The Ontario Securities Commission

OSC Bulletin

September 2, 2021

Volume 44, Issue 35

(2021), 44 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: Fax: 416-593-8122
TTY: 1-866-827-1295

Office of the Secretary: Fax: 416-593-2318

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

42869969

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

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

https://www.westlawnextcanada.com/westlaw-products/securitiessource/

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

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

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

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

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

Printed in the United States by Thomson Reuters.

© Copyright 2021 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.

Address

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

Customer Support

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

Table of Contents

Chapter 1 Notices **7399**
1.1 Notices **7399**
1.1.1 National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions – Amendments – Notice of Coming into Force 7399
1.2 Notices of Hearing .... **(nil)**
1.3 Notices of Hearing with Related Statements of Allegations .... **(nil)**
1.4 Notices from the Office of the Secretary **7400**
1.4.1 Trevor Rosborough et al. 7400
1.4.2 Trevor Rosborough et al. 7400
1.4.3 Miner Edge Inc. et al. 7401
1.4.4 Joseph Debus 7401
1.5 Notices from the Office of the Secretary with Related Statements of Allegations .... **(nil)**

Chapter 2 Decisions, Orders and Rulings **7403**
2.1 Decisions **7403**
2.1.1 IA Clarington Investments Inc. et al. 7403
2.1.2 Gran Tierra Energy Inc. 7410
2.2 Orders **7411**
2.2.1 BAM Exchange LP 7411
2.2.2 People Corporation 7412
2.3 Orders with Related Settlement Agreements **7414**
2.3.1 Trevor Rosborough et al. – ss. 127, 127.1 7414
2.4 Rulings .... **(nil)**

Chapter 3 Reasons: Decisions, Orders and Rulings **7427**
3.1 OSC Decisions **7427**
3.1.1 Trevor Rosborough et al. – ss. 127, 127.1 7427
3.1.2 Joseph Debus – s. 21.7 7430
3.1.3 Joseph Debus 7447
3.2 Director's Decisions **7455**
3.2.1 John Alojz Kodric 7455

Chapter 4 Cease Trading Orders **7457**
4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders 7457
4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 7457
4.2.2 Outstanding Management & Insider Cease Trading Orders 7457

Chapter 5 Rules and Policies **7459**
5.1.1 National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions 7459

Chapter 6 Request for Comments .... **(nil)**

Chapter 7 Insider Reporting **7481**

Chapter 9 Legislation .... **(nil)**

Chapter 11 IPOs, New Issues and Secondary Financings **7561**

Chapter 12 Registrations **7569**
12.1.1 Registrants 7569

Chapter 13 SROs, Marketplaces, Clearing Agencies and Trade Repositories **7571**
13.1 SROs **7571**
13.1.1 Mutual Fund Dealers Association of Canada (MFDA) – Client Focused Reforms Rule Amendments – Notice of Commission Approval 7571
13.2 Marketplaces **7572**
13.2.1 Liquidnet Canada – Notice of Withdrawal of Proposed Changes 7572
13.3 Clearing Agencies .... **(nil)**
13.4 Trade Repositories .... **(nil)**

Chapter 25 Other Information .... **(nil)**

Index **7573**

Chapter 1

Notices

1.1 Notices

1.1.1 National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions – Amendments – Notice of Coming into Force

NOTICE OF COMING INTO FORCE OF
AMENDMENTS TO
NATIONAL INSTRUMENT 94-102
DERIVATIVES: CUSTOMER CLEARING AND PROTECTION OF CUSTOMER COLLATERAL AND POSITIONS

September 2, 2021

Amendments to National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (the **Amendments**) came into force on August 1, 2021, pursuant to section 143.4 of the *Securities Act* (Ontario).

The Amendments were published in the Bulletin on May 20, 2021 at (**2021**), **44 OSCB 4169**.

The full text of the National Instrument incorporating the Amendments is reproduced in Chapter 5 of this Bulletin.

