securities legislation.
26. The Administrator is a securities broker which is at arm's length to Seven Generations and each of the Insiders.
27. The ASDP does not provide for any waiting period following the voluntary termination of the ASDP by the Insiders before the Insiders can enroll in a new ASDP. However, this decision does not provide the Exemption Sought in respect of any new ASDP.
28. The Administrator has been appointed as an independent broker to effect the exercise of Options and Warrants and the sale of the Common Shares pursuant to the terms and conditions of the ASDP. The transactions under the ASDP will be effected by the Administrator in accordance with pre-determined instructions as to the exercise of Options and Warrants, the number and dollar value of Common Shares to be sold, and other relevant information.
29. Subject to the restrictions set forth in the ASDP, the Administrator shall execute the trades in such a way as to attempt to minimize the negative price impact on the market and to attempt to maximize the prices obtained for the Common Shares sold.
30. Except for modifications or amendments as described above, the Insiders do not have the authority to make investment decisions or influence or control any exercise or disposition effected by the Administrator pursuant to the ASDP and the Administrator and the Insiders will not consult regarding any exercise or disposition.
31. No Insider will disclose to the Administrator any information concerning Seven Generations that could reasonably be expected to influence or affect any exercise or disposition under the ASDP.
32. The ASDP includes a waiting period of 30 days between the effective date of the ASDP and the date that the first exercise or disposition can be made under the ASDP.
33. The ASDP has been structured to comply with applicable securities legislation and guidance, including section 147(7)(c) of the Alberta Act, paragraph 175(2)(b) of the General Regulation under the Ontario Act and Ontario Securities Commission Staff Notice 55-701 *Automatic Securities Disposition Plans and Automatic Securities Purchase Plans*.
34. At the time of execution of and entering into the ASDP, each of the Insiders represented that they did not possess knowledge of a material fact or material change (as such terms are defined under applicable Canadian securities laws) with respect to Seven Generations that had not been generally disclosed, and that they entered into the ASDP in good faith and not as part of a plan or scheme to evade the insider trading prohibitions of applicable Canadian securities laws.
35. The Warrants and Options and the Common Shares issuable on the exercise thereof are not subject to any liens, security interests or other impediments to transfer (except for limitations imposed by any applicable laws).
36. The ASDP will automatically terminate on the earliest to occur of:
- (a) December 31, 2018;
  - (b) the exercise of all of the Options and Warrants and the sale of all of the Common Shares contemplated under the ASDP (including Common Shares underlying Options and Warrants);
  - (c) Seven Generations' reasonable determination of any of the following:
    - (i) the ASDP does not comply with applicable securities legislation;

- (ii) any Insider or the Administrator has not complied with the terms of the ASDP;
  - (iii) any Insider or the Administrator has not complied with applicable securities laws in connection with the ASDP;
  - (iv) any Insider or the Administrator has become subject to a legal restriction which prevents the Insider or the Administrator from continuing to be subject to the ASDP;
  - (d) the public announcement of, or execution of an agreement for, a take-over bid or exchange offer with respect to the Common Shares or merger, amalgamation, arrangement, acquisition, reorganization, recapitalization or comparable transaction affecting the securities of Seven Generations as a result of which the Common Shares are to be exchanged or converted into cash and/or securities of another entity.
37. An Insider may elect to irrevocably terminate his or her participation in the ASDP if all of the following conditions are met:
- (a) there is no blackout period in effect in respect of the securities of Seven Generations;
  - (b) the Insider does not possess any knowledge of a material fact or material change that has not been generally disclosed and is acting in good faith and not as part of a plan or scheme to evade the prohibitions of Section 147 of the Alberta Act, Section 76 of the Ontario Act or comparable prohibitions in other securities legislation and executes and delivers a certificate addressed to Seven Generations and the Administrator confirming that at the time of the request to terminate his or her participation in the ASDP;
  - (c) the Insider notifies the public of the termination by making a SEDI filing and Seven Generations has notified the public in a news release of the termination and that the Insider has confirmed that they are not aware of an undisclosed material fact or material change about Seven Generations or any of its securities.

**Decision**

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted in respect of an Insider provided that at the time of relying on the Exemption Sought the Insider is compliance with its representations in paragraphs 25, 30 and 31 of this decision and by March 31 of each calendar year the Insider files a report through SEDI of all acquisitions and dispositions under the ASDP during the prior calendar year not previously disclosed in a SEDI filing, disclosing either of the following:

- (a) each acquisition and disposition on a transaction-by-transaction basis;
- (b) all acquisitions as a single transaction using the average unit price of the securities, and all dispositions as a single transaction using the average unit price of the securities.

“Tom Graham, CA”  
Director, Corporate Finance  
Alberta Securities Commission

## 2.1.4 Advantage Oil & Gas Ltd.

### Headnote

National Instrument 62-104 Take-Over Bids and Issuer Bid – Exemption from the formal issuer bid requirements – An issuer requires an exemption from all issuer bid requirements in order to purchase its common shares under an odd-lot purchase program – The issuer will only offer the program to shareholders holding less than 100 common shares; all odd-lot holders will be given the same information and will be treated identically; if successful, the repurchase program will reduce the administrative burden on the issuer; the repurchase price will be determined by a formula based on the market price for the shares.

### Applicable Legislative Provisions

National Instrument 62-104 Take-Over Bids and Issuer Bids.

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

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

**Citation:** Re Advantage Oil & Gas Ltd., 2018 ABASC 21

February 7, 2018

**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  
ADVANTAGE OIL & GAS LTD.  
(the Filer)**

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application (the **Application**) from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is exempt from the formal issuer bid requirements in Part 2 of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (**NI 62-104**) with respect to the Filer's offer to purchase the Filer's common shares (**Common Shares**) from the Filer's shareholders (**Shareholders**) who own fewer than 100 Common Shares (**Odd Lot Holders**) under an odd lot program (the **Proposed Odd Lot Program**).

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

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

### Interpretation

Terms defined in National Instrument 14-101 *Definitions* or MI 11-102 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 exists under the laws of Alberta and has a head office in Calgary, Alberta.
2. The Filer's authorized capital consists of an unlimited number of Common Shares, an unlimited number of non-voting common shares, an unlimited number of preferred shares, issuable in series, and an unlimited number of exchangeable shares, issuable in series. As of December 19, 2017, the Filer had 185,963,186 Common Shares outstanding.
3. The Filer is a reporting issuer in each of the provinces of Canada.
4. The Filer's Common Shares are listed and posted for trading on the Toronto Stock Exchange (**TSX**) and the New York Stock Exchange (**NYSE**).
5. The Filer is not in default of securities legislation in any jurisdiction of Canada.
6. As of November 21, 2017, the Filer had 5,894 registered and unregistered Odd Lot Holders representing 0.1% of the Filer's issued and outstanding Common Shares. On average, each Odd Lot Holder held 43 Common Shares.
7. The Filer proposes to offer to purchase all of the Common Shares from Odd Lot Holders who are resident in Canada or the United States under the

Proposed Odd Lot Program up to a maximum of \$4,000,000 which amount may be increased at the discretion of the Filer's board of directors. The Filer will cancel any Common Shares that it purchases under the Proposed Odd Lot Program. The Proposed Odd Lot Program will be conducted through the Filer's transfer agent and announced by way of a widely disseminated press release.

8. After announcing the Proposed Odd Lot Program, the Filer will send both registered and unregistered Odd Lot Holders an information package containing a letter outlining the Proposed Odd Lot Program and a letter of transmittal/response card to be completed by any Odd Lot Holders that wish to tender their Common Shares under the Proposed Odd Lot Program.
9. The Proposed Odd Lot Program will be open for six weeks, with an option, at the discretion of the Filer's board of directors, to extend it for an additional six weeks.
10. Under the Proposed Odd Lot Program, the Filer will pay tendering Odd Lot Holders the following:
  - (a) Canadian Odd Lot Holders will receive a price per share equal to the five day volume weighted average price (5 day VWAP) of the Common Shares on the TSX for the week (i.e., calculated on the Friday) immediately prior to the week in which the Odd Lot Holder tenders their Common Shares; and
  - (b) United States Odd Lot Holders will receive a price per share equal to the 5 day VWAP of the Common Shares on the NYSE for the week (i.e., calculated on the Friday) immediately prior to the week in which the Odd Lot Holder tenders their Common Shares.

As such, participating Odd Lot Holders will not receive a premium on their Common Shares. Instead, they will be afforded the same liquidity and access to capital markets as Shareholders with board lot holdings.

11. The Filer believes that:
  - (a) the Proposed Odd Lot Program would be beneficial to the Odd Lot Holders as it is a voluntary program allowing them to dispose of their shares without incurring prohibitive brokerage and other fees; and
  - (b) if the Proposed Odd Lot Program is successful in significantly reducing the number of Odd Lot Holders, both the Filer and all of its securityholders would benefit from the potential cost-savings respecting annual mailings and other

securityholder communications as a result of a reduced number of Shareholders.

12. Under Rule 13e-4(h)(5) of the 1934 Act, the Proposed Odd Lot Program will be exempt from the "tender offer" rules under U.S. federal securities law. However, there is no similar applicable exemption from the issuer bid requirements under NI 62-104.
13. The Proposed Odd Lot Program will be conducted in accordance with U.S. federal securities laws, Canadian securities laws, and the policies of the NYSE and TSX. The Filer has advised the NYSE and the TSX of its intention to conduct the Proposed Odd Lot Program and the terms of the Proposed Odd Lot Program and neither the NYSE nor the TSX has objected to the Proposed Odd Lot Program.
14. All Odd Lot Holders will be treated identically under the Proposed Odd Lot Program.

**Decision**

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

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

"Denise Weeres"  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission



2.2 Orders

2.2.1 Equity Financial Holdings Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – issuer deemed to no longer be a reporting issuer under applicable securities legislation — issuer has more than 15 securityholders in a Canadian jurisdiction, but fewer than 51 securityholders in Canada.

Applicable Legislative Provisions

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

January 30, 2018

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(THE JURISDICTION)

AND

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

AND

IN THE MATTER OF  
EQUITY FINANCIAL HOLDINGS INC.  
(THE FILER)

ORDER

Background

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

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

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

Interpretation

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

Representations

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

- 1 The Filer is a corporation governed by the *Canada Business Corporations Act* (the **CBCA**) with its registered and head office located at 100 King Street West, Suite 4610, Toronto, Ontario, M5X 1E5;
- 2 The Filer is a reporting issuer in the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the **Jurisdictions**) and is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
- 3 The Filer is not in default of any of its obligations under the securities legislation of the Jurisdictions;
- 4 The authorized capital of the Filer consists of an unlimited number of common shares (the **Shares**) and as of December 21, 2017, there were 9,543,508 Shares issued and outstanding;
- 5 In addition to the Shares, the Filer has (i) 847,312 options outstanding pursuant to its amended and restated stock option plan adopted on March 4, 2014, as amended from time to time and (ii) 206,481 deferred share units outstanding pursuant to its amended and restated deferred share unit plan adopted on November 25, 2014, as amended from time to time. The deferred share units are cash settled when the participant in the deferred share unit plan ceases to be eligible to participate in the deferred share unit plan (i.e. when the participant ceases to be a director, officer, employee or consultant of the Filer);
- 6 The options are not exchange traded and are held by (i) the seven Canadian directors and officers of the Filer as set out on page 31 of the Filer's Management Proxy Circular dated November 17, 2017 (the **Circular**) and (ii) six other Canadian employees of the Filer;
- 7 The deferred share units are held by (i) the 13 Canadian directors and officers of the Filer as set out on page 31 of the Circular and (ii) one other senior Canadian employee of the Filer;
- 8 The Filer has no securities issued and outstanding other than as set out in paragraph 4 and 5 above;

