

The Ontario Securities Commission

OSC Bulletin

July 4, 2019

Volume 42, Issue 27

(2019), 42 OSCB

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

The Ontario Securities Commission

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

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

Contact Centre – Inquiries, Complaints:

Office of the Secretary:

Published under the authority of the Commission by:

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

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

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

Fax: 416-593-2318



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ISSN 0226-9325
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2075 Kennedy Road
Toronto, Ontario
M1T 3V4

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Chapter 1

Notices

1.4 Notices from the Office of the Secretary

1.4.1 David Michael Michaels

FOR IMMEDIATE RELEASE
June 26, 2019

DAVID MICHAEL MICHAELS, File No. 2019-20

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

A copy of the Reasons and Decision and the Order dated June 25, 2019 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 I.G. Investment Management, Ltd.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from section 2.1(1) of National Instrument 81-102 – Investment Funds to permit a global fixed income fund to invest more than 10 percent of net assets in debt securities issued by a foreign government or supranational agency, subject to conditions.

Applicable Legislative Provisions

NI 81-102 Investment Funds, ss. 2.1(1) and 19.1.

June 21, 2019

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

AND

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

AND

IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(referred to as "IGIM" and collectively with
IG Mackenzie Global Inflation-Linked Pool referred to
as the "Filers")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption (the "**Exemption Sought**") pursuant to Section 19.1 of National Instrument 81-102 *Investment Funds* ("**NI 81-102**") from subsection 2.1(1) of NI 81-102 (the "**Concentration Restriction**") to permit IG Mackenzie Global Inflation-Linked Pool (the "**Fund**") to invest:

- (a) Up to 35% of its net asset value, immediately after the transaction, in evidences of indebtedness of any one issuer if those evidences of indebtedness

are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments, other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America, and are rated "AAA" by Standard & Poor's Rating Services (Canada) ("**S&P**") or its DRO affiliate (as defined in NI 81-102), or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates; and

- (b) Up to 20% of its net asset value, immediately after the transaction, in evidences of indebtedness of any one issuer if those evidences of indebtedness are issued, or guaranteed fully as to principal and interest, by supranational agencies or governments, other than the government of Canada, the government of a jurisdiction in Canada or the government of the United States of America, and are rated "AA" by S&P or its DRO affiliate, or have an equivalent rating by one or more other designated rating organizations or their DRO affiliates;

(such evidences of indebtedness are collectively referred to as "**Foreign Government Securities**") Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

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

Interpretation

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

Representations

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

IGIM

1. IGIM is a corporation continued under the laws of Ontario. It is the trustee, the portfolio advisor and the manager of the Fund. The head office of IGIM is in Winnipeg, Manitoba.
2. IGIM is registered as a Portfolio Manager and an Investment Fund Manager in Manitoba, Ontario, and Quebec and as an Investment Fund Manager in Newfoundland and Labrador.
3. IGIM and the mutual funds it manages or advises are not in default of any of the requirements of securities legislation of any of the provinces and territories of Canada.

The Fund

4. The Fund is a mutual fund subject to NI 81-102 that previously filed a simplified prospectus and annual information form prepared in accordance with National Instrument 81-101 — *Mutual Fund Prospectus Disclosure*. The Fund is currently distributed under National Instrument 45-106 — *Prospectus Exemptions* for accredited investors. The Fund is registered as a reporting issuer in each of the Jurisdictions. It is sub-advised by Mackenzie Financial Corporation.
5. The investment objective of the Fund is to provide investors with a steady flow of interest income with some focus on capital preservation. To achieve its investment objective, the Fund invests primarily in inflation-linked bonds issued by sovereign and regional government and corporate issuers around the world. The Fund may also invest in securities that are not inflation-linked and other fixed and floating rate instruments.
6. The Fund may engage in securities lending, repurchase and reverse repurchase transactions, and use derivatives. These transactions and derivatives will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns as permitted by securities rules.
7. The Concentration Restriction prevents the Fund from purchasing a security of an issuer or entering into a specified derivatives transaction if, immediately after the transaction, more than 10 percent of the net assets of the Fund would be invested in securities of any issuer.
8. The Concentration Restriction does not apply to a purchase of a "government security", as defined under NI 81-102.

9. The Foreign Government Securities do not meet the definition of "government securities", as such term is defined in NI 81-102.

Reasons for the Exemption Sought

10. IGIM believes that the Requested Relief will be in the best interests of the Fund as it would provide the Fund with more flexibility to achieve its investment objective that includes investing in bonds issued by foreign governments. The requested relief would also allow the Fund to hold highly rated short-term fixed income securities issued by foreign governments, which would enable the Fund to preserve capital by exposing the cash equivalent portion of its portfolio to foreign markets during adverse market conditions, which is more consistent with its investment objectives than holding its cash in short-term domestic securities. This increased flexibility to hold short-term foreign government fixed income securities as cash equivalents may also yield higher returns than Canadian or American short-term government fixed income alternatives.
11. In addition, higher concentration limits may allow the Fund to benefit from investment efficiencies as certain foreign government treasury offerings are more readily available for investment (because of large, regular treasury offerings that match the maturity dates the Fund seeks) and trades can be completed faster in certain markets that are more readily accessible to foreign investment.

Decision

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

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

1. Paragraphs (a) and (b) of the Exemption Sought cannot be combined for any one issuer;
2. The securities that are purchased pursuant to this Decision are traded on a mature and liquid market;
3. The acquisition of the securities purchased pursuant to this Decision is consistent with the fundamental investment objective of the Fund;
4. The relevant offering document of the Fund will disclose the additional risks associated with the concentration of the net assets of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which that issuer is located; and

5. The relevant offering document of the Fund will disclose the details of the Exemption Sought outlined in paragraphs (a) and (b) above along with the conditions imposed and the type of securities covered by this Decision.

Christopher Besko
Director, General Counsel
The Manitoba Securities Commission

2.1.2 Picton Mahoney Asset Management

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Technical relief granted to mutual funds from Parts 9, 10 and 14 of NI 81-102 to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – Relief permitting funds to treat exchange-traded series in a manner consistent with treatment of other ETF securities in continuous distribution in connection with their compliance with Parts 9, 10 and 14 of NI 81-102 – Relief permitting funds to treat mutual fund series in a manner consistent with treatment of other conventional mutual fund securities in connection with their compliance with Parts 9, 10 and 14 of NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 – Investment Funds, ss. 9.1, 9.2, 9.3, 9.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 14.1, and 19.1.

June 24, 2019

**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
PICTON MAHONEY ASSET MANAGEMENT
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of Picton Mahoney Fortified Active Extension Alternative Fund, Picton Mahoney Fortified Market Neutral Alternative Fund and Picton Mahoney Fortified Multi-Strategy Alternative Fund (collectively, the **Existing Alternative Mutual Funds**), Picton Mahoney Fortified Equity Fund, Picton Mahoney Fortified Income Fund and Picton Mahoney Fortified Multi-Asset Fund (collectively, the **Existing Mutual Funds** and, together with the Existing Alternative Mutual Funds, the **Existing Funds**), Picton Mahoney Fortified Income Alternative Fund (the **New Fund**) and such other mutual funds as are or may be managed by the Filer in the future that offer both ETF Securities (as defined below) and Mutual Fund Securities (as defined below) (the Future Funds, and together with the Existing Funds and the New

Fund, the Funds), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for exemptive relief to permit the Filer and each Fund to treat the ETF Securities (as defined below) and the Mutual Fund Securities (as defined below) as if such securities were separate funds in connection with their compliance with the provisions (the **Sales and Redemptions Requirements**) of Parts 9, 10 and 14 of National Instrument 81-102 *Investment Funds (NI 81-102)* (the **Exemption Sought**).

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 (as defined below) have the same meaning if used in this Decision, unless otherwise defined.

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

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

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

Creation Units means newly issued ETF Securities of a Fund;

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

ETF Facts means an ETF facts document prepared, filed and delivered in accordance with Part 3B of NI 41-101.

ETF Securities means securities of an exchange-traded series of a Fund that are listed or will be listed on the TSX

or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Form 81-101F1 means Form 81-101F1 *Contents of Simplified Prospectus*.

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

Mutual Fund Securities means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

NI 81-101 means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*.

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

Other Dealer means a registered dealer that acts as authorized dealer or designated broker to exchange-traded funds that are not managed by the Filer.

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

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means beneficial or registered holders of ETF Securities or Mutual Fund Securities of a Fund, as applicable.

TSX means the Toronto Stock Exchange.

Representations

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

1. The Filer is a general partnership established under the laws of the Province of Ontario.
2. The head office of the Filer is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.
3. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland

- and Labrador, a portfolio manager in British Columbia, Manitoba, Ontario, Prince Edward Island, Quebec and Saskatchewan, an exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador and Prince Edward Island and a commodity trading manager in Ontario.
4. The Filer is, or will be, the manager, portfolio advisor, trustee and promoter of the Funds.
 5. The Filer is not in default of securities legislation in any of the Jurisdictions.
 6. Each of the Existing Funds is, and the New Fund will be, an investment fund established under the laws of Ontario as an open-ended mutual fund trust. Each Fund is or will be a mutual fund established under the laws of a Jurisdiction as either a trust or a corporation or a class thereof. Each Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed.
 7. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
 8. The Existing Mutual Funds currently offer the following classes of Mutual Fund Securities under a simplified prospectus dated August 20, 2018: Class A Units, Class F Units, Class FT Units, Class T Units and Class I Units.
 9. The Existing Alternative Mutual Funds currently offer the following classes of Mutual Fund Securities under a simplified prospectus dated September 21, 2018: Class A Units, Class F Units and Class I Units.
 10. On May 14, 2019, a preliminary and pro forma simplified prospectus in respect of the Mutual Fund Securities and ETF Securities of the Existing Alternative Mutual Funds and the New Fund was filed with the securities regulatory authorities in each of the Jurisdictions.
 11. On May 14, 2019, preliminary ETF Facts for the ETF Securities of the Existing Alternative Mutual Funds and the New Fund were filed with the securities regulatory authorities in each of the Jurisdictions.
 12. The Filer will apply to list the ETF Securities of the Funds on the TSX or another Marketplace. The Filer will not file a final prospectus for any of the Funds in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
 13. None of the Funds is in default of securities legislation in any of the Jurisdictions.
 14. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through mutual fund dealers, investment dealers and their representatives that are registered under applicable securities legislation in the Jurisdictions.
 15. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a simplified prospectus. ETF Securities may generally only be subscribed for or purchased directly from the Funds (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.
 16. In addition to subscribing for and re-selling their Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.
 17. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
 18. Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker may be contractually required to subscribe for Creation Units of a Fund for cash in an amount not to exceed a specified

percentage of the net asset value of the Fund or such other amount established by the Filer.

comply with Parts 9, 10 and 14 of NI 81-102 as appropriate for the type of security being offered.

19. Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or a Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
20. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for its ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
21. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.
22. Securityholders that are not Designated Brokers or Authorized Dealers that wish to dispose of their ETF Securities may generally do so by selling their ETF Securities on the TSX or other Marketplace, through a registered dealer, subject only to customary brokerage commissions. A Securityholder that holds a Prescribed Number of ETF Securities or multiple thereof may exchange such ETF Securities for Baskets of Securities and/or cash in the discretion of the Filer. Securityholders may also redeem ETF Securities for cash at a redemption price equal to 95% of the closing price of the ETF Securities on the TSX or other Marketplace on the date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Security.
23. Parts 9, 10 and 14 of NI 81-102 do not contemplate both Mutual Fund Securities and ETF Securities being offered in a single fund structure. Accordingly, without the Exemption Sought Relief, the Filer and the Funds would not be able to technically comply with those parts of NI 81-102.
24. The Exemption Sought will permit the Filer and the Funds to treat the ETF Securities and the Mutual Fund Securities as if such securities were separate funds in connection with their compliance with Parts 9, 10 and 14 of NI 81-102. The Exemption Sought will enable each of the ETF Securities and Mutual Fund Securities to

Decision

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

The decision of the principal regulator is that the Exemption Sought is granted, provided that the Filer will be in compliance with the following conditions:

- (a) with respect to its Mutual Fund Securities, each Fund complies with the provisions of Parts 9, 10 and 14 of NI 81-102 that apply to mutual funds that are not exchange-traded mutual funds; and
- (b) with respect to its ETF Securities, each Fund complies with the provisions of Parts 9 and 10 of NI 81-102 that apply to exchange-traded mutual funds.

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

2.1.3 Picton Mahoney Asset Management

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to exchange-traded series of conventional mutual funds for continuous distribution of securities – relief to permit funds’ prospectus to not include an underwriter’s certificate – relief from take-over bid requirements for normal course purchases of securities on the TSX or another Marketplace, as defined in NI 21-101 – relief granted to facilitate the offering of exchange-traded series and conventional mutual fund series within same fund structure – relief granted from the requirement in NI 41-101 to prepare and file a long form prospectus for exchange-traded series provided that a simplified prospectus is prepared and filed in accordance with NI 81-101 – exchange-traded series and mutual fund series referable to same portfolio and have substantially identical disclosure – relief permitting all series of funds to be disclosed in same prospectus – disclosure required by NI 41-101 for exchange-traded series and not contemplated by NI 81-101 will be disclosed in prospectus under relevant headings.

Applicable Legislative Provisions

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 59(1) and 147.
National Instrument 41-101 General Prospectus Requirements, Part 3 and s. 19.1.
National Instrument 62-104 Take-Over Bids and Issuer Bids, Part 2 and s. 6.1.