1.4 Notices from the Office of the Secretary

1.4.1 Trevor Rosborough et al.

FOR IMMEDIATE RELEASE
August 25, 2021

TREVOR ROSBOROUGH,
TAYLOR CARR, AND
DMITRI GRAHAM,
File No. 2020-33

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Trevor Rosborough in the above named matter.

A copy of the Order dated August 25, 2021 and Settlement Agreement dated July 28, 2021 are available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

1.4.2 Trevor Rosborough et al.

FOR IMMEDIATE RELEASE
August 27, 2021

TREVOR ROSBOROUGH,
TAYLOR CARR, AND
DMITRI GRAHAM,
File No. 2020-33

TORONTO – The Commission issued its Oral Reasons for Approval of a Settlement in the above named matter.

A copy of the Oral Reasons for Approval of a Settlement dated August 25, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

1.4.3 Miner Edge Inc. et al.

FOR IMMEDIATE RELEASE
August 30, 2021

MINER EDGE INC.,
MINER EDGE CORP. AND
RAKESH HANDA,
File No. 2019-44

TORONTO – Take notice of the following merits hearing date changes in the above named matter:

(1) the merits hearing scheduled to be heard on August 31, 2021 will not proceed as scheduled; and

(2) the merits hearing shall commence on October 18, 2021 and continue on October 19, 20, 21, 22, 25, 27, 28, and 29, 2021 at 10:00 a.m. on each day.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

1.4.4 Joseph Debus

FOR IMMEDIATE RELEASE
September 1, 2021

JOSEPH DEBUS,
File No. 2019-16

TORONTO – The Commission issued its Reasons and Decision on a Motion and its Reasons and Decision in the above named matter.

A copy of the Reasons and Decision on a Motion dated August 31, 2021 and the Reasons and Decision dated August 31, 2021 are available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For Media Inquiries:

media_inquiries@osc.gov.on.ca

For General Inquiries:

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

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 IA Clarington Investments Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – approval of mutual fund mergers – approval required because certain mergers do not meet the criteria for pre-approved reorganizations and transfers in NI 81-102 – continuing fund has different investment objectives than terminating fund – mergers not a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act (Canada) – securityholders of terminating funds are provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 5.5(1)(b) and 5.7(1)(b).

[TRANSLATION]

August 18, 2021

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

AND

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

AND
IN THE MATTER OF
IA CLARINGTON INVESTMENTS INC.
(the Filer)

AND

DISTINCTION BALANCED CLASS
DISTINCTION BOLD CLASS
DISTINCTION CONSERVATIVE CLASS
DISTINCTION GROWTH CLASS
DISTINCTION PRUDENT CLASS
IA CLARINGTON CANADIAN BALANCED CLASS
IA CLARINGTON CANADIAN CONSERVATIVE EQUITY CLASS
IA CLARINGTON CANADIAN CONSERVATIVE EQUITY FUND
IA CLARINGTON FOCUSED BALANCED CLASS
IA CLARINGTON GLOBAL OPPORTUNITIES CLASS
IA CLARINGTON REAL RETURN BOND FUND
IA CLARINGTON STRATEGIC U.S. GROWTH & INCOME FUND
IA CLARINGTON GLOBAL BOND FUND
(each a Terminating Fund, and collectively, the Terminating Funds)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filer on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdictions (the **Legislation**)

approving the proposed mergers (each a **Merger**, and collectively the **Mergers**) of each of the Terminating Funds into the Continuing Funds (as defined below) pursuant to paragraph 5.5(1)(b) of *Regulation 81-102 respecting Investment Funds*, CQLR, c. V-1.1, r. 39, (**Regulation 81-102**) (the **Mergers Approval**).