- 9 On December 21, 2017, the Filer completed a transaction pursuant to a plan of arrangement with Smoothwater Capital Corporation (**Smoothwater**) pursuant to section 192 of the CBCA (the **Arrangement**) whereby Smoothwater acquired, at a price of \$10.25 per Share, all of the issued and outstanding Shares, other than those Shares already owned or controlled by Smoothwater, its officers, and by certain other shareholders (the **Continuing Shareholders**) who agreed to remain as continuing shareholders;
- 10 The Arrangement amended the articles of the Filer to include (i) in Schedule B thereof, standard private company restrictions on the transfer of the shares of the Filer and (ii) in Schedule E thereof, standard private company restrictions on the transfer of all other securities of the Filer (other than non-convertible debt securities) each of which are in a form contemplated by Section 2.4 of National Instrument 45-106 – *Prospectus Exemptions* and consistent with a company intending to cease to be a reporting issuer.
- 11 Securityholder approval of the Arrangement was obtained by the Filer at a special meeting of shareholders held on December 18, 2017 (the **Meeting**), whereby (i) holders of 94.89% of the Shares represented at the Meeting voted in favour of resolutions to approve the Arrangement and (ii) holders of 87.04% of the Shares represented at the Meeting whose votes may be included in determining if minority approval is obtained pursuant to Multilateral Instrument 61-101 *Protection of Minority Securityholders in Special Transactions* voted in favour of resolutions to approve the Arrangement. Shareholders holding an aggregate of 7,242,107 Shares, representing 75.89% of all issued and outstanding Shares, were present, in person or by proxy, at the Meeting;
- 12 The Filer obtained a final order for the Arrangement from the Ontario Superior Court of Justice (Commercial List) on December 20, 2017;
- 13 Promptly following closing of the Arrangement, Smoothwater sold 2,781,813 of the Shares it acquired under the Arrangement to certain of the Continuing Shareholders and certain new investors (the **New Investors**) who have agreed to take an active role in the Filer’s business (the **Subsequent Sale**);
- 14 The Continuing Shareholders are set out on page 30 of the Circular and more particularly described therein. The New Investors are generally comprised of (i) Henset Investments Inc. (**Henset**) a private investment company located in Toronto, Ontario and (ii) family members (including cousins and siblings) of the sole shareholder of Smoothwater;
- 15 The Shares are beneficially held (either directly, through holding companies or through registered or similar accounts) by 30 shareholders (including Smoothwater and Henset), comprised of 23 Canadian shareholders (including 14 Continuing Shareholders and 9 New Investors who are not also Continuing Shareholders) holding approximately 95.8% of the Shares outstanding, and approximately 7 non-Canadian shareholders (including 6 Continuing Shareholders and 1 New Investor who is not also a Continuing Shareholder) holding approximately 4.2% of the Shares outstanding;
- 16 Prior to the Arrangement, Smoothwater owned or exercised direction or control over approximately 34.6% of the outstanding Shares of the Filer and following the Arrangement and the Subsequent Sale Smoothwater owned or exercised direction or control over approximately 62.1% of the outstanding Shares of the Filer. Similarly, prior to the Arrangement, Henset did not own or exercise direction or control over any Shares of the Filer, and following the Arrangement and the Subsequent Sale, Henset owned or exercised direction or control over approximately 16.7% of the outstanding Shares of the Filer;
- 17 The Shares were delisted from trading on the Toronto Stock Exchange (**TSX**) effective at the close of trading on December 22, 2017. Consequently, 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, and the Filer does not intend to have any of its securities listed, traded or quoted on such marketplace in Canada or any other jurisdiction;
- 18 The management information circular of the Filer dated November 27, 2017, as supplemented, provided to shareholders of the Filer in connection with the Meeting included disclosure that the Filer “will apply to cease to be a reporting issuer in all the provinces and territories of Canada in which it is a reporting issuer following the completion of the Arrangement”;
- 19 The Filer issued a news release on December 21, 2017 advising shareholders that the Filer has applied to have the Shares delisted from the TSX and that the Filer has also applied under applicable Canadian securities laws to cease to be a reporting issuer;
- 20 The Filer has no intention of distributing any securities to the public in Canada;
- 21 The Filer is not eligible to use the simplified procedure in National Instrument 11-206 –

*Process for Cease to be a Reporting Issuer Applications*, as it has more than 15 security holders in a jurisdiction of Canada (but fewer than 51 securityholders in total worldwide); and

- 22 The Filer will not be a reporting issuer or the equivalent in any jurisdiction immediately following the granting of the Order Sought.

**Order**

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

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

“Deborah Leckman”  
Ontario Securities Commission

“Robert Hutchison”  
Ontario Securities Commission

2.2.2 Ateba Resources Inc. – s. 144

**Headnote**

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Issuer has provided an undertaking to the Commission that it will not complete (a) a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, (b) a reverse takeover with a reverse takeover acquiror that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or (c) a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada, unless the issuer files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Act.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

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

**AND**

**IN THE MATTER OF  
ATEBA RESOURCES INC.**

**ORDER  
(Section 144 of the Act)**

**WHEREAS** the securities of Ateba Resources Inc. (the "**Applicant**") are subject to a cease trade order dated May 6, 2016, issued by the Director of the Ontario Securities Commission (the "**Commission**"), pursuant to paragraph 2 of subsection 127(1) and subsection 127(4.1) of the Act (the "**Cease Trade Order**"), ordering that all trading in the securities of the Applicant, whether direct or indirect, cease until the Cease Trade Order is revoked by the Director;

**AND WHEREAS** the Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under the Act, as described in the Cease Trade Order;

**AND WHEREAS** the Applicant has applied to the Commission for a full revocation of the Cease Trade Order (the "**Application**") pursuant to Section 144 of the Act;

**AND UPON** the Applicant having represented to the Commission as follows:

1. The Applicant is a corporation formed pursuant to articles of amalgamation under the *Business Corporations Act* (Ontario) on February 1, 1988. The Applicant's head office is located at 365 Bay Street, Suite 400, Toronto, Ontario M5H 2V1.
2. The Applicant has been a reporting issuer under the Act since February 1, 1988 and is currently a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec (collectively, the "**Reporting Jurisdictions**") and is not a reporting issuer or equivalent in any other jurisdiction in Canada. The Applicant's principal regulator is the Commission.
3. The Applicant's authorized capital consists of an unlimited number of common shares (the "**Common Shares**") and special shares (the "**Special Shares**"), issuable in series, of which 58,032,581 Common Shares and no Special Shares are issued and outstanding.
4. The Common Shares were delisted from trading on the Canadian Securities Exchange (the "**CSE**") on October 26, 2016 for failure to maintain minimum CSE requirements.
5. The Cease Trade Order was issued as a result of the Applicant's failure to file the following continuous disclosure materials within the timeframe stipulated by the applicable legislation:

- (a) audited annual financial statements for the year ended December 31, 2015;
  - (b) management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2015; and
  - (c) certification of the foregoing filings as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**");
- (collectively, the "**2015 Annual Filings**")
- 6. Subsequent to the issuance of the Cease Trade Order, the Applicant also failed to file, within the timeframe stipulate by the applicable legislation: (a) interim financial statements, interim management discussion and analysis and certifications required by NI 52-109 for the periods ended March 31, 2016, June 30, 2016 and September 30, 2016 (collectively, the "**2016 Interim Filings**"); (b) audited annual financial statements, management's discussion and analysis and certifications required by NI 52-109 for the year ended December 31, 2016 (collectively, the "**2016 Annual Filings**"); (c) interim financial statements, management's discussion and analysis and certifications required by NI 52-109 for the periods ended March 31, 2017, June 30, 2017 and September 30, 2017 (collectively, the "**2017 Interim Filings**").
  - 7. Since the issuance of the Cease Trade Order, the Applicant has filed the following on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"): (a) the 2015 Annual Filings; (b) the 2016 Annual Filings; (c) the 2017 Interim Filings; (d) Form 51-102F6V *Statement of Executive Compensation (Venture Issuers)*; and (e) Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)*.
  - 8. The Applicant is also subject to, as a result of the failure to file the 2015 Annual Filings: a cease trade order dated May 12, 2016 issued by the British Columbia Securities Commission; a cease trade order dated May 9, 2016 issued by the Manitoba Securities Commission; and a cease trade order dated May 24, 2016 issued by the Autorité des marchés financiers du Quebec.
  - 9. The Applicant has concurrently applied to the British Columbia Securities Commission, the Manitoba Securities Commission and the Autorité des marchés financiers du Quebec for a full revocation of the cease trade order issued in each respective jurisdiction.
  - 10. The Applicant is not in default of the Cease Trade Order or any cease trade order issued in any of the Reporting Jurisdictions.
  - 11. The Applicant has paid all outstanding participation fees, filing fees and late fees owing and has filed all forms associated with such payments in each Reporting Jurisdiction.
  - 12. The Applicant's SEDAR and System for Electronic Disclosure by Insiders profiles are up-to-date.
  - 13. Other than the failure to file the 2015 Annual Filings, 2016 Interim Filings, 2016 Annual Filings and 2017 Interim Filings, the Applicant is not in default of any of the requirements of the Act or the rules and regulations made pursuant thereto.
  - 14. The Applicant is not considering nor is it involved in any discussions related to, a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.
  - 15. The Applicant has provided the Commission with a written undertaking (the "**Undertaking**") that:
    - (a) the Applicant will hold an annual meeting of shareholders within three months after the date on which the Cease Trade Order is revoked; and
    - (b) the Applicant will not complete
      - i. a restructuring transaction involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,
      - ii. a reverse takeover with a reverse takeover acquirer that has a direct or indirect, existing or proposed, material underlying business which is not located in Canada, or
      - iii. a significant acquisition involving, directly or indirectly, an existing or proposed, material underlying business which is not located in Canada,

unless

- i. the Issuer files a preliminary prospectus and a final prospectus with the Ontario Securities Commission and obtains receipts for the preliminary prospectus and the final prospectus from the Director under the Securities Act (Ontario),
- ii. the Issuer files or delivers with the preliminary prospectus and the final prospectus the documents required by Part 9 of National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”) including a completed personal information form and authorization in the form set out in Appendix A of NI 41-101 for each current and incoming director, executive officer and promoter of the Issuer, and
- iii. the preliminary prospectus and final prospectus contain the information required by applicable securities legislation, including the information required for a probable restructuring transaction, reverse takeover or significant acquisition (as applicable).

16. Upon revocation of the Cease Trade Order, the Applicant will issue a news release and concurrently file a material change report on SEDAR announcing the revocation of the Cease Trade Order and describing the Undertaking.

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

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

**IT IS ORDERED**, pursuant to section 144 of the Act, that the Cease Trade Order be and is hereby fully revoked.

**DATED** at Toronto this 1st day of February, 2018.

“Michael Balter”  
Manager, Corporate Finance  
Ontario Securities Commission

**2.2.3 DIR Industrial Properties Inc. – s. 1(6) of the OBCA**

**Headnote**

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

**Applicable Legislative Provisions**

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

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

**AND**

**IN THE MATTER OF  
DIR INDUSTRIAL PROPERTIES INC.  
(the Applicant)**

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

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

**AND UPON** the Applicant representing to the Commission that:

1. The Applicant is a corporation incorporated under the OBCA and is the continuing corporation resulting from the amalgamation on July 19, 2013 of C2C Industrial Properties Inc. (**C2C**) and Dundee Industrial Atlantic Acquisition Inc. (the **Offeror**).
2. The Applicant is an “offering corporation” as defined in the OBCA.
3. The Applicant has an authorized capital consisting of an unlimited number of common shares (**Common Shares**) and redeemable preference shares (**Redeemable Preference Shares**), of which one Common Share and no Redeemable Preference Shares are currently issued and outstanding.
4. The Applicant’s head office is located at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1.
5. Dream Industrial Real Estate Investment Trust (**Dream Industrial REIT**) is an unincorporated, open-ended real estate investment trust governed by the amended and restated declaration of trust of Dream Industrial REIT dated as of May 5, 2014, as it may be amended or restated.
6. Dream Industrial Limited Partnership (**Dream Industrial LP**) is a limited partnership formed under the laws of the Province of Ontario on December 21, 2010.
7. Dream Industrial LP is a direct subsidiary of Dream Industrial REIT.
8. The Applicant is a direct subsidiary of Dream Industrial LP.
9. On May 15, 2013, Dream Industrial REIT indirectly acquired approximately 95% of the outstanding common shares of C2C pursuant to a take-over bid. On June 18, 2013, C2C and the Offeror entered into an amalgamation agreement providing for the amalgamation of C2C and the Offeror to form the Applicant (the **Amalgamation**).
10. As a result of the Amalgamation, Dream Industrial LP became the sole shareholder of the Applicant. The Amalgamation was completed on July 19, 2013.
11. Pursuant to the Amalgamation, the outstanding 6.25% convertible unsecured subordinated debentures due November 30, 2017 of C2C (the **Convertible Debentures**) became obligations of the Applicant under applicable law.

## Decisions, Orders and Rulings

---

12. Following the Amalgamation, the Convertible Debentures continued to be listed and posted for trading on the Toronto Stock Exchange (**TSX**) under the symbol "DIN.DB".
13. The outstanding Convertible Debentures were repaid in full at maturity on November 30, 2017 and the Convertible Debentures were de-listed from the TSX effective the close of trading on November 30, 2017.
14. The Applicant has no intention to seek public financing by way of an offering of securities.
15. On January 23, 2018, the Applicant was granted an order pursuant to subclause 1(10)(a)(ii) of the Securities Act (Ontario) that it is not a reporting issuer in Ontario, and is not a reporting issuer or the equivalent in any other jurisdiction of Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*.