June 25, 2019

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
PICTON MAHONEY ASSET MANAGEMENT
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of Picton Mahoney Fortified Active Extension Alternative Fund, Picton Mahoney Fortified Market Neutral Alternative Fund and Picton Mahoney Fortified Multi-Strategy Alternative Fund (collectively, the **Existing Alternative Mutual Funds**),

Picton Mahoney Fortified Equity Fund, Picton Mahoney Fortified Income Fund and Picton Mahoney Fortified Multi-Asset Fund (collectively, the **Existing Mutual Funds** and, together with the Existing Alternative Mutual Funds, the **Existing Funds**), Picton Mahoney Fortified Income Alternative Fund (the **New Fund**) and such other mutual funds as are or may be managed by the Filer in the future that offer both ETF Securities (as defined below) and Mutual Fund Securities (as defined below) (the **Future Funds**, and together with the Existing Funds and the New Fund, the **Funds**), for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that:

- (a) exempts the Filer and each Fund from the requirement to prepare and file a long form prospectus for the ETF Securities in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus (Form 41-101F2)* (the **ETF Prospectus Form Requirement**) other than the requirement to file an ETF facts document (**ETF Facts**) prepared in accordance with Form 41-101F4 *Information Required in an ETF Facts Document* in respect of each class or series of ETF Securities, subject to the terms of this decision and provided that the Fund files a prospectus for the ETF Securities in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure (NI 81-101)*, other than the requirements pertaining to the filing of a fund facts document and the changes to the disclosure in such prospectus described in this decision;
- (b) exempts the Filer and each Fund from the requirement (the **Underwriter’s Certificate Requirement**) to include a certificate of an underwriter in a Fund’s prospectus, in respect of each class or series of ETF Securities; and
- (c) exempts a person or company purchasing ETF Securities in the normal course through the facilities of the TSX or another Marketplace (as defined below) from the Take-Over Bid Requirements (as defined below).

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

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102

Passport System (MI 11-102) is intended to be relied upon in all of the provinces and territories of Canada other than Ontario (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 81-102 (defined below) have the same meaning if used in this Decision, unless otherwise defined.

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

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

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

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

ETF Securities means securities of an exchange-traded series of a Fund that are listed or will be listed on the TSX or another Marketplace and that will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

Form 81-101F1 means Form 81-101F1 *Contents of Simplified Prospectus*.

Form 81-101F2 means Form 81-101F2 *Contents of Annual Information Form*.

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

Mutual Fund Securities means securities of a non-exchange-traded series of a Fund that are or will be distributed pursuant to a simplified prospectus prepared in accordance with NI 81-101 and Form 81-101F1.

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

Other Dealer means a registered dealer that is not an Authorized Dealer, Designated Broker or Affiliate Dealer.

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

Prospectus Delivery Requirement means the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the Legislation applies, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement.

Securityholders means beneficial or registered holders of ETF Securities or Mutual Fund Securities of a Fund, as applicable.

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

TSX means the Toronto Stock Exchange.

Representations

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

1. The Filer is a general partnership established under the laws of the Province of Ontario.
2. The head office of the Filer is located at 33 Yonge Street, Suite 830, Toronto, Ontario M5E 1G4.
3. The Filer is registered as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador, a portfolio manager in British Columbia, Manitoba, Ontario, Prince Edward Island, Quebec and Saskatchewan, an exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador and Prince Edward Island and a commodity trading manager in Ontario.
4. The Filer is, or will be, the manager, portfolio advisor, trustee and promoter of the Funds.
5. The Filer is not in default of securities legislation in any of the Jurisdictions.
6. Each of the Existing Funds is, and the New Fund will be, an investment fund established under the laws of Ontario as an open-ended mutual fund trust. Each Fund is or will be a mutual fund established under the laws of a Jurisdiction as

- either a trust or a corporation or a class thereof. Each Fund is, or will be, a reporting issuer in the Jurisdictions in which its securities are distributed.
7. Subject to any exemptions therefrom that have been, or may be, granted by the applicable securities regulatory authorities, each Fund is, or will be, subject to NI 81-102 and Securityholders will have the right to vote at a meeting of Securityholders in respect of matters prescribed by NI 81-102.
 8. The Existing Mutual Funds currently offer the following classes of Mutual Fund Securities under a simplified prospectus dated August 20, 2018: Class A Units, Class F Units, Class FT Units, Class T Units and Class I Units.
 9. The Existing Alternative Mutual Funds currently offer the following classes of Mutual Fund Securities under a simplified prospectus dated September 21, 2018: Class A Units, Class F Units and Class I Units.
 10. On May 14, 2019, a preliminary and pro forma simplified prospectus in respect of the Mutual Fund Securities and ETF Securities of the Existing Alternative Mutual Funds and the New Fund was filed with the securities regulatory authorities in each of the Jurisdictions.
 11. On May 14, 2019, preliminary ETF Facts for the ETF Securities of the Existing Alternative Mutual Funds and the New Fund were filed with the securities regulatory authorities in each of the Jurisdictions.
 12. The Filer will apply to list the ETF Securities of the Funds on the TSX or another Marketplace. The Filer will not file a final prospectus for any of the Funds in respect of the ETF Securities until the TSX or other applicable Marketplace has conditionally approved the listing of the ETF Securities.
 13. None of the Funds is in default of securities legislation in any of the Jurisdictions.
 14. Mutual Fund Securities may be subscribed for or purchased directly from a Fund through mutual fund dealers, investment dealers and their representatives that are registered under applicable securities legislation in the Jurisdictions.
 15. ETF Securities will be distributed on a continuous basis in one or more of the Jurisdictions under a simplified prospectus. ETF Securities may generally only be subscribed for or purchased directly from the Funds (**Creation Units**) by Authorized Dealers or Designated Brokers. Generally, subscriptions or purchases may only be placed for a Prescribed Number of ETF Securities (or a multiple thereof) on any day when there is a trading session on the TSX or other Marketplace. Authorized Dealers or Designated Brokers subscribe for Creation Units for the purpose of facilitating investor purchases of ETF Securities on the TSX or another Marketplace.
 16. In addition to subscribing for and re-selling their Creation Units, Authorized Dealers, Designated Brokers and Affiliate Dealers will also generally be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market. Other Dealers may also be engaged in purchasing and selling ETF Securities of the same class or series as the Creation Units in the secondary market despite not being an Authorized Dealer, Designated Broker or Affiliate Dealer.
 17. Each Designated Broker or Authorized Dealer that subscribes for Creation Units must deliver, in respect of each Prescribed Number of ETF Securities to be issued, a Basket of Securities and/or cash in an amount sufficient so that the value of the Basket of Securities and/or cash delivered is equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Creation Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the ETF Securities subscribed for next determined following the receipt of the subscription order.
 18. Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker may be contractually required to subscribe for Creation Units of a Fund for cash in an amount not to exceed a specified percentage of the net asset value of the Fund or such other amount established by the Filer.
 19. Designated Brokers and Authorized Dealers will not receive any fees or commissions in connection with the issuance of Creation Units to them. On the issuance of Creation Units, the Filer or a Fund may, in the Filer's discretion, charge a fee to a Designated Broker or an Authorized Dealer to offset the expenses incurred in issuing the Creation Units.
 20. Each Fund will appoint a Designated Broker to perform certain other functions, which include standing in the market with a bid and ask price for its ETF Securities for the purpose of maintaining liquidity for the ETF Securities.
 21. Except for Authorized Dealer and Designated Broker subscriptions for Creation Units, as described above, and other distributions that are

exempt from the Prospectus Delivery Requirement under the Legislation, ETF Securities generally will not be able to be purchased directly from a Fund. Investors are generally expected to purchase and sell ETF Securities, directly or indirectly, through dealers executing trades through the facilities of the TSX or another Marketplace. ETF Securities may also be issued directly to Securityholders upon a reinvestment of distributions of income or capital gains.

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

ETF Prospectus Form Requirement

23. The Filer believes it is more efficient and expedient to include all of the classes of Mutual Fund Securities and ETF Securities of each Fund in one prospectus form instead of two different prospectus forms and that this presentation will assist in providing full, true and plain disclosure of all material facts relating to the different investment options available to investors seeking exposure to the investment strategy of a particular Fund in one, comprehensive disclosure document. An ETF Facts, rather than a fund facts document, will be filed in respect of each class or series of ETF Securities.
24. The Filer will ensure that any additional disclosure included in the simplified prospectus and annual information form relating to the ETF Securities will not interfere with an investor's ability to differentiate between the Mutual Fund Securities and the ETF Securities and their respective attributes.
25. The Funds will comply with the provisions of NI 81-101 when filing any prospectus or amendment thereto.

Underwriter's Certificate Requirement

26. Authorized Dealers and Designated Brokers will not provide the same services in connection with a distribution of Creation Units as would typically be provided by an underwriter in a conventional underwriting.

27. The Filer will generally conduct its own marketing, advertising and promotion of the Funds.
28. Authorized Dealers and Designated Brokers will not be involved in the preparation of a Fund's prospectus, will not perform any review or any independent due diligence to the content of a Fund's prospectus, and will not incur any marketing costs or receive any underwriting fees or commissions from the Funds or the Filer in connection with the distribution of ETF Securities. The Authorized Dealers and Designated Brokers generally seek to profit from their ability to create and redeem ETF Securities by engaging in arbitrage trading to capture spreads between the trading prices of ETF Securities and their underlying securities and by making markets for their clients to facilitate client trading in ETF Securities.
29. In addition, neither the Filer nor the Funds will pay any fees or commissions to the Designated Brokers and Authorized Dealers. As the Designated Brokers and Authorized Dealers will not receive any remuneration in connection with distributing ETF Securities and as the Authorized Dealers will change from time to time, it is not practical to provide an underwriters' certificate in the prospectus of the Funds.

Take-Over Bid Requirements

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

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

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

"M. Cecilia Williams"
Commissioner
Ontario Securities Commission

"Craig Hayman"
Commissioner
Ontario Securities Commission

Decision

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

1. The decision of the principal regulator is that the Exemption Sought from the ETF Prospectus Form Requirement is granted, provided that the Filer will be in compliance with the following conditions:
 - (a) the Filer files a simplified prospectus and annual information form in respect of the ETF Securities in accordance with the requirements of NI 81-101, Form 81-101F1 and Form 81-101F2, other than the requirements pertaining to the filing of a fund facts document;
 - (b) the Filer includes disclosure required pursuant to Form 41-101F2 (that is not contemplated by Form 81-101F1 or Form 81-101F2) in respect of the ETF Securities, in each Fund's simplified prospectus and/or annual information form, as applicable; and
 - (c) the Filer includes disclosure regarding this decision under the heading "Additional Information" and "Exemptions and Approvals" in each Fund's simplified prospectus and annual information form, respectively.
2. The decision of the principal regulator is that the Exemption Sought in respect of the Underwriter's Certificate Requirement is granted.
3. The decision of the principal regulator is that the Exemption Sought from the Take-Over Bid Requirements is granted.

As to the Exemption Sought from the ETF Prospectus Form Requirement and the Take-Over Bid Requirements:

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

2.1.4 RBC Dominion Securities Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted from the eligibility requirements of National Instrument 44-102 Shelf Distributions and National Instrument 44-101 Short Form Prospectus Distributions to permit the filing of a shelf prospectus and prospectus supplements qualifying for distribution strip residuals, strip coupons and strip packages to be derived from debt obligations of Canadian corporations and trusts; exemption also granted from the requirements that the prospectus contain a certificate of the issuer and that it incorporate by reference documents of the underlying issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 58(1).

Applicable National Instruments

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.1 and 8.1.

National Instrument 44-102 Shelf Distributions, ss. 2.1 and 11.1.

Form 44-101F1 – Short Form Prospectus, Item 11.

June 27, 2019

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

AND

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC.,
BMO NESBITT BURNS INC.,
CIBC WORLD MARKETS INC.,
DESJARDINS SECURITIES INC.,
NATIONAL BANK FINANCIAL INC.,
SCOTIA CAPITAL INC. AND
TD SECURITIES INC.
(the Filers)

AND

IN THE MATTER OF
THE CARS AND PARS PROGRAMME™ OF THE FILERS

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for the following exemptions (the **Exemption Sought**):

1. an exemption from Section 2.1 of National Instrument 44-102 – *Shelf Distributions* and Section 2.1 of National Instrument 44-101 – *Short Form Prospectus Distributions* so that a Prospectus can be filed by the Filers to renew the CARS and PARS Programme and offer Strip Securities in the Jurisdictions; and
2. an exemption from the following requirements in respect of any Underlying Issuer whose Underlying Obligations are purchased by any one or more of the Filers on the secondary market, and Strip Securities derived therefrom and sold under the CARS and PARS Programme:
 - (i) the requirements of the Legislation that the Prospectus contain a certificate of the Underlying Issuer; and
 - (ii) the requirements of the Legislation that the Prospectus incorporate by reference documents of an Underlying Issuer.

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

- (i) the Ontario Securities Commission is the principal regulator for this application, and
- (ii) the Filers have provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Newfoundland and Labrador, New Brunswick, Prince Edward Island, Nova Scotia, Yukon Territory, Northwest Territories and Nunavut (collectively 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.

CARS™ means strips coupons and strips residuals.

CARS and PARS Programme™ means the strip bond product programme of the Filers to be offered by Prospectus.

CDS means CDS Clearing and Depository Services Inc.

CDS Book-Entry Strip Service means the services provided by CDS to enable Participants to strip, reconstitute and package securities, as set out in the CDSX Procedures and User Guide, or any successor operating rules and procedures.

NI 44-101 means National Instrument 44-101 – *Short Form Prospectus Distributions*.

NI 44-102 means National Instrument 44-102 – *Shelf Distributions*.

Offering Date means the time of the closing of the discrete offering in respect of the related Strip Securities.

PARS™ means par adjusted rate strips, comprising an entitlement to receive the principal amount of, and a portion, equal to a market rate (at the applicable time of issuance) of the interest payable under the Underlying Obligations.

Participants means participants in the depository system of CDS.

Prospectus means a short form prospectus which is a base shelf prospectus together with the appropriate prospectus supplements.

SEDAR means the System for Electronic Document Analysis and Retrieval.

Strip Coupons means separate components of interest derived from an Underlying Obligation.

Strip Packages means packages of Strip Securities, including packages of Strip Coupons and packages of PARS.

Strip Residuals means separate components of principal derived from an Underlying Obligation.

Strip Securities means separate components of interest, principal or combined principal and interest components derived from Underlying Obligations using the CDS Book-Entry Strip Service and sold under the CARS and PARS Programme, including Strip Residuals, Strip Coupons and Strip Packages.