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

(a) the Autorité des marchés financiers is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7 (1) of *Regulation 11-102 respecting Passport System*, CQLR, c. V-1.1, r. 1, (**Regulation 11-102**) is intended to be relied upon in the provinces and territories of Canada other than the Jurisdictions; and

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

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR, c. V-1.1, r. 3, Regulation 11-102, *Regulation 81-101 respecting Mutual Funds Prospectus Disclosure*, CQLR, c.V-1.1, r. 38, (**Regulation 81-101**) and Regulation 81-102 have the same meaning if used in this decision, unless otherwise defined.

CSFI means Clarington Sector Fund Inc.;

Continuing Fund or **Continuing Funds** means individually or collectively, IA Wealth Balanced Portfolio, IA Wealth High Growth Portfolio, IA Wealth Moderate Portfolio, IA Wealth Growth Portfolio, IA Clarington Strategic Income Fund, IA Clarington Dividend Growth Class, IA Clarington Loomis Global Multisector Bond Fund, IA Clarington Loomis Global Equity Opportunities Fund, IA Wealth Core Bond Pool;

Fund or **Funds** means, individually or collectively, the Terminating Funds and the Continuing Funds;

Income Tax Act means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.);

Terminating Fund or **Terminating Funds** means individually or collectively, Distinction Balanced Class, Distinction Bold Class, Distinction Conservative Class, Distinction Prudent Class, Distinction Growth Class, IA Clarington Canadian Balanced Class, IA Clarington Focused Balanced Class, IA Clarington Strategic U.S. Growth & Income Fund, IA Clarington Canadian Conservative Equity Class, IA Clarington Canadian Conservative Equity Fund, IA Clarington Global Bond Fund, IA Clarington Global Opportunities Class, IA Clarington Real Return Bond Fund; and

U.S. Strategic Growth Merger means the merger of IA Clarington U.S. Strategic Growth & Income Fund into IA Clarington Strategic Income Fund.

Representations

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

The Filer and the Funds

1. The Filer is a corporation amalgamated under the laws of Canada. The Filer's head office is in Québec City, Québec.

2. The Filer is registered as an investment fund manager in Québec, Ontario, Newfoundland and Labrador, as an exempt market dealer in Québec and Ontario, and as a portfolio manager in all of the provinces of Canada.

3. The Filer acts as the manager of the Funds.

4. Each Fund is a mutual fund created under the laws of the Province of Ontario and is subject to the provisions of Regulation 81-102.

5. Each of Distinction Balanced Class, Distinction Bold Class, Distinction Conservative Class, Distinction Growth Class, Distinction Prudent Class, IA Clarington Canadian Balanced Class, IA Clarington Focused Balanced Class, IA Clarington Canadian Conservative Equity Class, IA Clarington Dividend Growth Class and IA Clarington Global Opportunities Class is an open-ended mutual fund class of CSFI.

6. Each of IA Clarington Canadian Conservative Equity Fund, IA Clarington Global Bond Fund, IA Clarington Loomis Global Equity Opportunities Fund, IA Clarington Loomis Global Multisector Bond Fund, IA Clarington Real Return Bond Fund, IA Clarington Strategic Income Fund, IA Clarington Strategic U.S. Growth & Income Fund, IA Wealth Balanced Portfolio, IA Wealth Core Bond Pool, IA Wealth Growth Portfolio, IA Wealth High Growth Portfolio and IA Wealth Moderate Portfolio is an open-ended mutual fund trust governed by a declaration of trust.

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

8. Each Fund is a reporting issuer or the equivalent in each of the Jurisdictions and is subject to the requirements of Regulation 81-101 and Regulation 81-102.

9. Each Fund currently distributes its securities in all Jurisdictions pursuant to a simplified prospectus and annual information form dated June 15, 2021.

Reasons for Mergers Approval

10. Regulatory approval of the Mergers is required because none of the Mergers satisfy all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of Regulation 81-02; in particular, no Merger other than the U.S. Strategic Growth Merger, will be a "qualifying exchange" within the meaning of section 132.2 of the Income Tax Act or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Income Tax Act. With respect to the U.S. Strategic Growth Merger, the fundamental investment objective of the Continuing Fund may not be considered substantially similar to that of the Terminating Fund.