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

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

**DATED** at Toronto, this 2nd day of February, 2018.

"Mark J. Sandler"  
Commissioner  
Ontario Securities Commission

"Frances Kordyback"  
Commissioner  
Ontario Securities Commission



**IN THE MATTER OF  
DONALD MASON**

Mark J. Sandler, Chair of the Panel

February 7, 2018

**ORDER**

Section 8 of the *Securities Act*, RSO 1990, c S.5

WHEREAS on February 6, 2018, the Ontario Securities Commission (the “**Commission**”) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, in relation to an application by Donald Mason (“**Mason**”) filed on December 29, 2017 to review a decision of a Director of the Commission dated November 30, 2017 (the “**Application**”);

ON READING the Application and on hearing the submissions of the representative for Donald Mason and Staff of the Commission;

IT IS ORDERED THAT:

1. Staff shall serve and file the record of the original proceeding no later than February 19, 2018;
2. Mason shall serve and file his motion for a stay of the decision of the Director no later than March 7, 2018;
3. Staff shall serve and file responding materials, if any, on Mason’s motion for a stay of the decision of the Director no later than March 16, 2018;
4. Mason’s motion for a stay of the decision of the Director will be heard on March 27, 2018, commencing at 10:00 a.m., or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary;
5. In respect of Mason’s application for a hearing and review, Mason shall give notice of any intention to rely on documents or things not included in the record of the original proceeding, and shall disclose such documents or things, no later than April 30, 2018;
6. Staff shall give notice of any intention to rely on documents or things not included in the record of the original proceeding, and shall disclose such documents or things, no later than May 4, 2018, with the exception of an affidavit of Louise Brinkmann which will be served and filed no later than April 16, 2018 with personal identifiers redacted;
7. Mason shall file and serve witness lists and notice of intention to call an expert witness, if any, and shall serve (but not file) summaries of the anticipated evidence of any witnesses no later than May 28, 2018;
8. A hearing will be held on May 29, 2018, commencing at 10:00 a.m., or on such other dates or times as may be agreed to by the parties and set by the Office of the Secretary to:
  - a. schedule any interlocutory motions, including:
    - i. any motion requesting intervenor status;
    - ii. any motion requesting an order for disclosure of redacted information contained in the affidavit of Louise Brinkmann;
  - b. address any procedural issues or requirements arising out of the anticipated notice of constitutional question;
  - c. set a date to hear the application for a hearing and review; and
  - d. address any outstanding issues that may have arisen.

**Decisions, Orders and Rulings**

---

9. Staff shall file and serve written submissions on Mason's application for a hearing and review, if any, witness lists and notice of intention to call an expert witness, if any, and shall serve summaries of the anticipated evidence of any witnesses no later than June 11, 2018; and
10. Mason shall serve and file written submissions on his application for a hearing and review no later than July 6, 2018.

"Mark J. Sandler"

## 2.2.5 Dream Industrial LP

### Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceased to be a reporting issuer under securities legislation.

### Applicable Legislative Provisions

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

February 2, 2018

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO  
(the Jurisdiction)**  
**AND**  
**IN THE MATTER OF  
THE PROCESS FOR CEASE TO BE  
A REPORTING ISSUER APPLICATIONS**  
**AND**  
**IN THE MATTER OF  
DREAM INDUSTRIAL LP  
(the Filer)**  
**ORDER**

### Background

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

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

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

### Interpretation

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

### Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
3. no securities of the Filer, including debt securities, are traded in Canada or another country on a “marketplace” as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
5. the Filer is not in default of securities legislation in any jurisdiction.

### Order

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

The decision of the Principal Regulator under the Legislation that the Order Sought is granted.

“Winnie Sanjoto”  
Manager, Corporate Finance Branch  
Ontario Securities Commission

2.2.6 Pure Technologies Ltd.

the securities regulatory authority or regulator in Ontario.

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer Applications – The issuer ceases to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

Citation: Re Pure Technologies Ltd., 2018 ABASC 22

February 8, 2018

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

AND

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

AND

IN THE MATTER OF  
PURE TECHNOLOGIES LTD.  
(the Filer)

ORDER

Background

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

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

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

Interpretation

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

Representations

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

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

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.

“Denise Weeres”  
Manager, Legal  
Corporate Finance

2.2.7 **Pheysonian Bee Works et al. – ss. 127(1), 127(5)**

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

**AND**

**IN THE MATTER OF  
PHEYLONIAN BEE WORKS,  
BEE WORKS ENTERPRISES INC.,  
NATURAL BEE WORKS APIARIES INC.,  
CANADIAN BIO DYNAMICS,  
TAWLIA CHICKALO,  
RINALDO LANDUCCI and  
ELISE MAXHELEAU**

**TEMPORARY ORDER  
(Subsections 127(1) and 127(5))**

**WHEREAS:**

1. it appears to the Ontario Securities Commission (the “Commission”) that:
  - a. Natural Bee Works Apiaries Inc. (“NBW”) is a corporation incorporated pursuant to the laws of British Columbia;
  - b. Rinaldo Landucci (“Landucci”) is a resident of British Columbia and is the sole registered director of NBW;
  - c. Tawlia Chickalo (“Chickalo”) is a resident of Ontario, represents herself to be a director of NBW, and has an investor relations role for NBW;
  - d. Elise Maxheleau (“Maxheleau”) is a resident of Ontario and has an investor relations role for NBW;
  - e. NBW, Chickalo, Landucci and Maxheleau have never been registered with the Commission in any capacity;
  - f. NBW is not a reporting issuer in Ontario and have never filed a prospectus in Ontario;
  - g. Chickalo and Maxheleau may have engaged in or held themselves out as engaging in the business of advising without the necessary registration or an applicable exemption from the registration requirement, contrary to section 25 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”);
  - h. NBW, Chickalo and Maxheleau may have engaged in trading of securities which constituted a distribution without a

prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;

- i. NBW, Landucci and Chickalo may have represented that the securities of NBW will be listed on an exchange, contrary to subsection 38(3) of the Act;
  - j. NBW, Landucci and Chickalo may have engaged or participated in an act, practice or course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors, contrary to subsection 126.1(1)(b) of the Act;
  - k. NBW, Landucci and Chickalo may have made statements that they knew or reasonably ought to have known were untrue or misleading and that would reasonably be expected to have a significant effect on the market price or value of the securities of NBW, contrary to section 126.2 of the Act;
  - l. Landucci and Chickalo may have authorized, permitted or acquiesced in the non-compliance with the Act by NBW, contrary to section 129.2 of the Act;
  - m. NBW, Landucci, Chickalo and Maxheleau may have acted contrary to the public interest;
  - n. Staff are continuing to investigate the conduct described above;
2. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act;
  3. the Commission is of the opinion that it is in the public interest to make this Order;
  4. by Authorization Order made August 11, 2017, pursuant to subsection 3.5(3) of the Act, each of Maureen Jensen, D. Grant Vingoe, Philip Anisman, Robert P. Hutchison, Janet Leiper, Timothy Moseley, and Mark J. Sandler acting alone, is authorized to make orders under section 127 of the Act;
- IT IS ORDERED** pursuant to section 127 of the Act that:
1. pursuant to paragraph 2 of subsection 127(1), all trading in securities of NBW shall cease;
  2. pursuant to paragraph 2 of subsection 127(1), trading in any securities by NBW, Chickalo, Landucci and Maxheleau shall cease; and

3. pursuant to subsection 127(6), this order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

**DATED** at Toronto, this 8th day of February, 2018.

“Maureen Jensen”

### 2.2.8 ZoomMed 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 Autorite des marches financiers – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – Ontario opt-in to revocation order issued by Autorite des Marches Financiers, as principal regulator.

#### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss.127 and 144.  
National Policy 11-207 Failure to File Cease Trade Orders and Revocations in Multiple Jurisdictions.

DECISION No: 2018-IC-0006  
FILE No: 25395

**February 1, 2018**

### ZOOMMED INC.

#### REVOCATION ORDER

Under the securities legislation of Québec and Ontario  
(the Legislation)

#### Background

1. ZoomMed Inc. (the **Issuer**) is subject to a failure-to-file cease of trade order (the “**FFCTO**”) issued by the regulator or securities regulatory authority in each of Québec (the “**Principal Regulator**”) and Ontario (the “**Decision Makers**”) respectively on October 5, 2017.
2. The Issuer has applied to each of the Decision Makers under *Policy Statement 11-207 respecting Failure-to-file Cease Trade Orders and Revocations in Multiple Jurisdictions* (Decision 2016-PDG-0080, 2016-05-18) (**Policy Statement 11-207**) for an order revoking the FFCTOs.
3. The Issuer has filed the continuous information documents required under the Legislation.
4. This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

#### Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* (chapter V-1.1, r. 3), in *Regulation 14-501Q on definitions* (chapter V-1.1, r. 4) or in *Policy Statement 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.

“Martin Latulippe”  
Director  
Continuous Disclosure

This page intentionally left blank



## Chapter 3

# Reasons: Decisions, Orders and Rulings

---

---

### 3.1 OSC Decisions

#### 3.1.1 Dennis L. Meharchand and Valt.X Holdings Inc. – s. 28 of the Rules of Procedure and Forms

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

**REASONS AND DECISION ON A MOTION  
(Rule 28 of the Rules of Procedure and Forms (2017), 40 OSCB 8988)**

**Citation:** *Meharchand (Re)*, 2018 ONSEC 5

**Date:** 2018-02-12

**Hearing:** January 22, 2018

**Decision:** February 12, 2018

**Panel:** Timothy Moseley Vice-Chair and Chair of the Panel  
Robert Hutchison Commissioner  
Deborah Leckman Commissioner

**Appearances:** Dennis L. Meharchand For himself and Valt.X Holdings Inc.

Linda Fuerst For Staff of the Commission  
Gavin Smyth

#### TABLE OF CONTENTS

- I. OVERVIEW
- II. HISTORY OF THE PROCEEDINGS
  - A. Temporary order proceeding
  - B. Statement of Allegations
  - C. This motion, and the respondents' request for an adjournment
    - 1. Appearances preliminary to the merits hearing
    - 2. Respondents' delivery of their Motion, and subsequent withdrawals of the Motion
    - 3. The hearing on January 22, 2018
    - 4. Conclusion regarding the adjournment request
- III. THE RESPONDENTS' MOTION FOR RECUSAL AND OTHER RELIEF
  - A. Legal framework
  - B. Alleged tampering with evidence
    - 1. Facts
    - 2. Analysis of the respondents' allegation that Staff tampered with evidence
  - C. Summary of Ms. Kozovski's anticipated evidence
  - D. Other relief requested at the hearing
- IV. CONCLUSION

## REASONS AND DECISION ON A MOTION

### I. OVERVIEW

- [1] Dennis Meharchand and Valt.X Holdings Inc. (**Valt.X**), of which Mr. Meharchand is the principal, are the respondents in an enforcement proceeding. They bring this motion, in which they seek recusal of two members of Staff of the Commission (**Staff**) who are involved in the investigation of their conduct and in the enforcement proceeding against them. Those Staff members are Christie Johnson, Litigation Counsel for Staff, who had carriage of a related proceeding in 2015 and of the current proceeding (although other counsel argued this motion on behalf of Staff), and Daniella Kozovski, Investigation Counsel for Staff, who has been the primary investigator throughout. Mr. Meharchand and Valt.X also seek to have “all uncorroborated evidence advanced or prepared by” Ms. Johnson or Ms. Kozovski “disallowed”.
- [2] The respondents point to two events that they say demonstrate that Ms. Johnson and Ms. Kozovski have acted improperly and are biased against them:
- a. In material filed with the Commission in 2015, in support of Staff’s request for the extension of a temporary order against the respondents and one other individual, the text on one page appended to Ms. Kozovski’s affidavit was partially obscured. Staff explained that this was an inadvertent scanning error. The respondents do not accept that explanation. They allege that Staff was deliberately attempting to mislead the Commission.
  - b. A summary of anticipated evidence of Ms. Kozovski, provided to the respondents as part of pre-hearing disclosure in the enforcement proceeding, states that she will likely testify about a “complaint” received from an investor in the respondents’ business. The respondents emphatically deny that the communication from the investor constituted a complaint, and they say that Staff’s characterization reflects an improper bias against the respondents.
- [3] At the conclusion of the hearing of the motion, we advised the parties that we were dismissing the motion, for reasons to follow. These are our reasons.
- [4] As we explain below, none of the evidence before us supports the respondents’ assertions. We see no evidence whatsoever of improper conduct by Staff, or of any bias against, or unfair treatment of, the respondents. There is no basis for the relief sought by the respondents.

### II. HISTORY OF THE PROCEEDINGS

#### A. Temporary order proceeding

- [5] On September 11, 2015, the Commission issued a temporary order against the respondents and another individual (the **Temporary Order**),<sup>1</sup> pursuant to subsections 127(1) and 127(5) of the *Securities Act* (the **Act**).<sup>2</sup> That order states that it appeared to the Commission that, among other things:
- a. the named parties (including Mr. Meharchand and Valt.X) may have engaged in, or held themselves out as engaging in, the business of trading in securities, without being registered as required, contrary to subsection 25(1) of the Act; and
  - b. those parties may have engaged in an illegal distribution of securities, contrary to subsection 53(1) of the Act.
- [6] The Temporary Order provided that trading in securities of Valt.X was to cease, that trading in any securities by the named parties was to cease, and that the exemptions contained in Ontario securities law were not to apply to them. The Temporary Order was to expire on September 26, 2015, unless extended by the Commission.
- [7] At a hearing on September 23, 2015, Staff submitted Ms. Kozovski’s affidavit (the **Kozovski Affidavit**), in support of Staff’s request that the Commission extend the Temporary Order. In addition to the documents attached to that affidavit, Staff had others that it had received from the respondents but had not yet had an opportunity to review. The Commission adjourned the hearing to October 1, 2015, and extended the Temporary Order to October 2, 2015.
- [8] On October 1, 2015, the Commission again extended the Temporary Order, this time until October 15, 2015.