Underlying Issuers means Canadian corporate, trust and/or partnership issuers.

Underlying Obligations means publicly-issued debt obligations of Underlying Issuers, which obligations will carry a “designated rating” as such term is defined in NI 44-101 at the Offering Date.

Underlying Obligations Prospectus means a prospectus for which a receipt was issued by the securities regulatory authorities in British Columbia, Alberta, Ontario and Quebec.

Representations

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

1. Each of the Filers is a corporation incorporated under the laws of Canada, and all the Filers have their head offices in Toronto, except Desjardins Securities Inc. and National Bank Financial Inc., which have their head offices in Montreal.
2. None of the Filers are in default of securities legislation in the Jurisdictions.
3. The CARS and PARS Programme has been in effect since November 19, 2002 in reliance on a MRRS decision document dated October 31, 2002, and has subsequently been renewed and continued in reliance on decision documents dated March 6, 2003, November 19, 2004, December 18, 2006, January 15, 2009, February 17, 2011, April 8, 2013, April 17, 2015 and May 29, 2017.
4. The Filers propose to continue to operate the CARS and PARS Programme.
5. The CARS and PARS Programme will continue to be operated by purchasing, on the secondary market, Underlying Obligations of Underlying Issuers, and deriving separate components therefrom, being Strip Residuals, Strip Coupons, and/or Strip Packages.
6. The relevant Underlying Issuer will, to the best of the knowledge of each Filer participating in the relevant offering under the CARS and PARS Programme, be eligible to file a short form prospectus under NI 44-101 (whether such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria) at the Offering Date.
7. The Underlying Obligations will have been distributed under a prospectus for which a receipt was granted by the regulator in British Columbia, Alberta, Ontario, and Quebec.
8. A single short form base shelf prospectus will be established for the renewed CARS and PARS Programme as a whole, with a separate series of Strip Securities being offered under a discrete prospectus supplement for each distinct series or class of Underlying Obligations.
9. It is expected that the Strip Securities will continue to be predominantly sold to retail customers.
10. It is expected that the Filers, or certain of them, will continue to periodically identify, as demand indicates, series of outstanding debt obligations of Canadian corporations, trusts or partnerships and

will purchase and “repackage” individual series of these for sale under the CARS and PARS Programme as discrete series of Strip Securities. In purchasing the Underlying Obligations and creating the Strip Securities, the Filers will not enter into any agreement or other arrangements with the Underlying Issuers.

11. The Prospectus will refer purchasers of the Strip Securities to the SEDAR website maintained by CDS (currently located at www.sedar.com) where they can obtain the continuous disclosure materials of the Underlying Issuer.
12. The Filers, or certain of them, may, from time to time, form and manage a selling group consisting of other registered securities dealers to solicit purchases of, and sell to the public, the Strip Securities.
13. The Strip Securities will be sold in series, each such series relating to separate Underlying Obligations of an Underlying Issuer. The base shelf prospectus for use with the CARS and PARS Programme will describe the CARS and PARS Programme in detail. The shelf prospectus supplement for any series of Strip Securities that are offered will describe the specific terms of the Strip Securities.
14. Each offering of Strip Securities will be derived from one or more Underlying Obligations of a single class or series of an Underlying Issuer. The Filer(s) participating in each offering under the CARS and PARS Programme intend to use the CDS Book-Entry Strip Service to separate the Underlying Obligations for such series into separate principal and interest components, or strip bonds. These components will, in connection with each series, be re- packaged using the CDS Book-Entry Strip Service if and as necessary to create the Strip Securities.
15. The Strip Residuals of a particular series, if any, will consist of the entitlement to receive payments of a portion of the principal amounts payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms.
16. The Strip Coupons of a particular series will consist of the entitlement to receive a payment of a portion of the interest payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms.
17. The Strip Packages will consist of the entitlement to receive (a) in the case of PARS, both payments of a portion of the principal amounts payable and periodic payments of a portion equal to a market

rate (at the time of issuance of the PARS) of the interest payable under the Underlying Obligations, and/or (b) in the case of packages consisting of Strip Coupons, periodic payments of portions of the interest payable, or the principal amounts payable, under the Underlying Obligations, in each case, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms.

18. Holders of a series of Strip Securities will be entitled to payments from cash flows from the related Underlying Obligations if, as and when made by the respective Underlying Issuer. The Strip Securities of one series will not be entitled to receive any payments from the cash flows of Underlying Obligations related to any other series. As the Underlying Issuers will be the sole obligors under the respective Underlying Obligations, holders of Strip Securities will be entirely dependent upon the Underlying Issuers' ability to perform their respective obligations under their respective Underlying Obligations.
19. The Strip Securities will be sold at prices determined by the Filers from time to time and, as such, these may vary as between purchasers of the same series and during the offering period of Strip Securities of the same series. In quoting a price for the Strip Securities, the Filers will advise the purchaser of the annual yield to maturity thereof based on such price.
20. The Underlying Issuers will not receive any proceeds, and the Filers will not be entitled to be paid any fee or commission by the Underlying Issuers, in respect of the sale by the Filers, or the members of any selling group, of the Strip Securities. Each Filer's overall compensation will be increased or decreased by the amount by which the aggregate price paid for a series of the Strip Securities by purchasers exceeds or is less than the aggregate price paid by such Filer for the related Underlying Obligations.
21. The payment dates of any particular series of Strip Coupons and the interest component of Strip Packages will be coincident with the interest payment dates for the Underlying Obligations for the series, with terms of up to 30 years or longer. The maturity date of a particular series of Strip Residuals and the principal component of Strip Packages, if any, will be the maturity date of the Underlying Obligations for the series.
22. The Strip Securities will be issuable in Canadian and U.S. dollars and in such minimum denomination(s) and with such maturities as may be described in the applicable shelf prospectus supplement.
23. The Underlying Issuers will be Canadian corporations, trusts or partnerships. The

- Underlying Obligations are securities of the Underlying Issuers. The Strip Securities will be derived without regard, except as to ratings and eligibility to file a short form prospectus under NI 44-101, for the value, price, performance, volatility, investment merit or creditworthiness of the Underlying Issuers historically or prospectively.
24. To be eligible for inclusion in the CARS and PARS Programme, the Underlying Obligations must have been qualified for distribution under a prospectus for which a receipt was issued by the regulators in British Columbia, Alberta, Ontario and Quebec, at least four months must have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations must be complete.
25. The Filers will cause all Underlying Obligations from which the Strip Securities will be derived and which are not already in the CDS system to be delivered to CDS and registered in the name of CDS. The Underlying Obligations from which the Strip Securities will be derived will, except in very limited circumstances, be held by CDS until their maturity and will not otherwise be released or removed from the segregated account used by CDS to maintain the Underlying Obligations. A separate security identification number or ISIN will be assigned by CDS to each series of Strip Securities.
26. Pursuant to the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, CDS will maintain book based records of ownership for the Strip Securities, entering in such records only the names of Participants. No purchaser of Strip Securities will be entitled to any certificate or other instrument from the Underlying Issuer, the Filers or CDS evidencing the Strip Securities or the ownership thereof, and no purchaser of Strip Securities will be shown on the records maintained by CDS except through the book entry account of a Participant. Upon the purchase of Strip Securities, the purchaser will receive only the customary confirmation slip that will be sent to such purchaser by one of the Filers or another Participant.
27. Transfers of beneficial ownership in Strip Securities will be effected through records maintained for Strip Securities by CDS or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Beneficial holders who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, such Strip Securities of a series, may do so only through Participants.
28. Payments in respect of a principal component (if any), interest component(s) (if any), or other amounts (if any) owing under a series of Strip Securities will be made from payments received by CDS in respect of the related Underlying Obligations from the relevant Underlying Issuer. Amounts payable on the maturity of the Strip Securities will be payable by the Underlying Issuer to CDS as the registered holder of the Underlying Obligations. Following receipt thereof, CDS will pay to each of its Participants shown on its records as holding matured Strip Securities the amount to which such Participant is entitled. The Filers will, and the Filers understand that each other Participant, who holds such Strip Securities on behalf of a purchaser thereof will, pay or otherwise account to such purchaser for the amounts received by it in accordance with the instructions of the purchaser to such Participant. Holders of a series of Strip Securities will not have any entitlement to receive payments under any Underlying Obligations acquired in connection with the issue of any other series of Strip Securities.
29. As the registered holder of the Underlying Securities, CDS will receive any voting rights in respect of the Underlying Obligations for the Strip Securities. CDS will allocate these rights to the holders of the Strip Securities in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of the voting rights based on the "proportionate economic interest", determined as to be described in the base shelf prospectus for use with the CARS and PARS Programme. Such voting rights will be vested on a series by series basis. In order for a holder of Strip Securities to have a legal right to attend a meeting of holders of Underlying Obligations, or to vote in person, such holder of Strip Securities must be appointed as proxyholder for the purposes of the meeting by the CDS Participant through whom he or she holds Strip Securities.
30. In the event that an Underlying Issuer repays a callable Underlying Obligation prior to maturity in accordance with its terms, CDS will allocate the amount of proceeds it receives as the registered holder of the Underlying Obligations to the holders of the Strip Securities in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of proceeds on the repayment of a callable Underlying Obligation based on the "proportionate economic interest".
31. Any other entitlements received by CDS with respect to the Underlying Obligations upon the

occurrence of an event other than in respect of maturity, including entitlements on the insolvency or winding-up of an Underlying Issuer, the non-payment of interest or principal when due, or a default of the Underlying Issuer under any trust indenture or other agreement governing the Underlying Obligations, will be processed by CDS in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures also currently provide for CDS to distribute the resulting cash and/or securities to the holders of the Strip Securities based on "proportionate economic interest". In addition, if the Underlying Issuer offers an option to CDS as the registered holder of the Underlying Obligations in connection with the event, the Filers understand that CDS will attempt to offer the same option to the holders of the Strip Securities, where feasible.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

- (a) the Underlying Obligations were qualified for distribution under the Underlying Obligations Prospectus, at least four months have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations is complete;
- (b) if the Underlying Obligations Prospectus is not available through the SEDAR website, the prospectus supplement for the series of Strip Securities derived from the Underlying Obligations for which the prospectus is not available states that a copy of the Underlying Obligations Prospectus may be obtained, upon request, without charge, from each Filer who is participating in the offering of the series of Strip Securities derived from these Underlying Obligations;
- (c) to the best of the knowledge of the Filer(s) participating in a relevant offering under the CARS and PARS Programme, the relevant Underlying Issuer is eligible to file a short form prospectus under NI 44-101 (whether such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria) at the Offering Date;
- (d) a receipt issued for the Prospectus filed in reliance on this decision document is not effective after August 22, 2021;
- (e) the offering and sale of the Strip Securities complies with all the requirements of NI 44-102 and NI 44-101 as varied by NI 44-102, other than those from which an exemption is granted by this decision document or from which an exemption is granted in accordance with Part 11 of NI 44-102 by the securities regulatory authority or regulator in each of the Jurisdictions as evidenced by a receipt for the Prospectus;
- (f) each offering of Strip Securities will be derived from one or more Underlying Obligations of only a single class or series of an Underlying Issuer and only through the CDS Book-Entry Strip Service;
- (g) the Filers issue a press release and file a material change report in respect of:
 - (i) a material change to the CARS and PARS Programme which affects any of the Strip Securities other than a change which is a material change to an Underlying Issuer; and
 - (ii) a change in the operating rules and procedures of the CDSX Procedures and User Guide of CDS, or any successor operating rules and procedures in effect at the time, which may have a significant effect on a holder of Strip Securities; and
- (h) the Filers file the Prospectus, the material change reports referred to above, and all documents related thereto on SEDAR under a SEDAR profile for the Strip Securities and pay all filing fees applicable to such filings.

"Michael Balter"
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.5 Stewards Canada

Headnote

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

Subsection 144(1) of the Securities Act (Ontario) – revocation of previous relief from the dealer registration requirement in section 25(1).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 74, 144.

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

AND

**IN THE MATTER OF
STEWARDS CANADA
(the Filer)**

DECISION

Background

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

On December 21, 2018, the Filer was granted Ontario-only exemptive relief from the dealer registration requirement of the Legislation in respect of the distribution by the Filer of debt securities of its own issue for a period of approximately three months (the **2018 Interim Decision**).

As the Filer and staff of the Commission continue to be in discussions, on March 26, 2019, the Filer was granted further Ontario-only interim exemptive relief from the dealer registration requirement of the Legislation in respect of the distribution by the Filer of debt securities of its own issue until June 30, 2019 (the **March 2019 Interim Decision**, collectively with the 2018 Interim Decision, the **Interim Decisions**).

The Filer and staff of the Commission are in the final stages of their discussions and the March 2019 Interim Decision will expire on June 30, 2019. Therefore, the Filer has applied to the Commission for a decision under the Legislation that (i) the March 2019 Interim Decision be revoked, and (ii) the Filer be exempt from the dealer registration requirement of the Legislation in respect of the distribution by the Filer of debt securities of its own issue until August 16, 2019 (the **Requested Exemptive Relief**).

The purpose of the Interim Decisions and the Requested Exemptive Relief is to provide time-limited relief to facilitate the on going discussions and to enable the Filer to distribute debt securities on substantially the same terms and conditions as the 2013 Decision.

This decision should not be considered a precedent.