11. Other than the criteria described in paragraph 10 above, each Merger meets all of the other criteria for pre-approved reorganizations and transfers under section 5.6 of Regulation 81-102.

The Proposed Mergers

12. The Filer intends to merge each Terminating Fund into the Continuing Fund as shown in the table below:

Terminating Funds	**Continuing Funds**
Distinction Balanced Class	IA Wealth Balanced Portfolio
Distinction Bold Class	IA Wealth High Growth Portfolio
Distinction Conservative Class Distinction Prudent Class	IA Wealth Moderate Portfolio
Distinction Growth Class	IA Wealth Growth Portfolio
IA Clarington Canadian Balanced Class IA Clarington Focused Balanced Class IA Clarington Strategic U.S. Growth & Income Fund	IA Clarington Strategic Income Fund
IA Clarington Canadian Conservative Equity Class IA Clarington Canadian Conservative Equity Fund	IA Clarington Dividend Growth Class
IA Clarington Global Bond Fund	IA Clarington Loomis Global Multisector Bond Fund
IA Clarington Global Opportunities Class	IA Clarington Loomis Global Equity Opportunities Fund
IA Clarington Real Return Bond Fund	IA Wealth Core Bond Pool

13. The proposed Mergers were announced in the following documents, each of which has been filed on the System for Electronic Document Analysis and Retrieval (SEDAR):

    (a) a press release dated April 12, 2021;

    (b) a material change report dated April 13, 2021; and

    (c) an amendment to the simplified prospectus for each of the Funds dated April 13, 2021,

14. Securityholders of the Terminating Funds approved the Mergers at meetings held on August 9, 2021 and August 16, 2021 (the **Meetings**).

15. In accordance with section 5.3 of *Regulation 81-107 respecting Independent Review Committee for Investment Funds*, CQLR, c. V-1.1, r. 43, the Filer presented the terms of the proposed Mergers to the Independent Review Committee of the Funds (the **IRC**) for its recommendation during a meeting of the IRC held on April 8, 2021. The IRC provided its

positive recommendation regarding the proposed Mergers on the basis that the Mergers, if implemented, would achieve a fair and reasonable result for the Funds.

16. The Filer has concluded that the Mergers are not material changes to the Continuing Fund, and accordingly, there is no intention to convene a meeting of securityholders of the Continuing Fund to approve the Mergers pursuant to paragraph 5.1(1)(g) of Regulation 81-102.

17. By way of order dated September 8, 2016, the Filer was granted relief (the **Notice-and-Access Relief**) from the requirement set out in paragraph 12.2(2)(a) of *Regulation 81-106 Investment Fund Continuous Disclosure* (CQLR, c. V-1.1, r. 42) to send printed management information circulars to securityholders while proxies are being solicited and, subject to certain conditions, instead allows a notice-and-access document to be sent to such securityholders.

18. Pursuant to the requirements of the Notice-and-Access Relief, a Notice-and-Access document and applicable proxies in connection with the Meetings, along with the fund facts of the applicable series of the Continuing Fund, were mailed to securityholders of the Terminating Funds on July 8, 2021 and were filed via SEDAR on the same day. The management information circular (the **Circular**), which the notice-and-access document provides a link to, were also filed via SEDAR at the same time.

19. It is intended that the Mergers will occur after the close of business on or about August 27, 2021 (the **Effective Date**). The Filer therefore anticipates that each securityholder of a Terminating Fund will become a securityholder of the Continuing Fund after the close of business on the Effective Date. Following the Mergers, the Continuing Funds will continue as publicly offered open-end mutual funds and each Terminating Fund will be wound-up within 30 days following the Merger.