---

<sup>1</sup> *Meharchand (Re)* (2015), 38 OSCB 8055.

<sup>2</sup> RSO 1990, c S.5.

- [9] At a hearing on October 14, 2015, Staff sought a further extension of the order. The Commission denied Staff's request.<sup>3</sup> The Temporary Order expired the next day, under the terms of the October 1 order.

**B. Statement of Allegations**

- [10] Staff's investigation continued over the next year and a half. On February 27, 2017, Staff filed a Statement of Allegations against the respondents. Consistent with the conduct described in the Temporary Order, Staff now alleges that the respondents engaged in unregistered trading and illegal distributions. In addition, Staff alleges that Mr. Meharchand has engaged in fraudulent conduct with respect to the use of investor funds.
- [11] That same day, on February 27, 2017, the Secretary to the Commission commenced this proceeding by issuing a Notice of Hearing in respect of Staff's Statement of Allegations. Since then, there have been numerous appearances before the Commission, and Staff has filed written material for the merits hearing. As of the hearing of this motion, the date for the respondents to deliver their material in response had not yet arrived, and the dates for the merits hearing had not yet been set.

**C. This motion, and the respondents' request for an adjournment**

**1. Appearances preliminary to the merits hearing**

- [12] At the hearing of this motion on January 22, 2018, the respondents requested an adjournment. We denied that request, for reasons set out below, following a review of the events leading up to this hearing.
- [13] On March 27, 2017, at the first appearance following the filing of the Statement of Allegations, the respondents were represented by duty counsel. Through counsel, the respondents advised that they would be seeking recusal of certain members of Staff, including litigation counsel with carriage of the matter. Mr. Meharchand stated that he was alleging that the Staff members "tampered with evidence and falsified information and [he was] asking for them to be removed." Staff stated that it was aware of the issue, but that this was the first it was hearing of a request for recusal. The Commission panel indicated that any such motion should be dealt with sooner, rather than "later down the road".
- [14] The next appearance in this proceeding took place on June 26, 2017. The respondents, through duty counsel, advised that they still intended to bring this motion. Staff counsel submitted that the motion should be heard soon, because a successful outcome for the respondents would have repercussions for Staff. The Commission panel repeated the admonition that the respondents would be "at some risk" if they delayed bringing the motion, due to the prejudice that might result.
- [15] The parties next appeared on August 21, 2017. Again, the respondents advised through duty counsel that they intended to bring the motion and that they were prepared to do so "within a reasonable period of time". When the Commission panel repeated the concern about timing, Mr. Meharchand said that a hearing date within two weeks would be fine. He said: "I'll get it in right away. In fact, over the next couple of days I'll get it in ... I do want to move it along as quickly as possible." The Commission set a deadline of September 15, 2017, for the delivery of the respondents' materials, and set October 16, 2017, for the hearing of the motion.
- [16] September 15 came and went without any materials from the respondents. At Staff's request, and after confirming the respondents' availability, the Commission convened a pre-hearing conference for September 29, 2017. In the morning of September 29, Mr. Meharchand advised by email that he would not attend because he was "not well". He advised that he would submit this motion on October 2.
- [17] The pre-hearing conference proceeded in the respondents' absence. At the pre-hearing conference, the Commission extended the deadlines for delivery of materials, and fixed a new date, October 27, 2017, for the hearing of the motion.
- 2. Respondents' delivery of their Motion, and subsequent withdrawals of the Motion**
- [18] The respondents delivered their Motion on October 3, 2017. The Motion, which was unaccompanied by any other material, was two pages long and:
- a. asked for the recusal of the two Staff members and that "uncorroborated evidence advanced or prepared by" either of the two individuals "be disallowed";

---

<sup>3</sup> *Meharchand (Re)* (2015), 38 OSCB 10761.

- b. set out numerous grounds for the motion, relating to (i) the alleged tampering with evidence, and (ii) the reference in the Staff investigator's evidence summary (the **Kozovski Summary**) to a "complaint" from an investor; and
- c. referred to an affidavit of Mr. Meharchand, although that appeared to be simply a reference to the various grounds set out earlier in the document.

[19] On October 5, 2017, Mr. Meharchand advised the Commission's Registrar that the respondents wished to withdraw the motion. Staff responded on October 11, 2017, advising that the parties had agreed that the motion would in fact proceed on October 27, 2017, as scheduled. Staff filed its responding motion materials on October 16, 2017.

[20] On October 18, 2017, Mr. Meharchand sent an email to the Registrar, saying:

A hearing was scheduled for October 27th 2017 to hear a Staff Recusal Motion in the above Matter. I am withdrawing the Motion – Please vacate the date. I have no intention of refileing the Motion.

[21] The following day, Staff consented to vacating the date for the motion but made clear that Staff had advised Mr. Meharchand that it would "strenuously object" to the respondents bringing the motion back on, because of the prejudice that Staff would suffer.

[22] Two months passed. On December 13, 2017, the Commission conducted a confidential conference to address matters related to the merits hearing, including deadlines for the exchange and filing of written materials relating to the hearing on the merits of Staff's allegations. After hearing submissions from Staff and from the respondents, the Commission ordered, among other things, that the direct evidence for the merits hearing be adduced by way of affidavits. The Commission ordered a schedule for the delivery of the parties' written materials, beginning with Staff's materials being due on January 8, 2018.

[23] On December 20, 2017, the respondents filed a Motion that was identical to that filed on October 3, although bearing a new date. Mr. Meharchand asked for "a hearing as soon as possible".

[24] Staff did not object to the motion being brought back on. The Commission convened a hearing for 4:00pm on Friday, January 12, 2018, to address scheduling matters.

[25] At 5:25am on January 12, Mr. Meharchand sent an email to the Registrar and to Staff, attaching a "Victim Impact Statement of Dennis Meharchand", which he asked be communicated to the panel. In that document, Mr. Meharchand advised, among other things, that as a result of the actions of the two Staff members, he felt "persecuted and both mentally and physically debilitated" knowing that the Staff members were using the Commission's resources to "tamper with and provide false and misleading evidence" against him. He asserted that their conduct was having "a severe mental impact" on him. Mr. Meharchand urged the Commission to "deal with this matter promptly and in a way providing Justice."

[26] The parties appeared as scheduled at the 4:00pm hearing, at which Mr. Meharchand advised that the respondents did not intend to rely on any further material for the motion, and agreed that the motion should be heard as soon as possible. The Commission set January 22, 2018, as the hearing date.

[27] Approximately two hours later, at 6:15pm on Friday, January 12, 2018, Mr. Meharchand sent an email to the Registrar and to Staff, in which he stated that due to "a bout of depression" he had been unable to follow the discussion at the hearing earlier that afternoon. He said that contrary to his statement at the hearing, he did want to file additional material, and was seeking permission to do so on Monday, January 15.

[28] The respondents filed no additional material. On January 18, 2018, Mr. Meharchand sent an email in which he advised that he was withdrawing the motion and that he would re-file it the next day, Friday, January 19, 2018. At our direction, the Registrar replied and advised that the hearing of the motion would proceed as scheduled on Monday, January 22, 2018, and that any issues regarding motion materials would be addressed at that time.

### **3. The hearing on January 22, 2018**

[29] The parties attended at the hearing on January 22, 2018. Mr. Meharchand appeared in person and on behalf of Valt.X. He confirmed that he was seeking an adjournment. Staff opposed the request.

[30] Mr. Meharchand cited several reasons for his adjournment request:

- a. he advised that he wished to see additional documents in Staff's possession, in order to determine whether there was "any more" evidence of Staff's improper conduct and bias against the respondents, which evidence he required for the motion;
- b. he explained that he had requested documents from Staff, and that Staff had not fulfilled those requests; and
- c. he stated that his belief about Staff's conduct was inducing depression, which in turn had been interfering with his ability to respond properly to Staff's allegations against him.

[31] After hearing submissions from Mr. Meharchand and from Staff, we denied the adjournment request. We did so for the following reasons:

- a. the respondents provided no evidence and no specifics regarding unfulfilled requests made to Staff for additional documents;
- b. the respondents provided no basis for a belief that any documents that were not before us would, if produced, suggest that Staff had tampered with evidence or otherwise acted improperly;
- c. at none of the three attendances since Staff filed its Statement of Allegations, at which attendances the respondents were represented by duty counsel, did Mr. Meharchand or duty counsel indicate any concerns about Mr. Meharchand's ability to understand the proceedings or to give instructions;
- d. Mr. Meharchand first raised the prospect of this motion almost one year ago;
- e. on numerous occasions, both Staff and the panel of the Commission have warned the respondents that the motion should be brought promptly and that the respondents' motion would be at risk if they delayed;
- f. the respondents have not given any meaningful and substantiated explanation as to why the steps that they wish to take now, to obtain additional documents, have not yet been taken; and
- g. the respondents' conduct in repeatedly filing and withdrawing the motion has served to prolong this proceeding, and a further adjournment would continue that pattern.

[32] In reaching our decision, we considered Mr. Meharchand's assertion, made on several occasions in this proceeding, that he has been unable to respond properly to Staff's allegations because he has been depressed as a result of Staff's allegedly unfair treatment of him. We are sympathetic to the fact that an enforcement proceeding, especially one in which Staff alleges serious misconduct such as fraud, can be a difficult and stressful experience for a respondent. These difficulties are often compounded when the respondent is unassisted by counsel, as Mr. Meharchand has been for some portions of this proceeding.

[33] In determining how much weight we should give to Mr. Meharchand's assertion, we took into account the following factors:

- a. Mr. Meharchand's assertion is neither substantiated by any evidence nor supported by a suggestion that he has sought professional assistance of any kind;
- b. in his many attendances before the Commission, he has exhibited no difficulty understanding and responding to questions and comments from us or from Staff, and he has been able to advocate on his own behalf;
- c. Mr. Meharchand has repeatedly advised that he intended to retain counsel through the Commission's Litigation Assistance Program, yet as of the hearing of this motion Mr. Meharchand had not completed arrangements to retain counsel, and offered no reason for not having done so; and
- d. the Commission has repeatedly extended deadlines to benefit the respondents.

[34] While our impression of Mr. Meharchand is that he is fully participating in this proceeding, our observations are not inconsistent with the possibility that Mr. Meharchand has, from time to time, experienced significant difficulties dealing with the pressures that this proceeding presents. Assuming that such difficulties do exist, we are not in a position to assess their seriousness, or to determine whether they involve any issues of mental health. We have only Mr. Meharchand's claim, which as noted above is unsupported by specifics or by evidence from a qualified professional.

[35] As a result, we have no basis on which we can determine whether the difficulties that Mr. Meharchand describes rendered him unable to proceed. Therefore, while we took Mr. Meharchand's comments into account, his unsubstantiated claim is insufficient to affect our decision regarding his adjournment request.

#### 4. Conclusion regarding the adjournment request

[36] If the respondents were to succeed on their motion, Staff counsel with carriage of the matter, and the principal investigator, would have to be replaced. There is therefore a compelling public interest in having the motion resolved one way or the other, so that Staff knows whether it needs to take any steps, and so as to minimize the delay in the overall proceeding.

[37] The Commission has been patient with the respondents and has, on numerous occasions over many months, given them every opportunity to have their motion heard. Despite the respondents' repeated assertions that they want the motion to be heard as soon as possible, their actions, and their actions alone, have prevented that from happening.

[38] Rule 29(1) of the Commission's *Rules of Procedure and Forms*<sup>4</sup> provides that every hearing of a motion "shall proceed on the scheduled date unless a Party satisfies the Panel that there are exceptional circumstances requiring an adjournment." The respondents have not demonstrated any exceptional circumstances; nor have they offered a persuasive basis for a further delay in the hearing. It would be contrary to the public interest for us to grant the adjournment request, and we have therefore denied it.

### III. THE RESPONDENTS' MOTION FOR RECUSAL AND OTHER RELIEF

[39] Having denied the respondents' adjournment request, we then heard submissions from the parties about the issues raised by the respondents' motion. We turn now to our analysis of those issues.

#### A. Legal framework

[40] In determining the standard that the respondents must meet to justify recusal of counsel on the ground of misconduct, we adopt the approach of the Ontario Superior Court of Justice in *R v Colson*,<sup>5</sup> a criminal matter in which the court considered an application by the accused for the recusal of both Crown counsel on the basis of alleged professional misconduct. The court held that while it had discretionary authority to remove Crown or defence counsel, as part of its inherent power to control its own processes, such authority should be exercised sparingly, and only when necessary.<sup>6</sup> An appropriate recusal application "must be based on evidence to support the proposition that the Crown has misconducted themselves either intentionally, recklessly, or with unacceptable negligence for the purpose of undermining the integrity of the administration of justice."<sup>7</sup>

[41] As for bias specifically, we are guided by the words of the Supreme Court of Canada in *Boucher v R*,<sup>8</sup> in which the Court held that the role of Crown counsel in a criminal prosecution is to adduce all available evidence relevant to what is alleged to be a crime. That duty "should be done firmly and pressed to its legitimate strength, but it must also be done fairly."<sup>9</sup> Whether a prosecutor (or, in our case, a member of Staff) acts fairly must be viewed objectively in the same way as a claim of reasonable apprehension of bias of an adjudicator. In other words, would a reasonable and informed observer, "viewing the matter realistically and practically – and having thought the matter through – conclude" that the two members of Staff are improperly biased?<sup>10</sup>

[42] We will now review the facts giving rise to the respondents' allegations. We assess those facts to determine whether they indicate any improper conduct by Staff, including falsifying or tampering with evidence, bias against the respondents, or other unfair treatment of the respondents. As we explain below, we conclude that there is no reasonable basis for their allegations.