Representations

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

Decisions, Orders and Rulings

1. The Filer is a non-share corporation and is a “charitable organization” for purposes of the *Income Tax Act* (Canada). The head office of the Filer is located in Ontario.
2. The Filer is restricted in the business it may carry on and the powers it may exercise to engaging exclusively in educational, charitable or religious activities. The Filer was established for the purpose of giving financial aid, including by way of mortgage financing, to Canadian evangelical Christian churches, camps, nursing homes and schools and similar institutions.
3. The Filer is primarily engaged in providing mortgage financing for Canadian Christian evangelical organizations that may otherwise be unable to obtain such financing from commercial lenders.
4. The business of the Filer is overseen by its board of directors and the day to day management is under the direction of the Executive Director, who is independent from the board.
5. The Filer was established in 1952 and has been distributing its own debt securities substantially in accordance with the representations in this order for over 60 years.
6. In order to raise the funds to advance by way of mortgages, the Filer issues bonds in reliance on the prospectus exemption found in section 2.38 of National Instrument 45-106 *Prospectus Exemptions (NI 45-106)*, which provides an exemption for not for profit issuers distributing their own securities subject to certain conditions. In connection with such distributions, the Filer believes that it is, and will be, in compliance with the conditions contained in section 2.38 of NI 45-106. Staff of the Commission are discussing with the Filer whether it may rely on this prospectus exemption. Compliance with prospectus exemptions rests with the Filer.
7. The bonds are sold to Canadian Christians and sales are not limited to accredited investors as defined in NI 45-106. Prior to the 2013 Decision, investments were accepted in any amount and generally ranged between \$50,000 to \$100,000. Pursuant to the terms and conditions of the 2013 Decision, an investor may not purchase any debt securities of the Filer if, as a result of the purchase, the investor would own debt securities of the Filer with an aggregate principal amount exceeding \$50,000. The bonds are demand variable rate bonds.
8. In a typical year, the Filer issues bonds in an aggregate principal amount of approximately \$2.5 million to between 25 to 40 purchasers.
9. As of December 31, 2018, there were bonds outstanding in the aggregate principal amount of \$24.8 million.
10. There is no active advertising or solicitation of bond purchases. No commission or other remuneration is paid in connection with the sale of the bonds. Purchasers of the bonds learn about the distribution program through word of mouth.
11. The Filer delivers to prospective purchasers an Information Memorandum which describes the bonds and the risks related to the purchase of them. The Information Memorandum provides investors with a right of rescission as well as a right of action for misrepresentation.
12. Prior to the coming into force of section 8.5 of NI 45-106, the Filer was able to distribute its securities and be exempt from the registration requirement in reliance on section 3.38 of NI 45-106, which provided for a dealer registration exemption corresponding to the prospectus exemption in section 2.38. The registration exemption previously available under section 3.38 of NI 45-106 no longer applies.
13. The Filer may be considered to be engaging in the business of trading in securities and as such would be required to register as a dealer.
14. The Filer undertakes not to rely on section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* to passport this decision into another Canadian jurisdiction without the prior written consent of the regulator or securities regulatory authority in that jurisdiction.

Decision

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

The decision of the Commission under the Legislation is that:

- (1) the March 2019 Interim Decision is revoked; and

- (2) the Requested Exemptive Relief is granted, on the following conditions:
- (a) The proceeds from the sale of debt securities of the Filer are used only to provide mortgage financing to Canadian evangelical Christian churches, camps, nursing homes, schools or similar institutions, and not to individuals;
 - (b) In any fiscal year of the Filer, administrative and general expenses, not including legal and audit expenses, are limited to no more than 0.85% of the total principal amount of bonds outstanding as at the end of such fiscal year;
 - (c) The Filer, each year, files its audited financial statements with the Commission within 90 days of the Filer's year end;
 - (d) The Filer does not engage in any advertising or promotional activity with respect to the distribution of its debt securities including by providing such information on the Filer's public website.
 - (e) An investor may not purchase any debt securities of the Filer if as a result of the purchase the investor would own debt securities of the Filer with an aggregate principal amount exceeding \$50,000;
 - (f) An investor does not borrow to purchase debt securities of the Filer and the purchaser acknowledges that in the subscription agreement for debt securities;
 - (g) An investor executes and delivers to the Filer a risk acknowledgement statement in the form set out in Appendix A to this decision and that statement is included on the front page of the subscription agreement;
 - (h) The Filer delivers an information statement to prospective purchasers of debt securities which describes the debt securities and the risks associated with purchasing the debt securities and contains a contractual right of rescission and a right of action for misrepresentation; and
 - (i) The Filer only distributes debt securities of the Filer in Ontario (and, accordingly, the Filer does not distribute these debt securities in any other jurisdiction of Canada).

It is further the decision of the Commission that the Requested Exemptive Relief shall expire on August 16, 2019.

DATED: June 28, 2019

"Grant Vingoe"
Vice-Chair
Ontario Securities Commission

"M.C. Williams"
Commissioner
Ontario Securities Commission

Appendix A

Risk Acknowledgement

I acknowledge that:

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

Date

Signature of Purchaser

Print name of Purchaser

2.1.6 XPEL, Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, ss. 3.2 and 3.3 – National Instrument 51-102 Continuous Disclosure Obligations, s. 1.1, definition of “MD&A”. An issuer that is not yet an ‘SEC issuer’ wants to file financial statements prepared in accordance with U.S. GAAP and audited in accordance with U.S. GAAS. The issuer intends to become an SEC registrant. The issuer has filed a registration statement with the SEC; the issuer will meet all the elements of the definition of ‘SEC issuer’ once the SEC accepts its registration statement; the issuer will file financial statements and MD&A that comply with the requirements for SEC issuers in NI 52-107 and NI 51-102; if the issuer does not become an SEC issuer by a set date, it will re-file its financial statements in accordance with Canadian GAAP and Canadian GAAS and its MD&A in the Canadian form.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.
National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

June 28, 2019

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
XPEL, INC.
(the Filer)

DECISION

Background

1. The securities regulatory authority in the Jurisdiction (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the requirement in section 3.2 and 3.3 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that financial statements, other than acquisition statements, be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises and, if applicable, audited in accordance with Canadian GAAS (the **Canadian Accounting and Auditing Requirements**), and exempting the Filer from the requirement in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) (in the definition of MD&A) that management’s discussion and analysis be prepared in accordance with the form of 51-102F1 (**Canadian MD&A Form**) with respect to the financial statements for the year ended December 31, 2018 and the interim period ended March 31, 2019, and the management’s discussion and analysis prepared for those periods (the **Canadian MD&A Form Requirements**) (collectively, the **Exemptions Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta and Manitoba.

Interpretation

2. Terms defined in National Instrument 14-101 *Definitions*, NI 52-107, NI 51-102 and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

3. This decision is based on the following facts represented by the Filer:
 1. the Filer is a company incorporated under the laws of the State of Nevada, United States of America (U.S.);
 2. the Filer's head office is located at 618 W. Sunset Road, San Antonio, Texas, U.S., 78216;
 3. the Filer's registered office is 2905 Lake East Drive, Suite 150, Las Vegas, Nevada, U.S. 89117;
 4. the principal business of the Filer is the manufacturing, selling, distribution and installation of after-market automotive products, including automotive paint protection film, headlight protection film, automotive window films and other related products;
 5. the Filer is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario and is not in default of securities legislation in any jurisdiction;
 6. the common shares of the Filer are listed on the TSX Venture Exchange Inc. under the symbol "DAP.U";
 7. the Filer's financial year end is December 31;
 8. all of the executive officers and the directors of the Filer are resident in the U.S.; no directors or officers are resident in Canada;
 9. the majority of the consolidated assets of the Filer are located in the U.S.;
 10. the business of the Filer is administered principally in the U.S.;
 11. the majority of the Filer's outstanding voting securities are directly or beneficially held by residents of the U.S. or countries other than Canada;
 12. the Filer has filed a registration statement on Form 10 (the **Form 10**) with the U.S. Securities and Exchange Commission (**SEC**) on April 3, 2019, which was subsequently amended on April 24, 2019 and May 30, 2019 in response to comments of the SEC;
 13. the Filer has included in the Form 10, as amended, audited financial statements for the fiscal years ended December 31, 2017 and December 31, 2018 prepared in accordance with U.S. GAAP and audited in accordance with U.S. PCAOB GAAS (the **Financial Statements**);
 14. the Filer filed the Form 10, as amended, with the SEC in order to register its common shares under the Securities Exchange Act of 1934 (the **1934 Act**) and intends to list its common shares on the Nasdaq Capital Market, and upon the effectiveness of the Form 10, as amended, will become subject to the periodic reporting requirements to file reports with the SEC under the 1934 Act;
 15. the Filer has addressed all comments on the Form 10, as amended, provided to date by the SEC, and has received confirmation from the SEC that it has completed its review of the Form 10;
 16. on March 28, 2019, the Decision Maker issued a decision (the **Initial Order**) granting relief substantially similar to the Exemptions Sought (the **Existing Relief**);
 17. in accordance with the terms and conditions of the Existing Relief, the Filer has filed:
 - (a) the Financial Statements and the related management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K under the 1934 Act, on SEDAR, concurrently with the filing of the Form 10 with the SEC; and

- (b) financial statements for the interim period ending March 31, 2019, prepared in accordance with U.S. GAAP and the related management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K under the 1934 Act on SEDAR.
18. under the terms of the Existing Relief, if the Filer does not become an SEC Issuer by June 30, 2019, the Filer will be required to immediately file on SEDAR:
- (a) financial statements for the year ended December 31, 2018 and the interim period ending March 31, 2019, prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises and audited in accordance with Canadian GAAS, as applicable;
 - (b) the related management's discussion and analysis in the Canadian MD&A Form; and
 - (c) a news release explaining the nature and purpose of the filings;
19. at the time of the Initial Order, the Filer anticipated that it would become a SEC Issuer by June 30, 2019;
20. as a result of delays associated with making the Filer's common shares eligible with the Depository Trust Company (**DTC**) it has been delayed in its ability to list its common shares on The Nasdaq Capital Market, and the Filer is no longer certain that it will be an SEC Issuer by June 30, 2019, but it is expected that it will become an SEC Issuer by no later than August 29, 2019;
21. the Exemptions Sought will extend the deadline of the Existing Relief such that the Filer is required to make the filings described in paragraph 18 if the Filer does not become an SEC Issuer by August 29, 2019; and
22. the Filer submits that the Exemptions Sought would not be prejudicial to the public interest.

Decision

4. The Decision Maker is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Maker under the Legislation is that the Existing Relief is revoked and the Exemptions Sought are granted provided that, if the Filer does not become an SEC Issuer by August 29, 2019, the Filer will immediately file on SEDAR:

- (a) financial statements for the year ended December 31, 2018 and the interim period ending March 31, 2019, prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises and audited in accordance with Canadian GAAS, as applicable;
- (b) the related management's discussion and analysis in the Canadian MD&A Form; and
- (c) a news release explaining the nature and purpose of the re-filings.

As to the Exemption Sought from the Canadian Accounting and Auditing Requirements:

"Cameron McInnis"
Chief Accountant
Ontario Securities Commission

As to the Exemption Sought from the Canadian MD&A Form Requirements:

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

2.1.7 Hudson's Bay Company

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107), s. 5.1 – the Filer is granted relief from the requirements under section 3.2 and 3.3 of NI 52-107 that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises in order to permit the Filer to prepare its financial statements in accordance with U.S. GAAP.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.

June 12, 2019

**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
HUDSON'S BAY COMPANY
(the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer for an exemption (the **Exemption Sought**) under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) from Sections 3.2 and 3.3 of National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards (NI 52-107)*, exempting the Filer, subject to the conditions set out below, from the requirement in section 3.2 and 3.3 of National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards (NI 52-107)* that financial statements referred to in paragraphs 2.1(2)(b), (c), (e) and (i) of NI 52-107 and financial information referred to in paragraphs 2.1(1)(f) and (g) of NI 52-107 that are filed with or delivered to a securities regulatory authority or regulator, other than acquisition statements, be prepared in accordance with International Financial Reporting Standards (**IFRS**). The Filer is seeking the Exemption Sought to permit the Filer to prepare such financial statements in accordance with U.S. GAAP (as defined in NI 52-107) as if it were an SEC Issuer (as defined in NI 52-107).

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act*.
2. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of the securities legislation in any Jurisdiction.
3. The Filer's registered and executive office is located at 401 Bay Street, Toronto, Ontario, M5H 2Y4.
4. The Filer's authorized share capital consists of: (i) an unlimited number of Common Shares, and (ii) an unlimited number of preferred shares, issuable in series.
5. As of June 3, 2019, 184,076,650 Common Shares and 50,919,608 Convertible Preferred Shares (defined below) are issued and outstanding.
6. The Common Shares are listed on the Toronto Stock Exchange (**TSX**) under the symbol "HBC". The Convertible Preferred Shares are not listed on any exchange.
7. Neither the Common Shares nor the Convertible Preferred Shares are listed on any U.S. stock exchange.
8. The Filer operates various retail businesses in Canada and the United States, a retail joint venture in Europe and real estate joint ventures in each of Canada, the United States and Europe.
9. Under applicable U.S. federal securities laws, the Filer is required to determine if it qualifies as a Foreign Private Issuer, as defined in Rule 405 of Regulation C under the *Securities Act of 1933*, as amended, and Rule 3b-4 under the *Securities Exchange Act of 1934*, as amended (the **1934 Act**). The test is performed annually at the end of the Filer's second fiscal quarter, and the Filer's status may change from year to year.
10. On December 6, 2017 the Filer issued, on a private placement basis, eight-year mandatory convertible preferred shares (the **Convertible Preferred Shares**) to Fabric Luxembourg Holdings S.à r.l. (the **Investor**).
11. The Convertible Preferred Shares are convertible into Common Shares (the **Underlying Common Shares**) at any time at the option of the Investor, and the Filer may require the conversion of the Convertible Preferred Shares in certain limited circumstances.
12. Pursuant to an investor rights agreement (the **Investor Rights Agreement**) dated October 24, 2017 between the Filer and the Investor, the Investor was provided with certain customary registration rights in respect of the sale or distribution of the Underlying Common Shares, which rights would, in certain circumstances, effectively require the Filer to become an SEC Issuer.
13. As a result, the Filer began preparations to file a registration statement under Section 12 of the 1934 Act (the **SEC Registration**) and, with the assistance of external advisors, commenced the process of converting its historical financial statements to U.S. GAAP.
14. On May 31, 2019 the Filer filed a draft registration statement on Form 40-F with the Securities Exchange Commission (**SEC**) under the Multijurisdictional Disclosure System (the **MJDS Registration**) on a confidential basis, which is subject to SEC review and has not yet been made effective.
15. On June 10, 2019, the Filer announced that a group of shareholders of the Filer, who collectively own approximately 57% of the outstanding Common Shares on an as-converted basis, which includes individuals and entities related to, or affiliated with, Richard A. Baker, Governor and Executive Chairman of the Filer; Rhône Capital L.L.C.; WeWork Property Advisors; Hanover Investments (Luxembourg) S.A.; and Abrams Capital Management, L.P., submitted a non-binding proposal (the **Proposal**) for the privatization of the Filer at a price of C\$9.45 per share, payable in cash (the **Proposed Transaction**).
16. The Filer has determined that it is not in the best interests of the Filer and its shareholders to effect the MJDS Registration while the Filer's board of directors is reviewing and evaluating the Proposed Transaction, as the Filer would apply to cease to be a reporting issuer in the event that the Proposed Transaction is completed.
17. The Filer is therefore seeking the Exemption Sought such that it may prepare and file its financial statements in accordance with U.S. GAAP until the earlier of (a) 60 days following the earlier of (i) withdrawal of the Proposal, or

termination of the Filer's board of directors' consideration of the Proposed Transaction, (ii) the termination of an arrangement or other similar agreement (a **Definitive Agreement**) in respect of the Proposed Transaction, or (iii) closing of the Proposed Transaction, or (b) the filing deadline in respect of the Filer's audited annual financial statements for the year ended February 1, 2020 (being May 1, 2020).