Merger Steps

20. The Mergers of Terminating Trust Funds into a Continuing Trust Funds will be structured as follows:

Terminating Trust Funds	Continuing Trust Funds
IA Clarington Global Bond Fund	IA Clarington Loomis Global Multisector Bond Fund
IA Clarington Real Return Bond Fund	IA Wealth Core Bond Pool
IA Clarington Strategic U.S. Growth & Income Fund	IA Clarington Strategic Income Fund

(a) Prior to the Merger, if required, each Terminating Trust Fund will sell any securities in its portfolio that do not meet the investment objective and investment strategies of the Continuing Trust Fund. As a result, each Terminating Trust Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objective for a brief period of time prior to the Merger being effected.

(b) The value of each Terminating Trust Fund's investment portfolio and other assets will be determined at the close of business on the Effective Date of the Merger in accordance with the constating documents of the Terminating Trust Fund.

(c) Each Terminating Trust Fund may declare, pay directly or automatically reinvest a distribution to its securityholders of net realized capital gains and net income, if any, to ensure that it will not be subject to tax for its current taxation year.

(d) The Continuing Fund will acquire all of the portfolio assets and assume any liabilities of the Terminating Fund in consideration for an amount equal to the net asset value of the portfolio assets that the Continuing Fund is acquiring from the Terminating Fund (the "**Purchase Price**").

(e) The Continuing Fund will satisfy the Purchase Price by issuing to the Terminating Fund the number of units of the Continuing Fund that have an aggregate net asset value equal to the Purchase Price, and the units of the Continuing Fund will be issued at the net asset value per unit of the applicable series as of the close of business on the business day prior to the Effective Date of the Merger.

(f) Immediately thereafter, units of the Continuing Trust Fund received by each Terminating Trust Fund will be distributed to securityholders of the Terminating Trust Fund in exchange for their units in the Terminating Trust Fund on a dollar-for-dollar and series-by-series basis.

(g) Each Terminating Trust Fund will be wound-up within 30 days following the Merger.

21. The Merger of a Terminating Corporate Fund into a Continuing Corporate Fund will be structured as follows:

Terminating Corporate Fund	Continuing Corporate Fund
IA Clarington Canadian Conservative Equity Class	IA Clarington Dividend Growth Class

(a) Prior to the Merger, if required, CSFI will sell any securities in the portfolio of the Terminating Corporate Fund that do not meet the investment objective and investment strategies of the Continuing Corporate Fund. As a result, the portfolio of the Terminating Corporate Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objective for a brief period of time prior to the Merger being effected.

(b) The value of the Terminating Corporate Fund's investment portfolio and other assets will be determined at the close of business on the Effective Date of the Merger in accordance with the constating documents of the Terminating Corporate Fund.

(c) CSFI may declare, pay directly or automatically reinvest ordinary dividends or net realized capital gains dividends to securityholders of the Terminating Corporate Fund.

(d) The Terminating Corporate Fund will transfer all its assets and liabilities to the Continuing Corporate Fund for an amount equal to the net asset value of assets transferred.

(e) The articles of amalgamation of CSFI will be amended so that all of the issued and outstanding securities of the Terminating Corporate Fund will be exchanged for securities of the Continuing Corporate Fund on a dollar-for-dollar and series-by-series basis, so that the securityholders of the Terminating Corporate Fund become securityholders of the Continuing Corporate Fund and so that the securities of the Terminating Corporate Funds are cancelled.

(f) The Terminating Corporate Fund will be wound-up within 30 days following the Merger.

22. Mergers of Terminating Corporate Funds into Continuing Trust Funds will be structured as follows:

Terminating Corporate Funds	Continuing Trust Funds
Distinction Balanced Class	IA Wealth Balanced Portfolio
Distinction Bold Class	IA Wealth High Growth Portfolio
Distinction Conservative Class Distinction Prudent Class	IA Wealth Moderate Portfolio
Distinction Growth Class	IA Wealth Growth Portfolio
IA Clarington Canadian Balanced Class IA Clarington Focused Balanced Class	IA Clarington Strategic Income Fund
IA Clarington Global Opportunities Class	IA Clarington Loomis Global Equity Opportunities Fund

(a) Prior to the Merger, if required, CSFI will sell any securities in the portfolio of each Terminating Corporate Fund that do not meet the investment objective and investment strategies of the Continuing Trust Fund. As a result, the portfolio of each Terminating Corporate Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objective for a brief period of time prior to the Merger begin effected.