---

<sup>4</sup> *Ontario Securities Commission Rules of Procedure and Forms* (2017), 40 OSCB 8988, r 29(1).

<sup>5</sup> [2002] OJ No 1576 (SCJ) (*Colson*).

<sup>6</sup> *Colson* at para 4, citing *R v Brown*, [1996] OJ No 5319 (Gen Div) at p 10.

<sup>7</sup> *Colson* at para 19.

<sup>8</sup> [1954] SCJ No 54 (*Boucher*).

<sup>9</sup> *Boucher* at para 26.

<sup>10</sup> *Committee for Justice and Liberty v Canada (National Energy Board)*, [1978] 1 SCR 369 at para 40.

**B. Alleged tampering with evidence**

**1. Facts**

- [43] The first of the respondents' two specific complaints relates to the Kozovski Affidavit submitted by Staff on September 23, 2015, in support of Staff's request that the Commission extend the Temporary Order.
- [44] The Kozovski Affidavit attached as an exhibit a Valt.X common share and subscription agreement provided to Staff by an investor in Valt.X who resides in Texas. The agreement appears to be a template; specific information that could be added regarding a particular investor has not been inserted.
- [45] The agreement refers to an accredited investor certification for Canadian residents, which certification is Schedule A to the agreement. However, the copy of the agreement attached to the Kozovski Affidavit does not include that Schedule A. In her affidavit, Ms. Kozovski explains that this is so because the document was received from a U.S. resident.
- [46] The agreement also refers to an accredited investor certification for U.S. residents, which certification is Schedule B to the agreement. Immediately following the signature page of the main agreement is a page, on which the text of the top portion is obscured. The bottom portion of the page (which is unaffected by the problem with the top portion), and the text on the next page (which is complete), make it obvious that those two pages are the U.S. accredited investor certification. Again, those two pages are in template form, with no date inserted, no signature on the signature line, and no name of the "Subscriber" inserted in the appropriate space. The two pages are followed by a Schedule C, a "Form of Voting Trust Agreement".
- [47] At the September 23 hearing, at which Staff adduced the Kozovski Affidavit, the Commission decided to adjourn the hearing for one week to allow for review of additional documents, including some brought by Mr. Meharchand to the hearing and not yet reviewed by Staff. At one point during that hearing, Mr. Meharchand said that the accredited investor certificate portion of the exhibit to the Kozovski Affidavit was "blank". It is not clear from the transcript whether Mr. Meharchand meant that a portion of one page was missing its text (and therefore "blank"), or that the certification was in template form, without any specific information added (and therefore "blank").
- [48] In any event, later that same day Mr. Meharchand sent an email to Staff, requesting the original subscription agreement that Staff had obtained from the investor. Staff replied that same day, advising that "there appears to have been an issue with the scanning of that document into Staff's electronic database, which resulted in a faulty printout." Staff attached to that email a properly scanned version of the subscription agreement and advised that Staff would provide the corrected version to the Commission at the next appearance.
- [49] Mr. Meharchand replied, again on September 23, expressing his concern that "the faulty scan and printout is in fact an attempt to deliberately tamper with evidence." Staff responded again, denying any attempt to tamper with evidence and assuring him that Staff would take all necessary steps to rectify the inadvertent error. Further correspondence ensued over the following days, in which Mr. Meharchand sought to escalate his claims within the Commission, including to its Chair, and to obtain details about Staff processes, procedures and compensation. Staff did not accede to Mr. Meharchand's requests.
- [50] Two days later, on September 25, Staff served Mr. Meharchand with a further affidavit of Ms. Kozovski. That second affidavit explained that the original Kozovski Affidavit had attached an inaccurate reproduction of the U.S. accredited investor certification, explained that Staff had sent a proper copy to Mr. Meharchand on September 23, and attached a complete copy of the document.
- [51] When the parties appeared next on October 1, as scheduled, the respondents were represented by counsel, who had been retained only the day before. As a result, on consent of all parties the hearing was adjourned to October 14, and the Temporary Order extended to October 15. Before the hearing was adjourned, Staff referred to the September 25 affidavit of Ms. Kozovski, which attached the corrected version of the U.S. accredited investor certification. The panel confirmed that it had received the affidavit. Neither the respondents nor their counsel raised a concern about the corrected document or about Staff's conduct.
- [52] At the hearing on October 14, the Commission heard submissions from all parties. Neither the respondents nor their counsel raised a concern about the Kozovski Affidavit or about Staff's conduct. At the conclusion of the hearing, the Commission dismissed Staff's request for a further extension of the Temporary Order.

**2. Analysis of the respondents' allegation that Staff tampered with evidence**

- [53] The respondents' assertion that Staff tampered with evidence is based solely on the missing portion of the first page of the two-page U.S. accredited investor certification. While the respondents correctly submit that accredited investor

certifications may play an important role in this proceeding, we must consider all of the surrounding circumstances in assessing whether the respondents' allegations give rise to any concerns about Staff's conduct.

- [54] We conclude that the circumstances do not give rise to any such concern, for a number of reasons:
- a. by reading the entire exhibit to the Kozovski Affidavit, including the main agreement, it is plain and obvious that the partially-obscured page is the first page of the U.S. accredited investor certification;
  - b. that document is a template version only, without any information that would identify a particular investor;
  - c. later the same day that the document was before the Commission in a hearing, Staff acknowledged the problem and provided a corrected copy to Mr. Meharchand;
  - d. Staff promptly delivered a supplementary affidavit attaching the corrected copy, and filed that affidavit with the Commission;
  - e. Staff's explanation of a scanning problem is consistent with the document's appearance, is uncontradicted by any other evidence, and is reasonable, and we therefore accept it;
  - f. it is obvious from the corrected version that Staff would have had nothing to gain by deliberately obscuring part of the document; and
  - g. neither at the October 1, 2015, hearing nor at the October 14, 2015, hearing did the respondents or their counsel raise a concern about the document or about Staff's conduct.

[55] As a result, the facts with respect to the U.S. accredited investor certification do not provide any basis to conclude that Staff has misconducted itself in any way, let alone "intentionally, recklessly, or with unacceptable negligence for the purpose of undermining the integrity of the administration of justice", to use the words quoted in paragraph [40] above. Furthermore, the respondents cannot reasonably have suffered any prejudice as a result of Staff's inadvertent error. Finally, there is nothing about Staff's conduct that would lead an informed person, viewing the matter realistically and practically, and having thought the matter through, to conclude from this inadvertent error that Staff is improperly biased against the respondents.

[56] The respondents' concern about the accredited investor certification therefore fails to support their motion for recusal.

**C. Summary of Ms. Kozovski's anticipated evidence**

[57] The respondents' second concern relates to the Kozovski Summary, which Staff provided to the respondents as part of disclosure in advance of the merits hearing.

[58] Staff often calls its investigator as a witness at a merits hearing, and parties must provide to each other summaries of the anticipated evidence of any witness the parties intend to call. However, such summaries are not filed with the Commission, absent exceptional circumstances. Rather, the panel hears or reads the witness's evidence directly. The summary acts simply as information for the opposite party.

[59] That practice applies in this case. The Kozovski Summary has not been filed with the Commission in advance of the merits hearing, nor did any of the parties include it in the materials filed on this motion. However, we do not need to review the Kozovski Summary in order to resolve this issue.

[60] According to the respondents, the Kozovski Summary anticipates that Ms. Kozovski will give evidence about a "complaint" received from the Texas investor who was the source of the subscription agreement discussed above. The respondents emphasize the use of the word "complaint" in the summary, and contrast that with another document that was contained in Staff's disclosure to the respondents. According to the respondents, that second document, which was also not in the record before us, reflects the Texas investor's insistence that in providing information to Staff, he was not making a "complaint".

[61] Staff did not take issue with the respondents' description of the contents of either of these two documents. Accepting those descriptions, then, for the purposes of this motion, we must determine whether the difference in the descriptions reflects a bias by Staff, or any improper conduct. We conclude that there is no basis for such a concern.

[62] As the respondents admitted in the hearing before us, they have no knowledge of Staff's procedures regarding information received from investors and others. In particular, the respondents do not know the basis, if there is one, upon which Staff distinguishes between "complaints", "inquiries", or similar terms.



[63] It would be unsurprising to any reasonable observer that Staff regularly receives complaints from investors, so the use of that word in the Kozovski Summary does not raise any red flags for us. The respondents will have the opportunity to cross-examine Ms. Kozovski at the merits hearing, so if they choose to pursue this concern with her directly, they are free to do so.

[64] In the meantime, however, and without anything more, the mere use of the word “complaint” in the Kozovski Summary provides no basis to conclude that Staff has engaged in misconduct or that it is improperly biased against the respondents. The use of that word cannot provide the basis for the relief requested by the respondents.

**D. Other relief requested at the hearing**

[65] As noted above in paragraph [18], the respondents in their written Motion seek the recusal of Ms. Johnson and of Ms. Kozovski, and the disallowance of uncorroborated evidence advanced or prepared by either of them.

[66] At the hearing of the motion, however, the respondents asked for additional relief, including payment by the Commission of fees that the respondents paid to counsel who appeared on their behalf on October 1 and 14, 2015. The respondents say that they needed to retain counsel for those appearances because of Staff’s conduct relating to the accredited investor certification. That explanation is unreasonable, including because as noted above, counsel did not raise a concern at those hearings about the incomplete page, and the respondents succeeded in opposing Staff’s extension request, on grounds unrelated to that document. In any event, we do not have jurisdiction to make the order requested, so we would not have made such an order even if it had been sought on proper notice and supported by proper material.

[67] The respondents also asked at the hearing that the Commission pay for their counsel for this proceeding and for a contemplated *Canadian Charter of Rights and Freedoms*<sup>11</sup> challenge to the Commission’s governing legislation. Again, we have neither a proper basis for, nor jurisdiction to order, the requested relief.

**IV. CONCLUSION**

[68] The facts relied on by the respondents do not suggest any improper conduct whatsoever by Staff. At worst, the respondents identified an inadvertent error relating to the scanning of one page of a document. That error was corrected immediately with the respondents and with the Commission, and the error caused the respondents no prejudice.

[69] The respondents’ beliefs about Staff’s conduct may be sincerely held, but they are not reasonable based on the evidence before us. It is for these reasons that we dismissed the respondents’ motion.

Dated at Toronto this 12th day of February, 2018.

“Timothy Moseley”

“Robert Hutchison”

“Deborah Leckman”

---

<sup>11</sup> Part I of the *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (UK), 1982, c 11.

This page intentionally left blank

## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
THERE IS NOTHING TO REPORT THIS WEEK.				

### Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
THERE IS NOTHING TO REPORT THIS WEEK.		

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

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

This page intentionally left blank

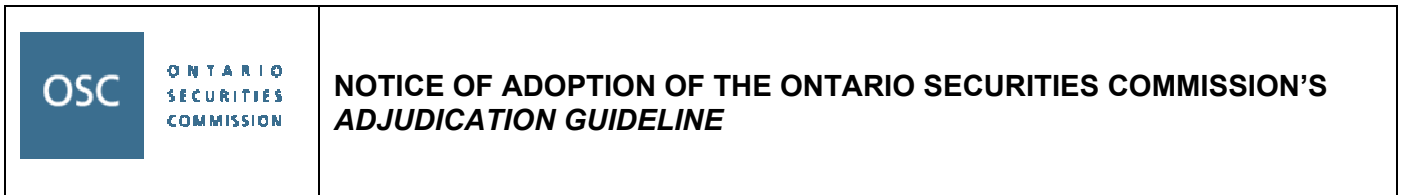
## Chapter 5

# Rules and Policies

---

---

### 5.1.1 Notice of Adoption of the Ontario Securities Commission's Adjudication Guideline



#### **Adoption**

On February 6, 2018, the Ontario Securities Commission adopted the *Adjudication Guideline*.

The former *Guidelines for Members and Employees Engaging in Adjudication* is repealed in its entirety and replaced by the *Adjudication Guideline*, which is effective immediately.

#### **Application**

The *Adjudication Guideline* sets out standards of conduct concerning the professional and ethical responsibilities of the Secretary to the Commission, Office of the Secretary staff, and the Members of the Ontario Securities Commission when performing an adjudicative function.

#### **Publication**

The *Adjudication Guideline* will be published in the OSC Bulletin and is available on the Commission's website, under the heading Proceedings.

## 5.1.2 OSC Adjudication Guideline



# Adjudication Guideline

## 1 Purpose and Application

This Guideline sets out standards of conduct concerning the professional and ethical responsibilities of the Secretary to the Commission, Office of the Secretary staff, and the Members of the Ontario Securities Commission when performing an adjudicative function.