18. While the Filer is relying on the Exemption Sought, the Filer shall (i) file its financial statements prepared in accordance with U.S. GAAP on SEDAR, and (ii) disclose in its corresponding management's discussion and analysis or its corresponding earnings release that it has received the Exemption Sought and has filed the MJDS Registration on a confidential basis.
19. Should the Exemption Sought expire pursuant to paragraphs 17(a) or 17(b) above, as the case may be, the Filer anticipates that it will promptly effect the MJDS Registration, thereby becoming an SEC Issuer.
20. Upon becoming an SEC Issuer, the Filer may, under Part 3.7 of NI 52-107, prepare its financial statements, other than acquisition statements, in accordance with U.S. GAAP.
21. If the Filer does not become an SEC Issuer within the applicable time limits set out in paragraphs 17(a) or 17(b), the Filer will re-file on SEDAR all previously filed financial statements prepared in accordance with U.S. GAAP; the re-filed financial statements will be prepared in accordance with IFRS; and the Filer will issue a news release upon re-filing the financial statements that explains the nature and purpose of the re-filings.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted,

- (a) until the earlier of (a) 60 days following the earlier of (i) withdrawal of the Proposal, or termination of the Filer's board of directors' consideration of the Proposed Transaction, (ii) the termination of a Definitive Agreement in respect of the Proposed Transaction, or (iii) closing of the Proposed Transaction, or (b) May 1, 2020, provided that
- (b) while the Filer relies on the Exemption Sought, the Filer files its financial statements in accordance with U.S. GAAP, and
- (c) if the Filer does not become an SEC Issuer within the applicable time limits set out in paragraphs 17(a) or 17(b) above, the Filer will re-file on SEDAR all previously filed financial statements prepared in accordance with U.S. GAAP; the re-filed financial statements will be prepared in accordance with IFRS; and the Filer will issue a news release upon re-filing the financial statements that explains the nature and purpose of the re-filings.

"Marie-France Bourret"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Gluskin Sheff + Associates 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,
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)

AND

IN THE MATTER OF
GLUSKIN SHEFF + ASSOCIATES INC.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an “offering corporation” as defined in subsection 1(1) of the OBCA.
2. The Applicant has an authorized capital consisting of an unlimited number of common shares (**Common Shares**).
3. The head office of the Applicant is located at Bay Adelaide Centre, 333 Bay Street, Suite 5100, Toronto, Ontario M5H 2R2.
4. On March 22, 2019, the Applicant entered into an arrangement agreement with Onex Corporation (**Onex**), pursuant to which Onex agreed to acquire all of the issued and outstanding Common Shares of the Applicant by way of a court-approved plan of arrangement under the provisions of Section 182 of the OBCA (the **Arrangement**).
5. The Arrangement was approved by the shareholders of the Applicant at a special meeting of shareholders of the Applicant held May 9, 2019.
6. The Arrangement was approved by a final order of the Ontario Superior Court of Justice (Commercial List) on May 14, 2019.

7. The Arrangement was completed June 1, 2019. As a result of the Arrangement, each shareholder of the Applicant became entitled to receive, in exchange for each Common Share held prior to the effective time of the Arrangement, \$14.25 in cash, other than certain shareholders (the **Rollover Shareholders**) who transferred certain of their Common Shares in exchange for subordinate voting shares of Onex (or securities exchangeable for such shares).
8. Pursuant to the Arrangement, Onex, directly and indirectly through its subsidiaries 5016010 Ontario Inc. and Onex GS Holdings LP (“**Purchaser LP**”), acquired all of the issued and outstanding Common Shares.
9. In accordance with the terms of the Arrangement, following completion of the Arrangement and as of the date hereof, all of the issued and outstanding Common Shares are held directly by Purchaser LP, the general partner of which is Onex GS Holdings GP Ltd., a wholly-owned subsidiary of Onex, and the limited partners of which are (i) Onex GS Holdco Ltd., a wholly-owned subsidiary of Onex, and (ii) one of the Rollover Shareholders.
10. The Common Shares were de-listed from the Toronto Stock Exchange as at the close of trading on June 4, 2019.
11. No securities of the Applicant 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.
12. The Applicant has no intention to seek public financing by way of an offering of securities.
13. On June 19, 2019, 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 grant this order would not be prejudicial to the public interest;

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

DATED at Toronto on this 25th day of June, 2019.

“M. C. Williams”
Commissioner

“Craig Hayman”
Commissioner

2.2.2 David Michael Michaels – ss. 127(1), 127(10)

FILE NO.: 2019-20

IN THE MATTER OF
DAVID MICHAEL MICHAELS

Lawrence P. Haber, Commissioner and Chair of the Panel

June 25, 2019

ORDER

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

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

ON READING the Findings of the British Columbia Securities Commission (the **BCSC**) dated August 6, 2014 and the Decision of the BCSC dated October 31, 2014 (the **BCSC Sanctions Order**) with respect to Michaels, and on reading the materials filed by Staff;

IT IS ORDERED THAT:

1. pursuant to paragraph 2 of s. 127(1) of the Act, trading in any securities by Michaels cease permanently, except that he may trade securities for his own account through a registrant, if he gives the registrant copies of the BCSC Sanctions Order and this Order;
2. pursuant to paragraph 2.1 of s. 127(1) of the Act, the acquisition of any securities by Michaels cease permanently, except he may purchase securities for his own account through a registrant, if he gives the registrant copies of the BCSC Sanctions Order and this Order;
3. pursuant to paragraph 3 of s. 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Michaels permanently, except for those exemptions necessary to enable him to trade or purchase securities in his own account;
4. pursuant to paragraphs 7 and 8.1 of s. 127(1) of the Act, Michaels resign any positions that he holds as a director or officer of any issuer or registrant;
5. pursuant to paragraphs 8 and 8.2 of s. 127(1) of the Act, Michaels is prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
6. pursuant to paragraph 8.5 of s. 127(1) of the Act, Michaels is prohibited permanently from becoming or acting as a registrant or promoter.

“Lawrence P. Haber”

2.2.3 Global Resource Champions Split Corp. –
s. 1(6) of the OBCA

Headnote

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

Statutes Cited

Business Corporations Act (Ontario), 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
GLOBAL RESOURCE CHAMPIONS SPLIT CORP.
(the Applicant)

ORDER
(Subsection 1(6) of the OBCA)

WHEREAS the Applicant has applied 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 WHEREAS the Applicant has represented to the Commission that:

1. the Applicant is an “offering corporation” as defined in the OBCA;
2. on May 30, 2019, the Applicant sent a notice of redemption to the registered shareholder of all of its outstanding Class A Preferred Shares, Series 1 (the **Shares**) indicating that such Shares will be redeemed (the **Redemption**) on June 14, 2019 and de-listed from trading on the Toronto Stock Exchange (**TSX**);
3. as a result of the Redemption, (1) no shares in the capital of the Applicant trade on the TSX or any other stock exchange and (2) the Applicant’s issued and outstanding shares are owned by Partners Value Investments Inc. (10 Voting Shares), and no other shares are issued and outstanding;
4. the Applicant has no intention to seek public financing by way of an offering of securities;
5. on June 20, 2018, the Commission granted an application under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* and ordered, pursuant to subclause 1(10) (a) (ii) of

the *Securities Act* (Ontario) that the Applicant is not a reporting issuer; and

6. as a result of the Commission's order, the Applicant is not a reporting issuer or the equivalent in any jurisdiction of Canada.

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

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

DATED at Toronto on June 25, 2019.

"M.Cecilia Williams"
Commissioner
Ontario Securities Commission

"Craig Hayman"
Commissioner
Ontario Securities Commission

2.2.4 Bloomberg Trading Facility Limited – s. 144

Headnote

Application for a variation order extending an interim order so that the interim order will expire on the earlier of (i) December 31, 2019 and (ii) the effective date of a subsequent order exempting BTFL from the requirement to be recognized as an exchange – requested order granted.

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, CHAPTER S. 5, AS AMENDED
(THE ACT)**

AND

**IN THE MATTER OF
BLOOMBERG TRADING FACILITY LIMITED**

ORDER

**VARIATION OF INTERIM ORDER
(Section 144 of the Act)**

WHEREAS Bloomberg Trading Facility Limited ("**Applicant**") is authorized by the U.K. Financial Conduct Authority, a financial regulatory body in the United Kingdom, to act as the operator of a multilateral trading facility ("**MTF**");

AND WHEREAS the Applicant has participants located in Ontario;

AND WHEREAS an MTF allowing access to Ontario participants is considered by the Ontario Securities Commission ("**Commission**") to be carrying on business as an exchange in Ontario;

AND WHEREAS on December 22, 2017, the Commission issued an interim order under section 147 of the Act exempting the Applicant on an interim basis from the requirement in subsection 21(1) of the Act to be recognized as an exchange ("**Interim Order**");

AND WHEREAS on December 14, 2018, the Commission issued an order varying the Termination Date (as defined below) of the Interim Order ("**Extended Interim Order**");

AND WHEREAS the Interim Order as varied by the Extended Interim Order will terminate on the earlier of (i) July 3, 2019 and (ii) the effective date of a subsequent order ("**Subsequent Order**") exempting the Applicant from the requirement to be recognized as an exchange under section 21(1) of the Act ("**Termination Date**");

AND WHEREAS the Applicant has made an Application for a Subsequent Order but there is insufficient time for the Applicant to obtain a Subsequent Order from the Commission before the Termination Date;

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to further vary the Interim Order to extend the Applicant's interim exemption from the requirement to be recognized as an exchange pursuant to section 21(1) of the Act for a six-month period;

IT IS HEREBY ORDERED by the Commission, pursuant to section 144 of the Act, that

1. The Interim Order as varied by the Extended Interim Order is further varied by replacing the reference to "July 3, 2019" with "December 31, 2019".

DATED this 27th day of June, 2019

"Timothy Moseley"

"D. Grant Vingoe"

2.2.5 BSM Technologies Inc.

Headnote

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

Applicable Legislative Provisions

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

Date: June 27, 2019

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

AND

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

AND

**IN THE MATTER OF
BSM TECHNOLOGIES INC.
(the Filer)**

ORDER

Background

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

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, 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 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 is that the Order Sought is granted.

“Marie-France Bourret”
Manager, Corporate Finance
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 David Michael Michaels – ss. 127(1), 127(10)

IN THE MATTER OF DAVID MICHAEL MICHAELS

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

Citation: *Michaels (Re)*, 2019 ONSEC 22

Date: 2019-06-25

File No. 2019-20

Hearing: In Writing

Decision: June 25, 2019

Panel: Lawrence P. Haber Commissioner

Submissions: Kai Olson For Staff of the Commission

No hearing brief or written submissions were filed by or on behalf of David Michael Michaels

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- IV. ANALYSIS AND DECISION
 - A. Subsection 127(10) of the Act
 - B. Subsection 127(1) of the Act
- V. CONCLUSION

REASONS AND DECISION

I. INTRODUCTION

- [1] Staff of the Ontario Securities Commission (**Staff** of the **Commission**) requests that an order under s. 127(1) of the *Securities Act*¹ be made against David Michael Michaels (the **Respondent** or **Michaels**) pursuant to the inter-jurisdictional enforcement provisions in s. 127(10) of the Act.
- [2] In a decision issued by the British Columbia Securities Commission (the **BCSC**) on August 6, 2014,² the BCSC held that the Respondent engaged in unregistered advising, made misrepresentations and perpetrated a fraud contrary to ss. 34(b), 50(1)(d) and 57(b) of the British Columbia *Securities Act*.³
- [3] On October 31, 2014, the BCSC ordered sanctions against the Respondent, including a \$17.5 million administrative penalty, disgorgement of \$5.8 million and permanent prohibitions from participating in the securities market and acting as a director or officer.⁴

¹ RSO 1990, c S.5 (the **Act**).

² *Michaels (Re)*, 2014 BCSECCOM 327 (the **BCSC Findings**).

³ RSBC 1996, c 418 (the **BC Act**); BCSC Findings at para 253.

⁴ *Michaels (Re)*, 2014 BCSECCOM 457 (the **BCSC Sanctions Order**) at para 53.