(b) The value of each Terminating Corporate Fund's investment portfolio and other assets will be determined at the close of business on the Effective Date of the Merger in accordance with the constating documents of the Terminating Corporate Fund.

(c) CSFI may declare, pay directly or automatically reinvest ordinary dividends or net realized capital gains dividends to securityholders of any Terminating Corporate Fund.

(d) The Continuing Trust Fund will acquire all of the portfolio assets and assume any liabilities of the applicable Terminating Corporate Fund in consideration for an amount equal to the net asset value of the portfolio assets of the Terminating Corporate Fund (the **Purchase Price**).

(e) The Continuing Trust Fund will satisfy the Purchase Price by issuing to CSFI the number of units of the Continuing Trust Fund that have an aggregate net asset value equal to the Purchase Price, and the units of the Continuing Trust Fund will be issued at the net asset value per unit of the applicable series as of the close of business on the business day prior to the Effective Date of the Merger.

(f) Immediately thereafter, all of the securities of each Terminating Corporate Fund will be redeemed and the redemption price therefor will be paid by delivering the applicable number of units of the Continuing Trust Fund to the securityholders of the Terminating Corporate Fund based on the number of such securities of the Terminating Corporate Fund then held.

(g) Each Terminating Corporate Fund will be wound-up within 30 days following the Merger.

23. The Merger of a Terminating Trust Fund into a Continuing Corporate Fund will be structured as follows:

Terminating Trust Fund	Continuing Corporate Fund
IA Clarington Canadian Conservative Equity Fund	IA Clarington Dividend Growth Class

(a) Prior to the Merger, if required, the Terminating Trust Fund will sell any securities in its portfolio that do not meet the investment objective and investment strategies of the Continuing Corporate Fund. As a result, the Terminating Trust Fund may temporarily hold cash or money market instruments and may not be fully invested in accordance with its investment objective for a brief period of time prior to the Merger being effected.

(b) The value of the Terminating Trust Fund's investment portfolio and other assets will be determined at the close of business on the Effective Date of the Merger in accordance with the constating documents of the Terminating Trust Fund.

(c) The Terminating Trust Fund may declare, pay directly or automatically reinvest a distribution to its securityholders of net realized capital gains and net income, if any, to ensure that it will not be subject to tax for its current taxation year.

(d) The Terminating Trust Fund will transfer all of its assets and liabilities to the Continuing Corporate Fund for an amount equal to the net value of assets transferred. In return, the Continuing Corporate Fund will issue to the Terminating Trust Fund securities of the Continuing Corporate Fund having a net asset value equal to the value of the assets transferred by the Terminating Trust Fund to the Continuing Corporate Fund.

(e) Immediately thereafter, securities of the Continuing Corporate Fund received by the Terminating Trust Fund will be distributed to securityholders of the Terminating Trust Fund in exchange for their securities in the Terminating Trust Fund on a dollar-for-dollar and series-by-series basis.

(f) The Terminating Trust Fund will be wound-up within 30 days following the Merger.

Other Considerations

24. The tax implications of the Mergers as well as the differences between the investment objectives and other features of the Terminating Funds and the Continuing Funds and the IRC's recommendation of the Mergers are described in the Circular, so that securityholders could make an informed decision before voting on whether to approve the applicable Merger. The Circular also describes the various ways in which securityholders could obtain a copy of the simplified prospectus, annual information form and fund facts for the Continuing Funds and the most recent interim and annual financial statements and management reports of fund performance.