This Guideline supplements the Commission's Code of Conduct. Persons fulfilling the roles referred to above must also act in accordance with the law governing administrative tribunals.

## 2 Impartiality and Fairness

### (1) General Rule

Members shall not participate in a hearing where:

- (a) To do so would violate the Commission's Code of Conduct;
- (b) To do so would give rise to bias (explained in s. 2(2)); and/or
- (c) The Member believes he or she should not participate.

### (2) Bias

Panel Members have a duty to conduct hearings and render decisions in a fair and impartial manner. The ability to discharge that duty is undermined by actual bias or a reasonable apprehension of bias. The test to be applied in determining whether a reasonable apprehension of bias exists is "would a reasonable and informed person, viewing the matter realistically and practically — and having thought the matter through — conclude that there is bias on the part of the Panel or individual Panel Members impairing their duty to fairly and impartially adjudicate the matter?"

Unless the context shows otherwise, actual bias and reasonable apprehension of bias are collectively referred to as "bias" in these Guidelines.

### (3) Before the start of a hearing

A Member who becomes aware of circumstances that may give rise to bias before a hearing begins, should:

- (a) Inform the Secretary that he or she cannot be a Panel Member, and the Member will not be assigned to or will be removed from the Panel; or
- (b) Request the Secretary's advice on whether the circumstances give rise to bias. If the Secretary determines that the circumstances give rise to bias, the Member will not be assigned to or will be removed from the Panel.

### (4) During a hearing

A Panel Member who becomes aware of circumstances at any time during a hearing that may give rise to bias shall:

- (a) Inform the other Panel Members and the Secretary that he or she will remove himself or herself from the Panel. The other Panel Members shall, without requiring reasons or explanation from the Panel Member, immediately inform the parties of that decision; or
- (b) Request the other Panel Members' advice as to whether the circumstances might give rise to bias.

If the other Panel Members determine that the circumstances might give rise to bias, the Panel Member should consider removing himself or herself immediately. In the alternative, the Panel may decide to inform the parties of the circumstances and invite them to make submissions on the Panel Member's continued participation in the hearing. The Panel should provide the parties with reasons for its decision.

- (5) If a party submits bias exists      If a party brings a motion seeking the removal of a Panel Member on grounds of bias, the Panel should provide reasons for its decision on the motion.

**3 Panel Assignment**

- (1) Assignment of Panel Members      The Commission has delegated to the Secretary the independent authority to manage and administer the assignment of Panel Chairs and Panel Members. The Commission requires that in assigning Panel Members, the Secretary consider, among other things, the particular experience, expertise and availability of Members and the nature of the issues that will be involved in the hearing.

The Secretary will not assign the Chair of the Commission to any Panel.

- (2) Conflict of interest      When assigning Members, the Secretary shall take reasonable steps to ensure that no Member assigned to a Panel has a conflict of interest.
- (3) Independence of assignment process      While the Secretary may in his or her discretion consult with any Member with respect to the assignment of a Panel for a proceeding, no Member, including the Chair of the Commission, nor any party including Commission staff, should attempt to influence or participate in the selection of a Panel.

**4 Office of the Secretary Staff**

- (1) Communicating with parties      Office of the Secretary staff shall not communicate with any party including Commission staff, the Chair of the Commission, any witness, representative or interested person, with respect to any matter that is or was at issue in a proceeding before a Panel, except as instructed by the Panel and in accordance with this Guideline.

Office of the Secretary staff may communicate procedural or administrative information related to the proceeding.

- (2) Confidentiality      Office of the Secretary staff shall not at any time disclose Panel deliberations or reveal confidential information to any person other than a Panel Member or other Office of the Secretary staff, without the consent of the Panel, unless legally required to do so.
- (3) Role of Adjudicative Counsel      Adjudicative counsel may provide independent legal advice and assistance to a Panel, as determined by the Panel.  
  
Adjudicative counsel shall not provide counsel or assistance to a Panel where to do so would be inconsistent with this Guideline, the Commission's Code of Conduct or applicable law.

**5 Responsibilities of Members**

- (1) Independence of adjudicative responsibilities      Members should perform their adjudicative responsibilities independently from their other responsibilities as Members of the Commission, and should make sure that their other responsibilities as Members of the Commission, or otherwise, do not detract from the performance of their adjudicative responsibilities.
- (2) Role of the Chair of the Panel      The Chair of a Panel should ensure the hearing is conducted in a fair and orderly manner.
- (3) Conduct at hearings      Panel Members will conduct hearings in a manner that is respectful to and does not discriminate against any party, their representative(s), witnesses, or members of the public, and will require the same from all other persons.
- (4) Impartiality      Panel Members should approach every hearing with an open mind. Panel Members will ensure that hearings are, and are seen to be, conducted fairly, impartially and transparently, with all parties having an opportunity to present their case.

- (5) Self-represented parties Panel Members should assist self-represented parties, where possible, to promote the parties' opportunity to be heard. This might include, for example, an explanation of procedural steps or rules of evidence. However, Panel Members should remain mindful of their duty of impartiality in 5(4).

**6 Communications relating to a proceeding**

- (1) Communicating with parties Other than in a hearing, a Panel Member shall not communicate orally with any party including Commission staff, the Chair of the Commission, any witness, representative or interested person, with respect to any matter that is or was at issue in the proceeding before the Panel Member, except in the presence of all parties, their representative(s) (if any) and the other Panel Members.

Written communications by the Panel may only be made through the Registrar with a copy sent to all parties.

- (2) Communicating publicly A Member shall not communicate publicly about a proceeding before its final disposition. A proceeding is considered to be finally disposed of only after the later of the expiry of the statutory time period for filing an appeal and the exhaustion of the appeal process before the courts.

Any public comment by Members about a proceeding following the final disposition of a proceeding must comply with the Commission's *Media Relations Policy*, which forms part of the Commission's *Code of Conduct*.

Any public comment by a Member shall not appear critical of another Member's decision or reasons or an appellate decision that may have been critical of or overturned a Commission decision.

- (3) Confidential information A Panel Member shall not share confidential information related to a proceeding, unless legally required to do so.
- (4) Office of the Secretary staff Notwithstanding anything in this section of this Guideline, Panel Members may discuss issues relating to a proceeding with Office of the Secretary staff.

**7 Panel Deliberations, Decisions and Reasons**

- (1) Decisions Panel Members must make decisions on a fair and impartial basis, in accordance with this Guideline and applicable law, including complying with principles of procedural fairness and natural justice.

Panel Members shall conduct their deliberations and make their decisions independently. The prospect of disapproval from any person, institution or group, including other Panel Members or Members not on the Panel, shall not deter a Panel Member from making a decision that he or she believes is fair and just.

- (2) Issues not raised in the proceeding A Panel should only consider issues raised in the proceeding, and its decision should be restricted to those issues. The Panel should reach its decision based on relevant law, the evidence presented to it, and the submissions made by the parties. If the parties failed to raise or address a relevant issue, law or authority that could significantly affect a Panel's decision, the Panel should request that the parties make submissions on the issue, law or authority.

- (3) Consultations with Member not on a Panel A Panel may consult informally with a Member not assigned to the Panel, so long as that Member is neither the Chair of the Commission nor a Member who would be disqualified under subsection 2(1) above. Such consultation may include questions of substantive law, procedure, evidence, or policy. It may also include a review of the draft reasons of the Panel for clarity, coherence and internal consistency. However, such consultation shall not detract from a Panel Member's independent decision-making responsibility. A Member who is consulted by a Panel in accordance with this Guideline shall not participate in Panel deliberations or comment on the assessment of facts by a Panel.



All consultation with Members not assigned to the Panel should be conducted through the adjudicative counsel assisting the Panel.

- (4) Departing from prior Commission decisions  
Panel Members should give due consideration to previous Commission decisions. A Panel may depart from previous decisions of the Commission, but should explain the reasons for the departure in its reasons.
- (5) Privacy and personal information of non-parties  
When making a decision, and in any accompanying reasons, a Panel will, to the extent possible, not refer to any personal information of non-parties.  
Where appropriate, and at the Panel's discretion, initials or similar anonymous identifiers should be substituted for the names of non-parties referred to in the decision and in any accompanying reasons.
- (6) Timeliness of Proceeding  
Panel Members should take reasonable steps to conduct proceedings in a timely manner.
- (7) Timing for releasing decisions  
A Panel should endeavour to issue its decision, including the reasons for its decision, if any, without undue delay and within a reasonable period following the conclusion of the hearing and the receipt of written submissions. Decisions should generally be issued within 90 days. If a decision is issued with reasons to follow, then those reasons should generally be issued within 90 days of the decision.

A longer period than set out above may be justified in circumstances such as, but not limited to, an unusually lengthy or complex hearing, a Panel Member's illness or otherwise unavoidable absence, or other unforeseeable circumstances.

**8 Review**

- (1) Commission review  
Notwithstanding any other section in this Guideline, after final disposition of a proceeding Panel Members may participate in any discussion or review by the Commission of any matter that was the subject of the proceeding or any appeal of the proceeding. In doing so, Panel Members should not comment on confidential information including a Panel's deliberations.

This page intentionally left blank

## Chapter 7

# Insider Reporting

---

---

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).



## Chapter 11

# IPOs, New Issues and Secondary Financings

---

---

### INVESTMENT FUNDS

**Issuer Name:**

Arcs of Fire Tactical Balanced Fund  
Principal Regulator – Alberta (ASC)

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated  
February 12, 2018

Received on February 12, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Arcs of Fire Investments Ltd.

Project #2672976

---

**Issuer Name:**

Dynamic Active Investment Grade Floating Rate Fund  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated February 12, 2018  
NP 11-202 Preliminary Receipt dated February 12, 2018

**Offering Price and Description:**

Series O Units

**Underwriter(s) or Distributor(s):**

1832 Asset Management L.P.

**Promoter(s):**

1832 Asset Management L.P.

Project #2728023

---

**Issuer Name:**

Dynamic iShares Active Investment Grade Floating Rate  
ETF

Principal Regulator – Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated February 12,  
2018

NP 11-202 Preliminary Receipt dated February 12, 2018

**Offering Price and Description:**

Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

Project #2728127

**Issuer Name:**

iShares International Fundamental Index ETF

iShares Japan Fundamental Index ETF (CAD-Hedged)

iShares US Fundamental Index ETF

iShares Emerging Markets Fundamental Index ETF

iShares Canadian Fundamental Index ETF

iShares S&P/TSX Canadian Dividend Aristocrats Index  
ETF

iShares S&P/TSX Canadian Preferred Share Index ETF

iShares US Dividend Growers Index ETF (CAD-Hedged)

iShares Global Monthly Dividend Index ETF (CAD-Hedged)

iShares Global Real Estate Index ETF

iShares Global Infrastructure Index ETF

iShares Global Water Index ETF

iShares Global Agriculture Index ETF

iShares Balanced Income CorePortfolio™ Index ETF

iShares Balanced Growth CorePortfolio™ Index ETF

iShares High Quality Canadian Bond Index ETF

iShares 1-5 Year Laddered Corporate Bond Index ETF

iShares 1-10 Year Laddered Corporate Bond Index ETF

iShares U.S. High Yield Fixed Income Index ETF (CAD-  
Hedged)

iShares 1-5 Year Laddered Government Bond Index ETF

iShares 1-10 Year Laddered Government Bond Index ETF

iShares Convertible Bond Index ETF

Principal Regulator – Ontario

**Type and Date:**

Amendment #3 to Final Long Form Prospectus dated  
February 6, 2018

Received on February 6, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

BlackRock Asset Management Canada Limited

**Promoter(s):**

N/A

Project #2620760

**Issuer Name:**

iShares Premium Money Market ETF  
iShares Canadian Financial Monthly Income ETF  
iShares Equal Weight Banc & Lifeco ETF  
iShares Short Duration High Income ETF (CAD-Hedged)  
Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Long Form Prospectus dated  
February 6, 2018  
Received on February 6, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #2676827**

---

**Issuer Name:**

Norrep Fund  
Norrep High Income Fund  
Norrep Short Term Income Fund  
Norrep Income Growth Class  
Norrep II Class  
Norrep US Dividend Plus Class  
Norrep Energy Plus Class  
Norrep Entrepreneurs Class  
Norrep Global Income Growth Class  
Norrep Tactical Opportunities Class  
Norrep Premium Growth Class  
Norrep Core Global  
Norrep Core Canadian  
Principal Regulator – Alberta (ASC)

**Type and Date:**

Amendment #2 to Final Simplified Prospectus dated  
February 12, 2018  
Received on February 12, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Norrep Investment Management Group Inc.