[4] On November 28, 2014, Michaels sought leave to appeal the BCSC Findings and the BCSC Sanctions Order. On April 13, 2015, the British Columbia Court of Appeal (**BCCA**) granted Michaels leave to appeal the BCSC's findings that he made misrepresentations and perpetrated a fraud, as well as the BCSC Sanctions Order. The BCCA did not grant leave to appeal the finding of unregistered advising.⁵

[5] On April 1, 2016, the BCCA issued Reasons for Judgement dismissing the Respondent's appeal.⁶

II. SERVICE AND PARTICIPATION

[6] On May 15, 2019, the Commission issued a Notice of Hearing naming Michaels as a respondent in relation to a Statement of Allegations dated May 14, 2019. The Notice of Hearing states that this proceeding shall be heard in writing and that Michaels has 21 days from the date of service to file a request for an oral hearing, and 28 days from the date of service to file a hearing brief and written submissions, in accordance with Rule 11(3) of the *Ontario Securities Commission Rules of Procedure and Forms*.⁷

[7] The Respondent was served with the Notice of Hearing, Statement of Allegations and Staff's written submissions, hearing brief and brief of authorities. No request for an oral hearing was made and no materials were filed by the Respondent. The Commission may proceed in the absence of a party where that party has been given notice of the hearing.⁸

III. THE BCSC FINDINGS

A. Background

[8] Michaels is a resident of British Columbia. He was registered under the BC Act as a mutual fund salesperson from 1996 to 2006, but was not registered from June 2007 to December 2010 (the **Material Time**).⁹

[9] The Respondent's business was the sale of exempt market securities, life insurance policies, and insurance-based investment products to retail investors. During the Material Time, Michaels sold \$65 million of exempt market securities to 484 investors through a company he controlled. He received \$5.8 million in commissions on these sales.¹⁰

[10] Michaels promoted his business aggressively through a weekly radio program, investment seminars, brochures, a website and at meetings at his offices in Victoria and Vancouver.¹¹

[11] The Respondent's target demographic was seniors; the average age of his clients was 72.¹² Michaels told his clients to sell their existing portfolios, buy exempt market securities, and to borrow against their homes to do so, without advising his clients about the risks associated with exempt market securities. He steered clients away from traditional investments by telling them such investments produced only losses or poor returns, and that the advisers who sold them could not be trusted.¹³ In some cases, Michaels described investments he offered as opportunities for his clients to, among other things, earn income without stock market risk or to double retirement savings every six years.¹⁴

[12] Michaels also offered a "second opinion" process to help clients decide whether to invest with him. Michaels reviewed their current tax returns and investment statements and used the information in them to demonstrate how inferior his clients' existing investments were to what he was offering.¹⁵

B. BCSC Findings

[13] The BCSC panel held that Michaels engaged in unregistered advising, made misrepresentations and perpetrated a fraud contrary to ss. 34(b), 50(1)(d) and 57(b) of the BC Act.¹⁶

⁵ *Michaels v British Columbia Securities Commission*, Oral Reasons for Judgment dated April 13, 2015, Hearing Brief of Staff dated May 14, 2019. Staff's Hearing Brief is marked as Exhibit 1.

⁶ *Michaels v British Columbia Securities Commission*, 2016 BCCA 144 at paras 128-129.

⁷ (2017), 40 OSCB 8988, r 11(3)(e)-(g) (the **Rules of Procedure**).

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

⁹ BCSC Findings at paras 3 and 16-18.

¹⁰ BCSC Findings at paras 15 and 31.

¹¹ BCSC Findings at paras 20-27 and 78.

¹² BCSC Findings at paras 28-29.

¹³ BCSC Findings at paras 78 and 166.

¹⁴ BCSC Findings at paras 175-178.

¹⁵ BCSC Findings at para 79.

¹⁶ BCSC Findings at para 253.

[14] The panel described the Respondent's conduct as a textbook example of improper sales practices that violated the principle of investor protection and seriously damaged confidence in both traditional and exempt markets. Michaels preyed on clients by misleading them into leaving the comparative safety of traditional capital markets for the far riskier part of the exempt market. The panel also found that approximately \$40 million of the original \$65 million invested by Michaels' clients was worthless as at the time of the BCSC proceedings.¹⁷

C. BCSC Sanctions Order

[15] The BCSC Sanctions Order imposed the following sanctions, conditions, restrictions or requirements upon the Respondent pursuant to the BC Act:

- (a) pursuant to s. 161(1)(b)(ii), Michaels cease trading in, and is permanently prohibited from purchasing securities, except Michaels may trade or purchase securities for his own account through a registrant, if he gives the registrant a copy of this decision;
- (b) pursuant to s. 161(1)(c), all exemptions set out in the Act do not apply to Michaels permanently, except for those exemptions necessary to enable Michaels to trade or purchase securities in his own account;
- (c) pursuant to s. 161(1)(d)(i), Michaels resign any position he holds as a director or officer of an issuer or registrant;
- (d) pursuant to s. 161(1)(d)(ii), Michaels is permanently prohibited from becoming or acting as a director or officer of any issuer or registrant;
- (e) pursuant to s. 161(1)(d)(iii), Michaels is permanently prohibited from becoming or acting as a registrant or promoter;
- (f) pursuant to s. 161(1)(d)(iv), Michaels is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- (g) pursuant to s. 161(1)(d)(v), Michaels is permanently prohibited from engaging in investor relations activities;
- (h) pursuant to s. 161(1)(g), Michaels pay to the BCSC \$5.8 million; and
- (i) pursuant to s. 162, Michaels pay to the BCSC an administrative penalty of \$17.5 million.¹⁸

IV. ANALYSIS AND DECISION

[16] Staff seeks an order imposing sanctions that substantially mirror those in the BCSC Sanctions Order.

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

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

A. Subsection 127(10) of the Act

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

[19] In exercising its jurisdiction to make an order in reliance on s. 127(10) of the Act, the Commission does not require that the underlying conduct have a connection to Ontario.¹⁹

¹⁷ BCSC Findings at paras 247-249 and 256.

¹⁸ BCSC Sanctions Order at para 53.

¹⁹ *Cho (Re)*, 2014 ONSC 20, (2014) 37 OSCB 7285 at para 48.

B. Subsection 127(1) of the Act

- [20] Subsection 127(1) empowers the Commission to make orders where it is in the public interest to do so. The Commission is not required to make an order similar to that made by the originating jurisdiction. Rather, the Panel must first satisfy itself that an order for sanctions is necessary to protect the public interest in Ontario and then consider what the appropriate sanctions should be.
- [21] Orders made under s. 127(1) of the Act are “protective and preventive” and are made to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets.²⁰
- [22] The Commission must make its own determination of what is in the public interest. It is also important that the Commission be aware of and responsive to an interconnected, inter-provincial securities industry. The threshold for reciprocity is low.²¹ A low threshold is supported by the principle found in s. 2.1 of the Act, which provides that “[t]he integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.”
- [23] In determining the nature and scope of sanctions to be ordered, the Commission can consider a number of factors, including the seriousness of the conduct, specific and general deterrence, and any mitigating factors.²²
- [24] Fraud, misrepresentation and unregistered advising are inherently serious forms of misconduct. The Respondent’s misconduct was especially serious and harmful both to investors and to the reputation and integrity of the securities markets.²³
- [25] The BCSC described the Respondent’s business model as “astonishingly predatory”. Michaels focused his marketing efforts on seniors, including individuals with little or no investing experience or who were frightened for their retirement portfolios after the 2008 financial crisis.²⁴
- [26] The Respondent’s misconduct resulted in massive harm to investors. The BCSC heard testimony from clients whose financial futures had been ruined. The panel characterized the losses experienced by the Respondent’s clients as “catastrophic” and a “grievous deprivation”. At the time of the BCSC proceedings, investors had lost \$40 million of the \$65 million invested, while Michaels was personally enriched by \$5.8 million.²⁵
- [27] The BCSC found no mitigating factors. Instead, the panel found aggravating factors, including the predatory nature of the Respondent’s business, the ongoing loan repayments burdening his clients and his significant disciplinary history.²⁶
- [28] The Respondent’s deliberate attempts to avoid regulatory oversight and callous disregard for a regulatory scheme designed to protect investors from making unsuitable investments highlight the need for deterrence in this case.²⁷
- [29] I agree with the conclusion of the BCSC that protection of the public is of paramount importance and that the misconduct here was so serious that Michaels must be kept out of securities markets permanently.²⁸ The same considerations apply to Ontario markets and investors. The permanent prohibitions requested by Staff will serve as a deterrent to Michaels and send a message that fraudulent conduct and investor harm will not be tolerated.

V. CONCLUSION

- [30] For the reasons set out above, I find that it is in the public interest to impose the sanctions requested by Staff, which effectively mirror the relevant provisions of the BCSC Sanctions Order. I will therefore order that:
- a. pursuant to paragraph 2 of s. 127(1) of the Act, trading in any securities by Michaels cease permanently, except that he may trade securities for his own account through a registrant, if he gives the registrant copies of the BCSC Sanctions Order and the order of the Commission in this proceeding;

²⁰ *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 at paras 42-43.

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

²² *Belteco Holdings Inc (Re)*, (1998) 21 OSCB 7743 at 7746; *MCJC Holdings Inc (Re)*, (2002) 25 OSCB 1133 at 1136.

²³ BCSC Findings at para 256; BCSC Sanctions Order at para 17.

²⁴ BCSC Sanctions Order at para 12.

²⁵ BCSC Findings at para 251; BCSC Sanctions Order at paras 14, 17, 21 and 51.

²⁶ BCSC Sanctions Order at paras 22-26.

²⁷ BCSC Sanctions Order at paras 28-31.

²⁸ BCSC Sanctions Order at para 32.

Reasons: Decisions, Orders and Rulings

- b. pursuant to paragraph 2.1 of s. 127(1) of the Act, the acquisition of any securities by Michaels cease permanently, except he may purchase securities for his own account through a registrant, if he gives the registrant copies of the BCSC Sanctions Order and the order of the Commission in this proceeding;
- c. pursuant to paragraph 3 of s. 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Michaels permanently, except for those exemptions necessary to enable him to trade or purchase securities in his own account;
- d. pursuant to paragraphs 7 and 8.1 of s. 127(1) of the Act, Michaels resign any positions that he holds as a director or officer of any issuer or registrant;
- e. pursuant to paragraphs 8 and 8.2 of s. 127(1) of the Act, Michaels be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant; and
- f. pursuant to paragraph 8.5 of s. 127(1) of the Act, Michaels be prohibited permanently from becoming or acting as a registrant or promoter.

Dated at Toronto this 25th day of June, 2019.

“Lawrence P. Haber”

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
Gravitas Financial Inc.	05 June 2019	26 June 2019

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
Blocplay Entertainment Inc.	03 May 2019	

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Clearpoint Global Dividend Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June 24, 2019

Received on June 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2866730

Issuer Name:

Mackenzie Canadian All Cap Value Class
Mackenzie Canadian All Cap Value Fund
Mackenzie Canadian Growth Class
Mackenzie Canadian Growth Fund
Mackenzie Canadian Large Cap Dividend Class
Mackenzie Canadian Large Cap Dividend Fund
Mackenzie Canadian Small Cap Class
Mackenzie Canadian Small Cap Fund
Mackenzie Cundill U.S. Class
Mackenzie Emerging Markets Class
Mackenzie Emerging Markets Fund
Mackenzie Global Dividend Fund
Mackenzie Global Environmental Equity Fund
Mackenzie Global Equity Fund
Mackenzie Global Growth Class
Mackenzie Global Leadership Impact Fund
Mackenzie Growth Fund
Mackenzie High Diversification Canadian Equity Class
Mackenzie High Diversification Emerging Markets Equity Fund
Mackenzie High Diversification Global Equity Fund
Mackenzie High Diversification US Equity Fund
Mackenzie Ivy International Class
Mackenzie Ivy International Fund
Mackenzie Private Canadian Focused Equity Pool
Mackenzie Private Canadian Focused Equity Pool Class
Mackenzie Private Global Equity Pool
Mackenzie Private Global Equity Pool Class
Mackenzie Private U.S. Equity Pool
Mackenzie Private U.S. Equity Pool Class
Mackenzie U.S. Dividend Fund
Mackenzie U.S. Growth Class
Symmetry Equity Portfolio Class
Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Simplified Prospectus dated June 28, 2019

Received on June 28, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Quadrus Investment Services Ltd.
LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation
Project #2804068

Issuer Name:

Mackenzie Canadian All Cap Value Class
Mackenzie Canadian Growth Class
Mackenzie Canadian Growth Fund
Mackenzie Canadian Large Cap Dividend Class
Mackenzie Canadian Small Cap Class
Mackenzie Global Dividend Fund
Mackenzie Global Growth Class
Mackenzie Ivy International Fund
Symmetry Equity Portfolio Class
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated June 28, 2019

Received on June 28, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2827888

Issuer Name:

NBI International Equity Private Portfolio
Principal Regulator - Quebec

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June 28, 2019

Received on June 28, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

National Bank Investments Inc.

Promoter(s):

National Bank Investments Inc.

Project #2888229

Issuer Name:

Purpose Emerging Markets Dividend Fund
Principal Regulator - Ontario

Type and Date:

Amendment #4 to Final Simplified Prospectus dated June 25, 2019

Received on June 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Purpose Investments Inc.

Project #2823273

Issuer Name:

Clearpoint Global Dividend Fund
Clearpoint Short Term Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June 24, 2019

NP 11-202 Receipt dated June 28, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2866730

Issuer Name:

PIMCO Global Short Maturity Fund (Canada)
PIMCO Low Duration Monthly Income Fund (Canada)
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated June 18, 2019

NP 11-202 Receipt dated June 27, 2019

Offering Price and Description:

Series A, Series F and ETF Series Units, A(US\$) and Series F(US\$) Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

PIMCO Canada Corp.