25. Securityholders of each Terminating Fund will continue to have the right to redeem securities of the Terminating Fund at any time up to the close of business on the business day prior to the Effective Date. Following each Merger, all optional plans (including pre-authorized purchase programs, automatic withdrawal plans, systematic switch programs and automatic rebalancing services) which were established with respect to the Terminating Fund will be re-established in comparable plans with respect to the Continuing Fund unless securityholders advise otherwise.

26. The Filer will pay for the costs of the Merger. These costs consist mainly of brokerage charges associated with the merger-related trades that occur both before and after the Effective Date and proxy solicitation, printing, mailing and regulatory fees. The Funds will bear none of the costs and expenses associated with the transaction.

27. No sales charges, redemption fees or commissions will be payable by securityholders of the Funds in connection with the Mergers.

28. The investment portfolio and other assets of each Terminating Fund to be acquired by the Continuing Fund in order to effect the Mergers are currently, or will be, acceptable on or prior to the Effective Date, to the portfolio manager(s) of the Continuing Fund and are, or will be, consistent with the investment objective of the Continuing Fund.

Benefits of the Mergers

29. In the opinion of the Filer, the Mergers will be beneficial to securityholders of the Funds for the following reasons:

    (a) the Mergers will eliminate similar fund offerings, which is expected to result in a more simplified product line-up that is easier for investors to understand;

    (b) generally, the historical performance of the Continuing Funds have been better than that of the applicable Terminating Fund;

    (c) generally, the Continuing Funds have a portfolio of greater value, allowing for increased portfolio diversification opportunities and a smaller proportion of assets set aside to fund redemptions. The ability to improve diversification may lead to potentially increased returns and a reduction of risk; and

    (d) the combined management fee and administration fee with respect to each series of the Continuing Funds will be the same as, or lower than, the combined management fee and administration fee of the corresponding series of each Terminating Fund.

30. The Mergers Approval is not detrimental to the protection of investors.

Decision

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

The decision of the Decision Makers under the Legislation is that the Mergers Approval is granted.

“Benoît Gascon”
Senior Director, Corporate Finance Branch

2.1.2 Gran Tierra Energy Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from the prospectus requirement for certain marketing activities not expressly permitted by National Instrument 71-101 The Multijurisdictional Disclosure System so that investment dealers acting as underwriters or selling group members of an issuer are permitted to use standard term sheets and marketing materials and conduct road shows (each as defined under National Instrument 41-101 General Prospectus Requirements) after a final receipt for an MJDS prospectus – NI 71-101 does not contain equivalent provisions to Part 9A of National Instrument 44-102 Shelf Distributions – relief granted, provided that any road shows, standard term sheets and marketing materials for any future offering under the Final MJDS Prospectus would comply with the approval, content, use and other conditions and requirements of Part 9A of NI 44-102 in the manner in which they would apply if the Final MJDS Prospectus were a final base shelf prospectus under NI 44-102.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53 and 74(1)2.
National Instrument 71-101 The Multijurisdictional Disclosure System, s. 11.3.

Citation: *Re Gran Tierra Energy Inc.*, 2021 ABASC 139

August 27, 2021

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

AND

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

AND

**IN THE MATTER OF
GRAN TIERRA ENERGY INC.
(the Filer)**

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the prospectus requirement to allow investment dealers acting as underwriters (as defined in the Legislation) or selling group members of (a) the Filer, or (b) a selling securityholder of the Filer to (i) provide standard term sheets and marketing materials, and (ii) conduct road shows in connection with offerings under the Final MJDS Prospectus (as defined below) after the issuance of a receipt for the Final MJDS Prospectus (the **Exemption Sought**).

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

(a) the Alberta Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (together with the Jurisdictions, the **Provinces**); and

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**), National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) or National Instrument 71-101 *The Multijurisdictional Disclosure System* (**NI 71-101**) have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a corporation incorporated under the laws of Delaware.