**Project #2633398**

---

**Issuer Name:**

RP Strategic Income Plus Fund  
Principal Regulator – Ontario

**Type and Date:**

Amended and Restated to Final Simplified Prospectus  
dated February 5, 2018  
Received on February 6, 2018

**Offering Price and Description:**

Class A, Class A-USD, Class F, Class F-USD, Class O,  
Class M and Class M-USD Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

RP Investment Advisors LP

**Project #2708952**

---

**Issuer Name:**

UIT Alternative Health Fund  
Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Simplified Prospectus dated  
February 2, 2018  
Received on February 7, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #2661879**

---

**Issuer Name:**

Advanced Education Savings Plan  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated January 31, 2018  
NP 11-202 Receipt dated February 7, 2018

**Offering Price and Description:**

Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Global RESP Corporation

**Promoter(s):**

Global Educational Trust Foundation

**Project #2709235**

---

**Issuer Name:**

BMO Aggregate Bond Index ETF  
BMO China Equity Index ETF  
BMO Corporate Bond Index ETF  
BMO Discount Bond Index ETF  
BMO Dow Jones Industrial Average Hedged to CAD Index ETF  
BMO Emerging Markets Bond Hedged to CAD Index ETF  
BMO Equal Weight Banks Index ETF  
BMO Equal Weight Global Base Metals Hedged to CAD Index ETF  
BMO Equal Weight Global Gold Index ETF  
BMO Equal Weight Industrials Index ETF  
BMO Equal Weight Oil & Gas Index ETF  
BMO Equal Weight REITs Index ETF  
BMO Equal Weight US Banks Hedged to CAD Index ETF  
BMO Equal Weight US Banks Index ETF  
BMO Equal Weight US Health Care Hedged to CAD Index ETF  
BMO Equal Weight Utilities Index ETF  
BMO Global Banks Hedged to CAD Index ETF  
BMO Global Communications Index ETF  
BMO Global Consumer Discretionary Hedged to CAD Index ETF  
BMO Global Consumer Staples Hedged to CAD Index ETF  
BMO Global Infrastructure Index ETF  
BMO Global Insurance Hedged to CAD Index ETF  
BMO Government Bond Index ETF  
BMO High Yield US Corporate Bond Hedged to CAD Index ETF  
BMO High Yield US Corporate Bond Index ETF  
BMO India Equity Index ETF  
BMO Junior Gas Index ETF  
BMO Junior Gold Index ETF  
BMO Junior Oil Index ETF  
BMO Laddered Preferred Share Index ETF  
BMO Long Corporate Bond Index ETF  
BMO Long Federal Bond Index ETF  
BMO Long Provincial Bond Index ETF  
BMO Long-Term US Treasury Bond Index ETF  
BMO Mid Corporate Bond Index ETF  
BMO Mid Federal Bond Index ETF  
BMO Mid Provincial Bond Index ETF  
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF  
BMO Mid-Term US IG Corporate Bond Index ETF  
BMO Mid-Term US Treasury Bond Index ETF  
BMO MSCI All Country World High Quality Index ETF  
BMO MSCI Canada Value Index ETF  
BMO MSCI EAFE Hedged to CAD Index ETF  
BMO MSCI EAFE Index ETF  
BMO MSCI EAFE Value Index ETF  
BMO MSCI Emerging Markets Index ETF  
BMO MSCI Europe High Quality Hedged to CAD Index ETF  
BMO MSCI USA High Quality Index ETF  
BMO MSCI USA Value Index ETF  
BMO Nasdaq 100 Equity Hedged to CAD Index ETF  
BMO Real Return Bond Index ETF  
BMO S&P 500 Hedged to CAD Index ETF  
BMO S&P 500 Index ETF  
BMO S&P/TSX Capped Composite Index ETF  
BMO Shiller Select US Index ETF

BMO Short Corporate Bond Index ETF  
BMO Short Federal Bond Index ETF  
BMO Short Provincial Bond Index ETF  
BMO Short-Term Bond Index ETF  
BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF  
BMO Short-Term US Treasury Bond Index ETF  
BMO US Preferred Share Hedged to CAD Index ETF  
BMO US Preferred Share Index ETF  
Principal Regulator – Ontario  
**Type and Date:**  
Final Long Form Prospectus dated February 2, 2018  
NP 11-202 Receipt dated February 9, 2018  
**Offering Price and Description:**  
CAD Units, USD Units and Accumulating Units  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
BMO Asset Management Inc.  
**Project #2711761**

---

**Issuer Name:**

BMO Diversified Income Portfolio  
BMO Emerging Markets Bond Fund  
BMO Monthly Income Fund  
BMO Global Small Cap Fund  
BMO Dividend Class  
Principal Regulator – Ontario  
**Type and Date:**  
Amendment #2 to Final Simplified Prospectus dated January 29, 2018  
NP 11-202 Receipt dated February 9, 2018  
**Offering Price and Description:**  
(series A, T5, T6, T8, F, F6, D, I, G and Advisor Series @ Net Asset Value  
**Underwriter(s) or Distributor(s):**  
BMO Investments Inc.  
**Promoter(s):**  
BMO Investments Inc.  
**Project #2596960**

---

**Issuer Name:**

BMO Canadian Dividend ETF  
BMO Canadian High Dividend Covered Call ETF  
BMO Covered Call Canadian Banks ETF  
BMO Covered Call Dow Jones Industrial Average Hedged to CAD ETF  
BMO Covered Call Utilities ETF  
BMO Europe High Dividend Covered Call ETF  
BMO Europe High Dividend Covered Call Hedged to CAD ETF  
BMO Floating Rate High Yield ETF  
BMO International Dividend ETF  
BMO International Dividend Hedged to CAD ETF  
BMO Low Volatility Canadian Equity ETF  
BMO Low Volatility Emerging Markets Equity ETF  
BMO Low Volatility International Equity ETF  
BMO Low Volatility International Equity Hedged to CAD ETF  
BMO Low Volatility US Equity ETF  
BMO Low Volatility US Equity Hedged to CAD ETF  
BMO Monthly Income ETF  
BMO Ultra Short-Term Bond ETF  
BMO US Dividend ETF  
BMO US Dividend Hedged to CAD ETF  
BMO US High Dividend Covered Call ETF  
BMO US High Dividend Covered Call Hedged to CAD ETF  
BMO US Put Write ETF  
BMO US Put Write Hedged to CAD ETF  
Principal Regulator – Ontario  
**Type and Date:**  
Final Long Form Prospectus dated February 2, 2018  
NP 11-202 Receipt dated February 9, 2018  
**Offering Price and Description:**  
CAD Units, USD Units and Accumulating Units  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
BMO ASSET MANAGEMENT INC.  
**Project #2711753**

---

**Issuer Name:**

Bristol Gate Concentrated Canadian Equity ETF  
Bristol Gate Concentrated US Equity ETF  
Principal Regulator – Ontario  
**Type and Date:**  
Final Long Form Prospectus dated February 8, 2018  
NP 11-202 Receipt dated February 9, 2018  
**Offering Price and Description:**  
CAD Units and USD Units  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
Bristol Gate Capital Partners Inc.  
**Project #2715755**

---

**Issuer Name:**

Empire Life Dividend Growth Mutual Fund  
Empire Life Emblem Aggressive Growth Portfolio  
Empire Life Emblem Balanced Portfolio  
Empire Life Emblem Conservative Portfolio  
Empire Life Emblem Diversified Income Portfolio  
Empire Life Emblem Growth Portfolio  
Empire Life Emblem Moderate Growth Portfolio  
Empire Life Monthly Income Mutual Fund  
Principal Regulator – Ontario  
**Type and Date:**  
Final Simplified Prospectus dated January 30, 2018  
NP 11-202 Receipt dated February 9, 2018  
**Offering Price and Description:**  
Series A units, Series T6 units, Series T8 units, Series F units and Series I units @ Net Asset Value  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
Empire Life Investments Inc.  
**Project #2708461**

---

**Issuer Name:**

Evolve Marijuana ETF  
Principal Regulator – Ontario  
**Type and Date:**  
Final Long Form Prospectus dated February 5, 2018  
NP 11-202 Receipt dated February 7, 2018  
**Offering Price and Description:**  
Units @ Net Asset Value  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
Evolve Funds Group Inc.  
**Project #2717578**

---

**Issuer Name:**

Heritage Plans  
Principal Regulator – Ontario  
**Type and Date:**  
Amendment #1 to Final Long Form Prospectus dated January 12, 2018  
NP 11-202 Receipt dated February 7, 2018  
**Offering Price and Description:**  
–  
**Underwriter(s) or Distributor(s):**  
N/A  
**Promoter(s):**  
N/A  
**Project #2647534**

---



**Issuer Name:**

Horizons Active A.I. Global Equity ETF  
Horizons Active Cdn Bond ETF  
Horizons Active Cdn Dividend ETF  
Horizons Active Cdn Municipal Bond ETF  
Horizons Active Corporate Bond ETF  
Horizons Active Emerging Markets Dividend ETF  
Horizons Active Floating Rate Bond ETF  
Horizons Active Floating Rate Preferred Share ETF  
Horizons Active Floating Rate Senior Loan ETF  
Horizons Active Global Dividend ETF  
Horizons Active Global Fixed Income ETF  
Horizons Active High Yield Bond ETF  
Horizons Active Intl Developed Markets Equity ETF  
Horizons Active Preferred Share ETF  
Horizons Active US Dividend ETF  
Horizons Active US Floating Rate Bond (USD) ETF  
Horizons Global Currency Opportunities ETF  
Horizons Global Risk Parity ETF  
Horizons Managed Global Opportunities ETF  
Horizons S&P/TSX 60 Equal Weight Index ETF  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated February 6, 2018  
NP 11-202 Receipt dated February 9, 2018

**Offering Price and Description:**

Class A and Class E Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Horizons ETFs Management (Canada) Inc.

**Project #2718407**

---

**Issuer Name:**

Horizons Auspice Managed Futures Index ETF  
Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Long Form Prospectus dated  
January 30, 2018  
NP 11-202 Receipt dated February 6, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Alphapro Management Inc.

**Project #2575437**

---

**Issuer Name:**

Horizons Junior Marijuana Growers Index ETF  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated February 5, 2018  
NP 11-202 Receipt dated February 6, 2018

**Offering Price and Description:**

Class A Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Horizons ETFs Management (Canada) Inc.

**Project #2716735**

---

**Issuer Name:**

Impression Plan  
Principal Regulator – Ontario

**Type and Date:**

Amendment #1 to Final Long Form Prospectus dated  
January 12, 2018  
NP 11-202 Receipt dated February 7, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

N/A

**Project #2647540**

---

**Issuer Name:**

Legacy Education Savings Plan  
Principal Regulator – Ontario

**Type and Date:**

Final Long Form Prospectus dated January 31, 2018  
NP 11-202 Receipt dated February 7, 2018

**Offering Price and Description:**

Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Global RESP Corporation

**Promoter(s):**

Global Educational Trust Foundation

**Project #2709240**

---

**Issuer Name:**

Manulife Canadian Dividend Growth Class  
Manulife Canadian Dividend Income Class  
Manulife Canadian Focused Class  
Manulife Canadian Focused Fund  
Manulife Canadian Opportunities Class  
Manulife Canadian Opportunities Fund  
Manulife Canadian Stock Class  
Manulife Canadian Stock Fund  
Manulife Dividend Income Class  
Manulife Dividend Income Fund  
Manulife Growth Opportunities Class  
Manulife Growth Opportunities Fund  
Manulife Preferred Income Class  
Manulife U.S. Dividend Income Class  
Manulife U.S. Dividend Income Fund  
Manulife U.S. Dividend Income Registered Fund  
Manulife Emerging Markets Class  
Manulife Global Equity Unconstrained Class  
Manulife Global Equity Unconstrained Fund  
Manulife Canadian Monthly Income Class  
Manulife Canadian Monthly Income Fund  
Manulife Canadian Opportunities Balanced Class  
Manulife Canadian Opportunities Balanced Fund  
Manulife Conservative Income Fund  
Manulife Tactical Income Fund  
Manulife Unhedged U.S. Monthly High Income Fund  
Manulife U.S. Monthly High Income Fund  
Manulife Yield Opportunities Fund  
Manulife Dollar-Cost Averaging Fund  
Manulife Money Fund  
Manulife Short Term Bond Fund  
Manulife Short Term Yield Class  
Manulife Canadian Bond Plus Fund  
Manulife Canadian Corporate Bond Fund  
Manulife High Yield Bond Fund  
Manulife U.S. Dollar Floating Rate Income Fund  
Manulife U.S. Tactical Credit Fund  
Manulife Asia Total Return Bond Fund  
Manulife Emerging Markets Debt Fund  
Manulife Global Tactical Credit Fund  
Manulife Dividend Income Private Pool  
Manulife Money Market Private Trust  
Manulife U.S. Fixed Income Private Trust  
Principal Regulator – Ontario

**Type and Date:**

Amendment #2 to Final Simplified Prospectus and  
Amendment #3 to Annual Information Form dated January  
25, 2018

NP 11-202 Receipt dated February 7, 2018

**Offering Price and Description:**

–

**Underwriter(s) or Distributor(s):**

Manulife Securities Incorporated.  
Manulife Securities Investment Services Inc.  
Manulife Asset Management Investments Inc.

**Promoter(s):**

Manulife Asset Management Limited.

**Project #2638012**

---

**Issuer Name:**

Redwood Energy Credit Fund  
Principal Regulator – Ontario

**Type and Date:**

Final Simplified Prospectus dated February 1, 2018  
NP 11-202 Receipt dated February 8, 2018

**Offering Price and Description:**

Class A units, Class F units, ETF Currency Hedged Units  
and U.S. dollar denominated ETF Non-Currency Hedged  
Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

Redwood Asset Management Inc.