Project #2866025

Issuer Name:

RP Strategic Income Plus Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June 21, 2019

NP 11-202 Receipt dated June 27, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

RP Investment Advisors LP

Project #2855885

Issuer Name:

The Children's Educational Foundation of Canada
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated June 14, 2019
NP 11-202 Receipt dated June 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2829393

Issuer Name:

Franklin Bissett Canadian Bond Fund
Franklin Bissett Canadian Government Bond Fund
Franklin Bissett Short Duration Bond Fund (formerly,
Franklin Bissett Canadian Short Term Bond Fund)
Franklin Bissett Core Plus Bond Fund
Franklin Bissett Corporate Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated June
17, 2019

NP 11-202 Receipt dated June 26, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2904875

Issuer Name:

Franklin Select U.S. Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus dated June
25, 2019

NP 11-202 Receipt dated June 28, 2019

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2904875

Issuer Name:

Pender Canadian Opportunities Fund
Pender Corporate Bond Fund
Pender Small Cap Opportunities Fund
Pender Strategic Growth and Income Fund
Pender US All Cap Equity Fund
Pender Value Fund
Principal Regulator - British Columbia

Type and Date:

Combined Preliminary and Pro Forma Simplified
Prospectus dated Jun 26, 2019

NP 11-202 Final Receipt dated Jun 26, 2019

Offering Price and Description:

Class F Units, Class A (US\$) Units, Class G Units, Class A
(US\$), Class F (US\$) Units, Class H Units, Class I Units,
Class N (US\$) Units, Class U Units, Class I (US\$) Units,
Class A Units, Class N Units, Class B Units, Class D Units,
Class O Units, Class H (US\$) Units, Class E Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2920772

Issuer Name:

CI First Asset Global Asset Allocation ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated Jun 26, 2019

NP 11-202 Preliminary Receipt dated June 26, 2019

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2934086

Issuer Name:

NEI Balanced Private Portfolio
NEI Balanced RS Fund (formerly NEI Ethical Balanced Fund)
NEI Balanced Yield Portfolio (formerly NEI Global Strategic Yield Fund)
NEI Canadian Bond Fund
NEI Canadian Dividend Fund (formerly NEI Northwest Canadian Dividend Fund)
NEI Canadian Equity Fund (formerly NEI Northwest Canadian Equity Fund)
NEI Canadian Equity Pool
NEI Canadian Equity RS Fund (formerly NEI Ethical Canadian Equity Fund)
NEI Canadian Small Cap Equity Fund (formerly NEI Northwest Specialty Equity Fund)
NEI Canadian Small Cap Equity RS Fund (formerly NEI Ethical Special Equity Fund)
NEI Conservative Yield Portfolio
NEI Emerging Markets Fund (formerly NEI Northwest Emerging Markets Fund)
NEI Environmental Leaders Fund
NEI Fixed Income Pool
NEI Global Dividend RS Fund (formerly NEI Ethical Global Dividend Fund)
NEI Global Equity Fund (formerly NEI Northwest Global Equity Fund)
NEI Global Equity Pool
NEI Global Equity RS Fund (formerly NEI Ethical Global Equity Fund)
NEI Global High Yield Bond Fund (formerly NEI Northwest Specialty Global High Yield Bond Fund)
NEI Global Total Return Bond Fund
NEI Global Value Fund
NEI Growth & Income Fund (formerly NEI Northwest Growth and Income Fund)
NEI Growth Private Portfolio
NEI Income & Growth Private Portfolio
NEI Income Private Portfolio
NEI International Equity Fund (formerly Meritas International Equity Fund)
NEI International Equity RS Fund (formerly NEI Ethical International Equity Fund)
NEI Jantzi Social Index® Fund (formerly Meritas Jantzi Social Index® Fund)
NEI Managed Asset Allocation Pool
NEI Money Market Fund
NEI Select Balanced Portfolio
NEI Select Balanced RS Portfolio (formerly NEI Ethical Select Balanced Portfolio)
NEI Select Growth & Income Portfolio (formerly OceanRock Growth & Income Portfolio)
NEI Select Growth & Income RS Portfolio (formerly Meritas Growth & Income Portfolio)
NEI Select Growth Portfolio
NEI Select Growth RS Portfolio (formerly NEI Ethical Select Growth Portfolio)
NEI Select Income & Growth Portfolio (formerly NEI Select Conservative Portfolio)
NEI Select Income & Growth RS Portfolio (formerly NEI Ethical Select Conservative Portfolio)
NEI Select Income Portfolio (formerly OceanRock Income Portfolio)

NEI Select Income RS Portfolio (formerly NEI Ethical Select Income Portfolio)
NEI Select Maximum Growth Portfolio (formerly NEI Select Global Maximum Growth Portfolio)
NEI Select Maximum Growth RS Portfolio (formerly Meritas Maximum Growth Portfolio)
NEI Tactical Yield Portfolio (formerly NEI Northwest Tactical Yield Fund)
NEI U.S. Dividend Fund (formerly NEI Northwest U.S. Dividend Fund)
NEI U.S. Equity Fund (formerly OceanRock U.S. Equity Fund)
NEI U.S. Equity RS Fund (formerly NEI Ethical U.S. Equity Fund)

Principal Regulator - Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified Prospectus dated Jun 25, 2019
NP 11-202 Final Receipt dated Jun 28, 2019

Offering Price and Description:

Series WF units, Series A units, Series O units, Series I units, Series W units, Series PF units, Series F units, Series P units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2918737

Issuer Name:

Mulvihill Premium Yield Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus, Annual Information Form and Fund Facts (NI 81-101) dated Jun 26, 2019
NP 11-202 Preliminary Receipt dated June 26, 2019

Offering Price and Description:

Class UF mutual fund units, Class F mutual fund units, Class A mutual fund units, Class UA mutual fund units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2934060

Issuer Name:

All Equity Fund
Balanced 60/40 Fund
Balanced Fund
Balanced Monthly Income Fund
Canadian Equity Fund
Canadian Fixed Income Fund
Canadian Small Company Equity Fund
Conservative Fund
Conservative Monthly Income Fund
EAFE Equity Fund
Emerging Markets Equity Fund
Global Managed Volatility Fund
Growth 100 Fund
Growth 80/20 Fund
Growth Fund
Income 100 Fund
Income 20/80 Fund
Income 40/60 Fund
Long Duration Bond Fund
Long Duration Credit Bond Fund
Moderate Fund
Money Market Fund
Real Return Bond Fund
Short Term Bond Fund
Short Term Investment Fund
U.S. High Yield Bond Fund
U.S. Large Cap Index Fund
U.S. Large Company Equity Fund
U.S. Small Company Equity Fund
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Simplified
Prospectus dated Jun 28, 2019
NP 11-202 Final Receipt dated June 28, 2019

Offering Price and Description:

Class F Units, Class FC Units, Class R Units, Class S
Units, Class F units, Class S units, Class I Units, Class
E(H) Units, Class R(H) Units, Class O(H) Units, Class E
units, Class I(H) Units, Class F(H) Units, Class O(H) Units,
Class O units, Class O Units, Class E Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2920620

Issuer Name:

Mackenzie Canadian Aggregate Bond Index ETF
Mackenzie Canadian All Corporate Bond Index ETF
Mackenzie Canadian Equity Index ETF
Mackenzie Canadian Large Cap Equity Index ETF
Mackenzie Canadian Short Term Fixed Income ETF
Mackenzie Canadian Short-Term Bond Index ETF
Mackenzie China A-Shares CSI 300 Index ETF
Mackenzie Core Plus Canadian Fixed Income ETF
Mackenzie Core Plus Global Fixed Income ETF
Mackenzie Emerging Markets Bond Index ETF (CAD-
Hedged)
Mackenzie Emerging Markets Local Currency Bond Index
ETF
Mackenzie Floating Rate Income ETF
Mackenzie Global High Yield Fixed Income ETF
Mackenzie Global Leadership Impact ETF
Mackenzie International Equity Index ETF
Mackenzie International Equity Index ETF (CAD-Hedged)
Mackenzie Ivy Global Equity ETF
Mackenzie Maximum Diversification All World Developed
ex North America Index ETF
Mackenzie Maximum Diversification All World Developed
Index ETF
Mackenzie Maximum Diversification Canada Index ETF
Mackenzie Maximum Diversification Developed Europe
Index ETF
Mackenzie Maximum Diversification Emerging Markets
Index ETF
Mackenzie Maximum Diversification US Index ETF
Mackenzie Portfolio Completion ETF
Mackenzie Unconstrained Bond ETF
Mackenzie US High Yield Bond Index ETF (CAD-Hedged)
Mackenzie US Investment Grade Corporate Bond Index
ETF (CAD-Hedged)
Mackenzie US Large Cap Equity Index ETF
Mackenzie US Large Cap Equity Index ETF (CAD Hedged)
Mackenzie US TIPS Index ETF (CAD-Hedged)
Principal Regulator – Ontario

Type and Date:

Combined Preliminary and Pro Forma Long Form
Prospectus dated Jun 25, 2019
NP 11-202 Final Receipt dated June 26, 2019

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2908847

Issuer Name:

Desjardins Global High Yield Bond Fund
Desjardins SocieTerra Global Bond Fund
Societerra 100 per cent Equity Portfolio
Wise 100 per cent Equity ETF Portfolio
Wise Balanced ETF Portfolio
Wise Conservative ETF Portfolio
Wise Fixed Income ETF Portfolio
Wise Growth ETF Portfolio
Wise Maximum Growth ETF Portfolio
Principal Regulator – Quebec

Type and Date:

Preliminary Simplified Prospectus dated Jun 26, 2019
NP 11-202 Final Receipt dated June 28, 2019

Offering Price and Description:

A-Class Units, F-Class Units, C-Class Units, I-Class Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2913567

NON-INVESTMENT FUNDS

Issuer Name:

Americas Silver Corporation
Principal Regulator - Ontario

Type and Date:

Final Shelf Prospectus dated June 28, 2019
NP 11-202 Receipt dated June 28, 2019

Offering Price and Description:

C\$50,000,000.00
Common Shares
Subscription Receipts
Warrants
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2871142

Issuer Name:

ANC Capital Ventures Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated June 25, 2019
NP 11-202 Preliminary Receipt dated June 26, 2019

Offering Price and Description:

\$350,000.00 OR 3,500,000 COMMON SHARES
PRICE: C\$0.10 PER COMMON SHARE

Underwriter(s) or Distributor(s):

MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

John Randolph Clifford

Project #2933828

Issuer Name:

Blue Lagoon Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Final Long Form Prospectus dated June 25, 2019
NP 11-202 Receipt dated June 27, 2019

Offering Price and Description:

4,030,500 Common Shares on Exercise of 4,030,500
Outstanding Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

Rana Vig

Project #2919530

Issuer Name:

Canadian Imperial Bank of Commerce

Type and Date:

Final Shelf Prospectus dated June 27, 2019
Received on June 28, 2019

Offering Price and Description:

US\$10,000,000,000
Senior Debt Securities (unsubordinated indebtedness)
Subordinated Debt Securities (subordinated indebtedness)
Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2900043

Issuer Name:

Earth Alive Clean Technologies Inc.
Principal Regulator - Quebec

Type and Date:

Amendment dated June 27, 2019 to Preliminary Short
Form Prospectus dated June 17, 2019
NP 11-202 Preliminary Receipt dated June 28, 2019

Offering Price and Description:

Minimum: \$4,000,000.00 or 26,666,667 Common Shares
Maximum: \$5,000,000.00 or 33,333,334 Common Shares
PRICE: C\$0.15 PER COMMON SHARE

Underwriter(s) or Distributor(s):

DESJARDINS SECURITIES INC.

Promoter(s):

-

Project #2931381

Issuer Name:

Enbridge Gas Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Shelf Prospectus dated June 27, 2019
NP 11-202 Preliminary Receipt dated June 28, 2019

Offering Price and Description:

\$2,000,000,000.00 - MEDIUM TERM NOTES
(UNSECURED)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2935539

Issuer Name:

Franchise Holdings International, Inc.

Type and Date:

Preliminary Long Form Prospectus dated June 26, 2019
(Preliminary) Received on June 26, 2019

Offering Price and Description:

No securities are being offered pursuant to this preliminary prospectus.

Underwriter(s) or Distributor(s):

-

Promoter(s):

Steven Rossi

Project #2934087

Issuer Name:

Incubara Capital Corp.

Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated June 27, 2019
NP 11-202 Preliminary Receipt dated June 28, 2019

Offering Price and Description:

No securities are being offered pursuant to this Prospectus

Underwriter(s) or Distributor(s):

-

Promoter(s):

Jason Walsh

Project #2935360

Issuer Name:

OSISKO GOLD ROYALTIES LTD

Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated June 25, 2019
NP 11-202 Preliminary Receipt dated June 25, 2019

Offering Price and Description:

\$*.**

* Common Shares

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.

BMO NESBITT BURNS INC.

DESJARDINS SECURITIES INC.

NATIONAL BANK FINANCIAL INC.

RAYMOND JAMES LTD.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

CORMARK SECURITIES INC.

PARADIGM CAPITAL INC.

Promoter(s):

-

Project #2933511

Issuer Name:

OSISKO GOLD ROYALTIES LTD

Principal Regulator - Quebec

Type and Date:

Amended and Restated Preliminary Short Form Prospectus
dated June 25, 2019

NP 11-202 Preliminary Receipt dated June 26, 2019

Offering Price and Description:

\$110,685,000.00 - 7,850,000 Common Shares

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.

BMO NESBITT BURNS INC.

DESJARDINS SECURITIES INC.

NATIONAL BANK FINANCIAL INC.

RAYMOND JAMES LTD.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

CORMARK SECURITIES INC.

PARADIGM CAPITAL INC.

Promoter(s):

-

Project #2933511

Issuer Name:

Sangoma Technologies Corporation

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 28, 2019

NP 11-202 Preliminary Receipt dated June 28, 2019

Offering Price and Description:

\$20,010,500.00 - 12,910,000 Common Shares

Price: C\$1.55 per Common Share

Underwriter(s) or Distributor(s):

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

CORMARK SECURITIES INC.

INFOR FINANCIAL INC.

PI FINANCIAL CORP.

BEACON SECURITIES LIMITED

Promoter(s):

-

Project #2933452

Issuer Name:

Shine Box Capital Corp.

Principal Regulator - Alberta

Type and Date:

Preliminary CPC Prospectus dated June 26, 2019

NP 11-202 Preliminary Receipt dated June 27, 2019

Offering Price and Description:

\$300,000.00 - 3,000,000 Common Shares

Price: C\$0.10 per Common Share

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.

Promoter(s):

Daniele Forigo

Project #2934355

Issuer Name:

Stem Holdings, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 25, 2019
NP 11-202 Preliminary Receipt dated June 25, 2019

Offering Price and Description:

\$962,000.00 Principal Amount of 8.00% Senior Unsecured
Convertible Debentures
160,654 Warrants
5,600 Broker Warrants

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
BEACON SECURITIES LIMITED

Promoter(s):

-

Project #2933703

Issuer Name:

TeraGo Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated June 24, 2019
NP 11-202 Receipt dated June 25, 2019

Offering Price and Description:

\$7,700,000.00 - 700,000 Common Shares
Price: C\$11.00 per Common Share

Underwriter(s) or Distributor(s):

TD SECURITIES INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
DESJARDINS SECURITIES INC.