**Project #2698318**

---

**Issuer Name:**

RP Strategic Income Plus Fund  
Principal Regulator – Ontario

**Type and Date:**

Amended and Restated to Final Simplified Prospectus  
dated February 5, 2018

NP 11-202 Receipt dated February 9, 2018

**Offering Price and Description:**

Class A, Class A-USD, Class F, Class F-USD, Class O,  
Class M and Class M-USD Units

**Underwriter(s) or Distributor(s):**

N/A

**Promoter(s):**

RP Investment Advisors LP

**Project #2708952**

---

NON-INVESTMENT FUNDS

**Issuer Name:**

Aptose Biosciences Inc.  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated February 7, 2018  
NP 11-202 Preliminary Receipt dated February 7, 2018

**Offering Price and Description:**

US\$100,000,000.00 – Common Shares, Warrants, Units

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

**Project #2726735**

**Issuer Name:**

Brookfield Property Partners L.P.  
Principal Regulator – Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated February 9, 2018  
NP 11-202 Preliminary Receipt dated February 9, 2018

**Offering Price and Description:**

US\$1,500,000,000.00

Limited Partnership Units

Preferred Limited Partnership Units

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

**Project #2727713**

**Issuer Name:**

Filo Mining Corp.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 9, 2018  
NP 11-202 Preliminary Receipt dated February 9, 2018

**Offering Price and Description:**

\$15,002,000.00 – 5,770,000 Common Shares

Price: \$2.60 per Offered Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

GMP Securities L.P.

Echelon Wealth Partners Inc.

Canaccord Genuity Corp.

Cormark Securities Inc.

**Promoter(s):**

–

**Project #2726272**

**Issuer Name:**

Gold Standard Ventures Corp.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 7, 2018  
NP 11-202 Preliminary Receipt dated February 7, 2018

**Offering Price and Description:**

\$25,001,800.00

12,196,000 Common Shares

Price: \$2.05 per Offered Share

**Underwriter(s) or Distributor(s):**

Macquarie Capital Markets Canada Ltd.

BMO Nesbitt Burns Inc.

Cormark Securities Inc.

PI Financial Corp.

**Promoter(s):**

–

**Project #2726114**

**Issuer Name:**

Namaste Technologies Inc. (formerly Next Gen Metals Inc.)  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 7, 2018  
NP 11-202 Preliminary Receipt dated February 7, 2018

**Offering Price and Description:**

\$35,001,300 – 13,726,000 Units

Price: 2.55 per Unit

**Underwriter(s) or Distributor(s):**

Eight Capital

Canaccord Genuity Corp.

Beacon Securities Limited

**Promoter(s):**

Sean Dollinger

**Project #2726896**

**Issuer Name:**

Patriot One Technologies Inc.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated February 6, 2018  
NP 11-202 Preliminary Receipt dated February 7, 2018

**Offering Price and Description:**

\$22,000,000.00 – 11,000,000 Units Consisting of

11,000,000 Common Shares and 5,500,000 Warrants

Price: \$2.00 per Unit

770,000 Underwriter Warrants

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

GMP Securities L.P.

**Promoter(s):**

–

**Project #2726589**

**Issuer Name:**

Plaza Retail REIT  
Principal Regulator – New Brunswick

**Type and Date:**

Preliminary Short Form Prospectus dated February 6, 2018  
NP 11-202 Preliminary Receipt dated February 6, 2018

**Offering Price and Description:**

\$45,000,000.00  
5.10% Convertible Unsecured Subordinated Debentures  
due March 31, 2023

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
Desjardins Securities Inc.  
Canaccord Genuity Corp.  
Raymond James Ltd.  
Industrial Alliance Securities Inc.

**Promoter(s):**

–

**Project #2725013**

---

**Issuer Name:**

Pollard Banknote Limited  
Principal Regulator – Manitoba

**Type and Date:**

Preliminary Short Form Prospectus dated February 7, 2018  
NP 11-202 Preliminary Receipt dated February 7, 2018

**Offering Price and Description:**

\$33,210,000.00 – 1,800,000 Common Shares  
Price: \$18.45 per Offered Share

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.  
Acumen Capital Finance Partners Limited  
Cormark Securities Inc.

**Promoter(s):**

–

**Project #2725508**

---

**Issuer Name:**

Seashore Resource Partners Corp.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary CPC Prospectus (TSX-V) dated February 9, 2018  
NP 11-202 Preliminary Receipt dated February 9, 2018

**Offering Price and Description:**

Minimum of 2,100,000 Common Shares up to a Maximum  
of 4,000,000 Common Shares (the “Common Shares”)  
Price: \$0.10 per Common Share  
Minimum of \$210,000.00 up to a Maximum of \$400,000.00

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

Hugh Rogers

**Project #2727765**

---

**Issuer Name:**

Spirit Banner II Capital Corp.  
Principal Regulator – Ontario

**Type and Date:**

Preliminary CPC Prospectus (TSX-V) dated February 9, 2018

NP 11-202 Preliminary Receipt dated February 12, 2018

**Offering Price and Description:**

Minimum Offering: \$500,000.00 (5,000,000 Common  
Shares)

Maximum Offering: \$1,000,000.00 (10,000,000 Common  
Shares)

Price: \$0.10 per Offered Share

**Underwriter(s) or Distributor(s):**

Canaccord Genuity Corp.

**Promoter(s):**

Ali Haji

**Project #2728130**

---

**Issuer Name:**

Stella-Jones Inc.  
Principal Regulator – Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated February 6, 2018  
NP 11-202 Preliminary Receipt dated February 6, 2018

**Offering Price and Description:**

\$242,500,000.00 – 5,000,000 Common Shares  
Price: \$48.50 per Common Share

**Underwriter(s) or Distributor(s):**

Morgan Stanley Canada Limited  
TD Securities Inc.  
CIBC World Markets Inc.  
HSBC Securities (Canada) Inc.  
RBC Dominion Securities Inc.

**Promoter(s):**

–

**Project #2725143**

---

**Issuer Name:**

Indiva Limited  
Principal Regulator – Ontario

**Type and Date:**

Final Short Form Prospectus dated February 7, 2018  
NP 11-202 Receipt dated February 7, 2018

**Offering Price and Description:**

\$13,000,050.00 – 12,381,000 Units  
Price: \$1.05 per Unit

**Underwriter(s) or Distributor(s):**

Eight Capital  
PI Financial Corp.

**Promoter(s):**

–

**Project #2722795**

---

**Issuer Name:**

Mandalay Resources Corporation  
Principal Regulator – Ontario

**Type and Date:**

Final Shelf Prospectus dated February 12, 2018  
NP 11-202 Receipt dated February 12, 2018

**Offering Price and Description:**

C\$250,000,000.00 – Common Shares, Debt Securities,  
Subscription Receipts, Warrants, Units

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

**Project #2720137**

---

**Issuer Name:**

Morguard North American Residential Real Estate  
Investment Trust  
Principal Regulator – Ontario

**Type and Date:**

Final Short Form Prospectus dated February 6, 2018  
NP 11-202 Receipt dated February 6, 2018

**Offering Price and Description:**

\$75,000,000.00 – 4.50% Convertible Unsecured  
Subordinated Debentures due March 31, 2023

Price: \$1,000 per Debenture

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

HSBC Securities (Canada) Inc.

National Bank Financial Inc.

**Promoter(s):**

–

**Project #2721165**

---

**Issuer Name:**

Stelco Holdings Inc.  
Principal Regulator – Ontario

**Type and Date:**

Final Shelf Prospectus dated February 8, 2018  
NP 11-202 Receipt dated February 9, 2018

**Offering Price and Description:**

\$1,000,000,000.00 – Common Shares, Preferred Shares,  
Debt Securities, Warrants, Subscription Receipts, Units

**Underwriter(s) or Distributor(s):**

–

**Promoter(s):**

–

**Project #2719745**

This page intentionally left blank

## Chapter 12

# Registrations

---

---

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Registration Category	Standard Life Investments (USA) Ltd.	From: Exempt Market Dealer To: Exempt Market Dealer , Investment Fund Manager and Portfolio Manager	February 9, 2018
Consent to Suspension (Pending Surrender)	Legacy Partners Wealth Strategies Inc.	Exempt Market Dealer	February 9, 2018
New Registration	Symetryx Capital Management Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer	February 7, 2018

This page intentionally left blank



## Chapter 13

# SROs, Marketplaces, Clearing Agencies and Trade Repositories

---

---

### 13.1 SROs

#### 13.1.1 IIROC – Proposed Amendments to Form 1 for Use in, and Consistency, with the Plain Language Dealer Member Rules Rule Book – Request for Comment

##### REQUEST FOR COMMENT

##### INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

##### PROPOSED AMENDMENTS TO FORM 1 FOR USE IN, AND CONSISTENCY, WITH THE PLAIN LANGUAGE DEALER MEMBER RULES RULE BOOK

IIROC is publishing for public comment proposed amendments to Form 1 (the Proposed Amendments). The primary objective of the Proposed Amendments is to ensure that terms used in Form 1 and the Plain Language Dealer Member Rules Rule Book (the PLR Rule Book) are consistent. A copy of the IIROC Notice including the amended documents is also published on our website at <http://www.osc.gov.on.ca>. The comment period ends on March 19, 2018.

This page intentionally left blank

# Index

---

---

<b>Adjudication Guideline</b>		
Rules and Policies .....	1330	
<b>Advantage Oil &amp; Gas Ltd.</b>		
Decision .....	1294	
<b>Ateba Resources Inc.</b>		
Order – s. 144 .....	1304	
<b>Bee Works Enterprises Inc.</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>Broadfoot, Michael</b>		
Decision .....	1290	
<b>Butcher, Henderson MacDonald Alexander</b>		
Notice of Hearing with Related Statement of Allegations – ss. 127(1), 127.1 .....	1278	
Notice from the Office of the Secretary .....	1283	
<b>Canadian Bio Dynamics</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>Chickalo, Tawlia</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>CSA Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana-Related Activities</b>		
Notice .....	1273	
<b>DIR Industrial Properties Inc.</b>		
Order – s. 1(6) of the OBCA .....	1307	
<b>Dream Industrial LP</b>		
Order .....	1311	
<b>Equity Financial Holdings Inc.</b>		
Order .....	1301	
<b>Fidelity Investments Canada ULC</b>		
Decision .....	1285	
<b>Hucik, Barry</b>		
Decision .....	1294	
<b>IIROC</b>		
SROs – Proposed Amendments to Form 1 for Use in, and Consistency, with the Plain Language Dealer Member Rules Rule Book – Request for Comment .....	1449	
<b>Johnsen, Jordan</b>		
Decision .....	1294	
<b>Katanga Mining Limited</b>		
Cease Trading Order .....	1327	
<b>Landucci, Rinaldo</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>Law, Christopher</b>		
Decision .....	1294	
<b>Legacy Partners Wealth Strategies Inc.</b>		
Consent to Suspension (Pending Surrender) .....	1447	
<b>Macquarie Capital Markets Canada Ltd.</b>		
Notice of Hearing – s. 144 .....	1277	
Notice from the Office of the Secretary .....	1282	
<b>Mason, Donald</b>		
Notice from the Office of the Secretary .....	1282	
Order .....	1309	
<b>Maxheleau, Elise</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>Meharchand, Dennis L.</b>		
Notice from the Office of the Secretary .....	1284	
Reasons and Decision on a Motion – s. 28 of the Rules of Procedure and Forms .....	1317	
<b>Natural Bee Works Apiaries Inc.</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>Nevokshonoff, Glen</b>		
Decision .....	1294	
<b>Notice of Adoption of the Ontario Securities Commission’s Adjudication Guideline</b>		
Rules and Policies .....	1329	
<b>OSC Adjudication Guideline</b>		
Rules and Policies .....	1330	
<b>Performance Sports Group Ltd.</b>		
Cease Trading Order .....	1327	
<b>Pheysonian Bee Works</b>		
Notice from the Office of the Secretary .....	1283	
Temporary Order – ss. 127(1), 127(5) .....	1313	
<b>Pure Technologies Ltd.</b>		
Order .....	1312	
<b>Rakhit, Kaushik</b>		
Decision .....	1294	

---

---

<b>Seven Generations Energy Ltd.</b>	
Decision .....	1294
<b>Simba, Muchoki Fungai</b>	
Notice of Hearing with Related Statement of Allegations – ss. 127(1), 127.1.....	1278
Notice from the Office of the Secretary .....	1283
<b>Solium Capital Inc.</b>	
Decision .....	1290
<b>Standard Life Investments (USA) Ltd.</b>	
Change in Registration Category .....	1447
<b>Symetryx Capital Management Inc.</b>	
New Registration.....	1447
<b>Targett, Susan</b>	
Decision .....	1294
<b>Valt.X Holdings Inc.</b>	
Notice from the Office of the Secretary .....	1284
Reasons and Decision on a Motion – s. 28 of the Rules of Procedure and Forms .....	1317
<b>Yorkton Securities Inc.</b>	
Notice of Hearing – s. 144.....	1277
Notice from the Office of the Secretary .....	1282
<b>ZoomMed Inc.</b>	
Revocation Order .....	1314