Promoter(s):

-

Project #2929853

Issuer Name:

Theralase Technologies Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 25, 2019
NP 11-202 Preliminary Receipt dated June 26, 2019

Offering Price and Description:

Minimum: \$7,500,000.00 (* Units)
Maximum: \$15,000,000.00 (* Units)
Price: C\$* ** per Unit

Underwriter(s) or Distributor(s):

MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

-

Project #2934206

Issuer Name:

Xebec Adsorption Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated June 27, 2019
NP 11-202 Receipt dated June 27, 2019

Offering Price and Description:

\$10,080,000.00 - 7,200,000 Units
Price: \$1.40 per Unit

Underwriter(s) or Distributor(s):

DESJARDINS SECURITIES INC.
BEACON SECURITIES LIMITED
PARADIGM CAPITAL INC.
CANACCORD GENUITY CORP.
M PARTNERS INC.

Promoter(s):

-

Project #2929885

Issuer Name:

Yukoterre Resources Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated June 26, 2019
NP 11-202 Receipt dated June 27, 2019

Offering Price and Description:

\$350,000.00 - 3,500,000 Common Shares
Price: \$0.10

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

Fred Leigh
Project #2891195

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Registration Category	GLC Asset Management Group Ltd.	From: Portfolio Manager To: Portfolio Manager and Commodity Trading Manager	June 26, 2019
New Registration	SMBC Nikko Securities Canada, Ltd.	Investment Dealer	June 26, 2019

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Toronto Stock Exchange – Housekeeping Amendments to the Rules of Toronto Stock Exchange – Notice of Housekeeping Rule Amendments

TORONTO STOCK EXCHANGE

NOTICE OF HOUSEKEEPING RULE AMENDMENTS

HOUSEKEEPING AMENDMENTS TO THE RULES OF TORONTO STOCK EXCHANGE

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the “Protocol”), TSX Inc. (“TSX”) has adopted, and the Ontario Securities Commission has approved, amendments (the “Amendments”) to the TSX Rulebook. The Amendments are Housekeeping Rules under the Protocol and therefore have not been published for comment. The Ontario Securities Commission has not disagreed with the categorization of the Amendments as Housekeeping.

Reasons for the Amendments

The Amendments are being made to: (i) replace the requirement for Participating Organizations (as defined in the TSX Rules), to obtain approval from TSX for change in control transactions with a requirement that Participating Organizations provide TSX with prior notification of a change in control transaction, (ii) delete unnecessary forms attached to the TSX Rulebook, (iii) fix typographical errors, and/or (iv) update existing practice.

Summary of the Amendments

The following sections of the TSX Rulebook will be amended:

	Section of the TSX Rulebook	Amendment
1.	Rule 2-201(2) of the TSX Rulebook	Change requirement for participating organizations to obtain prior TSX approval in the event of a change in control to an obligation for the participating organization to notify TSX prior to the change in control.
2.	Rules 2-201(4) and (5) of the TSX Rulebook	Repeal Subsection which sets out parameters for TSX granting or withholding approval of a change in control transaction.
3.	TSX Policy 4-802(1)(a)(i)	Amend language to remove outdated functionality description and to reflect current functionality.
4.	Appendix A – PO Application, Certificate and Agreement	Delete the form from the TSX Rulebook.
5.	Appendix B – Application for Approval of Change in Control	Delete the form from the TSX Rulebook.
6.	Policy 4-1001 (1)(c) - Short Sale Exemption	Correct typographical error.

Text of the Amendments

The Amendments are set out as blacklined text at Appendix A.

Timing

The Amendments become effective July 4, 2019.

APPENDIX A

HOUSEKEEPING AMENDMENTS TO THE TSX RULEBOOK

[...]

Rule 2-201 Change in Control (Sub (3), ~~(4), (5)~~ and Sub (5)~~(a), (b)~~ Repealed)

- (1) For the purposes of this Rule, the acquisition of, directly or indirectly, or obtaining the ability to exercise control over, a significant equity interest in a Participating Organization shall, in the absence of evidence to the contrary, be deemed to be a change in control of the Participating Organization.
- (2) A Participating Organization shall ~~apply~~provide notice, in such form and with such information as the Exchange may require, to the Exchange ~~for prior approval of~~to a change in control of the Participating Organization.

Amended ([●], 2019)(3) **Repealed (October 20, 2000)**(4) Repealed ([●], 2019) ~~The Exchange may:~~

- ~~(a) — approve a change in control unconditionally;~~
- ~~(b) — approve a change in control subject to such terms and conditions as may be considered appropriate or necessary to ensure continued compliance with Exchange Requirements by the Participating Organization;~~
- ~~(c) — refuse to approve a change in control if, after having regard to such factors as the Exchange may consider relevant including, without limitation, the past or present conduct, business or condition of the proposed controlling person or persons, the Exchange is of the opinion that:~~
- ~~(i) — the Participating Organization will not comply with Exchange Requirements after the change in control;~~
- ~~(ii) — the proposed controlling person is not qualified by reason of integrity, or~~
- ~~(iii) — such approval is otherwise not in the public interest.~~

(5) Repealed ([●], 2019) ~~If the Exchange proposes to approve a change in control subject to terms and conditions pursuant to Rule 2-201(4)(b) or to refuse to approve a change in control pursuant to Rule 2-201(4)(c), the applicant shall be:~~

- ~~(a) Repealed ([●], 2019) provided with a statement of the grounds upon which the Exchange proposes to approve the change in control subject to terms and conditions or to refuse to approve the change in control with the particulars of those grounds.~~

(b) **Repealed (September 4, 2014)**

[...]

Policy 4-802 Allocation of Trades

(1) MGF Facility

The MGF facility provides an automatic and immediate “one price” execution of Participating Organizations’ MGF-eligible disclosed market orders and MGF-eligible disclosed tradeable limit orders, of up to the size of the MGF in the security at the current displayed market price. For purposes of the MGF Facility, an MGF-eligible order means any client order that does not satisfy the definition under Policy 4-802(1)(a)(iii) — MGF Ineligible Orders.

(a) Obligations

- (i) Market Makers shall buy or sell the balance of an incoming MGF-eligible disclosed order at the current displayed market price when there are not sufficient committed orders to fill the incoming order at that price. ~~Market Makers shall also purchase or sell to any imbalance of MGF-eligible disclosed orders on the opening that cannot be filled by orders in the Book.~~

[...]

Amended (February 24, 2012, November 16, 2015, ~~and~~ November 27, 2017 and [•], 2019)

[...]

Policy 4-1001 Short Sale Exemption

[...]

(1) Definition of Program Trading for Short Sale Exemption

[...]

(c) a trade in units of a trust which is a mutual fund trust for the purposes of the *Income Tax Act* (Canada) where substantially all of the assets of the fund are the same as the underlying interest of an option or future listed on an exchange that offsets a pre-existing position in:

[...]

Amended (February 24, 2012 and [•], 2019)

[...]

APPENDIX A

THE TORONTO STOCK EXCHANGE INC.

PARTICIPATING ORGANIZATION

APPLICATION, CERTIFICATE AND AGREEMENT (DELETED)

Deleted ([•], 2019)

[...]

APPENDIX B

THE TORONTO STOCK EXCHANGE INC.

PARTICIPATING ORGANIZATION

APPLICATION FOR APPROVAL OF CHANGE IN CONTROL (REPEALED)

Repealed ([•], 2019)

13.2.2 Alpha Exchange Inc. – Housekeeping Amendment to the Rules of Alpha Exchange Inc. – Notice of Housekeeping Rule Amendment

ALPHA EXCHANGE INC.

NOTICE OF HOUSEKEEPING RULE AMENDMENT

HOUSEKEEPING AMENDMENT TO THE RULES OF ALPHA EXCHANGE INC.

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 (the “Protocol”), Alpha Exchange Inc. (“Alpha”) has adopted, and the Ontario Securities Commission has approved, an amendment (the “Amendment”) to the Alpha Trading Policy Manual (the Alpha “Rules”). The Amendment is a Housekeeping Rule under the Protocol and therefore has not been published for comment. The Ontario Securities Commission has not disagreed with the categorization of the Amendment as Housekeeping.

Reasons for the Amendment

Alpha is removing the requirement to provide Alpha Members (as defined in the Alpha Rules) with 30 days’ notice of any fee changes.

Amendment

Alpha is making the following amendment to the Alpha Rules to reflect the change to the notification requirement:

	Section of the Rulebook	Amendment
1.	Rule 3.4(2) of the Alpha Rulebook	Delete the requirement for Alpha to provide members with 30 days’ notice of fee changes

Text of the Amendments

The Amendment is set out as blacklined text at Appendix A.

Timing

The Amendment becomes effective July 4, 2019.

APPENDIX A
AMENDMENT TO THE ALPHA RULE BOOK

[...]

3.4 PAYMENT OF FEES, ETC.

[...]

(2) **Repealed ([•], 2019).**

~~Alpha may at any time, and from time to time, on not less than 30 days' Notice to Members, increase any or all fees or charges. Alpha may decrease fees by providing Members with Notice of such a change within 30 days prior to the effective date of the change.~~

13.2.3 Bloomberg Trading Facility Limited

BLOOMBERG TRADING FACILITY LIMITED

NOTICE OF COMMISSION ORDER

On June 27, 2019, the Commission issued a variation order pursuant to section 144 of the *Securities Act* (Ontario) extending the interim order exempting Bloomberg Trading Facility Limited (BMTF) from the requirement to be recognized as an exchange, so that the interim order will expire on the earlier of (i) December 31, 2019 and (ii) the effective date of a subsequent order exempting BMTF from the requirement to be recognized as an exchange.

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

13.2.4 NEO Exchange Inc. – Proposed Public Interest Rule Amendments to NEO’s Trading Policies Adding Anonymous Broker Preferencing in NEO-D – Trading Notice

NEO EXCHANGE INC.

TRADING NOTICE

Date: June 28, 2019

Notice #: 2019-006

**Proposed Public Interest Rule Amendments to NEO’s Trading Policies
Adding Anonymous Broker Preferencing in NEO-D**

Currently, anonymous orders are not taken into consideration for broker preference matching priority in NEO-D. We are proposing to amend the matching logic for dark orders in NEO-D in paragraph 7.04(4)(a) of the Trading Policies to apply broker preferencing to all orders, other than jitney orders.

Expected Date of Implementation

We are planning to implement the Public Interest Rule Change in August, 2019.

Rationale for the Proposed Rules

Public Interest Rule Change

We are proposing to add broker preference matching priority for anonymous dark orders due to client demand for consistency with other marketplaces in Canada that offer similar functionality. The addition of broker preferencing for anonymous orders in NEO-D will not change the way dark trades are reported publicly and the anonymous side(s) of the trade will remain undisclosed.

Expected Impact of Proposed Changes on Market Structure, Members, Investors, Issuers and Capital Markets

The Public Interest Rule Change will provide those that trade anonymously in the dark with an additional venue on which to trade such orders. We have raised previously that we do not believe that a dealer should benefit from broker preferencing without disclosing its broker number, under general principles of fairness, and that the fact that there is no quantifiable harm because it is a dark pool should not be the deciding factor. If the OSC and other Canadian regulators determine that this practice should be discontinued by all marketplaces, we would be supportive of that decision and immediately remove this functionality. Having said that, given the amount of dark trading generally, and the subset of dark trading that results from anonymous broker preferencing, we do not expect any material impact on market structure, members, investors, issuers or the capital markets, and expect a minor positive impact for some members and investors.

Impact on Exchange's Compliance with Ontario Securities Law and on Requirements for Fair Access and Maintenance of Fair and Orderly Markets

There would be no foreseeable impact on compliance with securities law generally or fair access. As noted above, we feel that anonymous broker preferencing has issues from a general principles perspective, but this is not a change that we foresee having a material impact.

Consultation

We consulted with some of the significant users of other dark marketplaces. We also had received feedback at the time we were preparing the NEO-D proposals from a number of market participants.

Impact on the Systems of Members or Service Vendors

The Public Interest Rule Change will have no impact on the systems of members or service providers.

New Feature or Rule

The Public Interest Rule Change functionality is currently in place on both MATCHNow and the CSE.

Text of the Public Interest Rule Change

The text of the proposed Public Interest Rule Change is attached at Appendix A.

Comments

Comments should be provided, in writing, no later than July 29, 2019 to:

Cindy Petlock
Chief Legal Officer & Corporate Secretary
Neo Exchange Inc.
155 University Avenue, Suite 400
Toronto, ON M5H 3B7
e-mail: legal@neostockexchange.com

with a copy to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West, 22nd Floor
Toronto, ON M5H 3S8
e-mail: marketregulation@osc.gov.on.ca

Please note that, unless confidentiality is requested, all comments will be made publicly available.

Appendix A

Text of the Public Interest Rule Change to the NEO Trading Policies

7.04 Continuous Trading Session in NEO-D

- (1) In NEO-D, subject to the Contra Election, orders from all accounts may interact with each other.
- (2) Trades will execute at or within the NBBO in a manner consistent with UMIR dark rules.
- (3) A Liquidity Providing Order resting in NEO-D at a particular price will be executed in priority to all orders at inferior prices.
- (4) A Liquidity Providing Order resting in NEO-D at a particular price will be executed prior to or after any orders at the same price in accordance with the following priority rules:
 - (a) against an offsetting order entered in NEO-D by the same Member (if there is more than one, then against offsetting NEO Trader™ orders by the same Member according to Size-Time priority of the offsetting order, then all other offsetting orders by the same Member, according to Size-Time priority of the offsetting order, provided none of the orders is ~~a an anonymous or~~ jitney order); then
 - (b) against offsetting NEO Trader™ orders in NEO-D, according to Size-Time priority of the offsetting order; then
 - (c) against offsetting orders in NEO-D according to Size-Time priority.

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