2. The head office of the Filer is located in Calgary, Alberta.

3. As of the date hereof, the Filer is a reporting issuer in each of the provinces of Canada and is an "SEC foreign issuer" as defined under National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*. The Filer is not in default of securities legislation in any of the provinces of Canada.

4. The Filer filed a registration statement on Form S-3 with the SEC on August 4, 2021 (the **Registration Statement**) containing a prospectus (the **US Base Shelf Prospectus**). The Registration Statement registers the sale in the United States, from time to time, in one or more offerings and pursuant to one or more supplements to the US Base Shelf Prospectus, shares of the Filer's common stock, shares of the Filer's preferred stock, warrants and subscription receipts.

5. The Filer filed a preliminary MJDS prospectus dated August 16, 2021 in the Provinces that includes the US Base Shelf Prospectus and will qualify the distribution in the Provinces, from time to time, pursuant to the final prospectus (the **Final MJDS Prospectus**), in one or more offerings and pursuant to one or more supplements to the Final MJDS Prospectus, of shares of the Filer's common stock, shares of the Filer's preferred stock, warrants and subscription receipts.

6. NI 44-102 sets out the requirements for a distribution under a base shelf prospectus in Canada, including requirements for advertising and marketing activities. In particular, Part 9A of NI 44-102 entitled *Marketing In Connection with Shelf Distributions* (**Part 9A**) prohibits, after the issuance of a receipt for a final base shelf prospectus, the provision of standard term sheets or marketing materials or the conducting of road shows, unless the conditions and requirements in Part 9A (the **Part 9A Conditions and Requirements**) are complied with. NI 71-101 does not contain provisions equivalent to those of Part 9A.

7. In connection with marketing an offering in the Provinces under the Final MJDS Prospectus, investment dealers acting as underwriters or selling group members of (a) the Filer or (b) a selling securityholder of the Filer may wish to provide standard term sheets and marketing materials and conduct road shows.

8. Canadian purchasers, if any, of securities offered under the Final MJDS Prospectus will only be able to purchase those securities through an investment dealer registered in the province of residence of the purchaser.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that the Part 9A Conditions and Requirements are complied with for any future offering under the Final MJDS Prospectus in the manner in which they would apply if the Final MJDS Prospectus were a final base shelf prospectus under NI 44-102.

For the Commission:

“Tom Cotter”
Vice-Chair

“Kari Horn”
Vice-Chair

2.2 Orders

2.2.1 BAM Exchange LP

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

August 26, 2021

**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
BAM EXCHANGE LP
(the Filer)**

ORDER

Background

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

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

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in all provinces and territories of Canada other than Ontario.

Interpretation

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

Representations

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

1. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 Issuers Quoted in the US. 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.

"Lina Creta"
Manager, Corporate Finance
Ontario Securities Commission

OSC File#: 2021/0406

2.2.2 People Corporation

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

August 27, 2021

IN THE MATTER OF
THE SECURITY 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
PEOPLE CORPORATION
(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 they are reporting issuers (the **Order Sought**).

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

(a) the Ontario Securities Commission (the **Principal Regulator**) is the principal regulator for this application, and

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11- 102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Alberta.

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, except that, subsequent to the closing of the Arrangement, the Filer has not filed the disclosure required by Section 9.3.1(1) of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") by the time required by 9.3.1(2.2) of NI 51-102, and as a result has also not filed the disclosure required by Section 4.9 of NI 51-102 by the time required by that section in respect of its amalgamation effective February 24, 2021.

Order

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

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

"Mary Anne De Monte-Whelan"
Commissioner
Ontario Securities Commission

"Cathy Singer"
Commissioner
Ontario Securities Commission

OSC File #: 2021-0146

2.3 Orders with Related Settlement Agreements

2.3.1 Trevor Rosborough et al. – ss. 127, 127.1

File No. 2020-33

IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR AND
DMITRI GRAHAM

M. Cecilia Williams, Commissioner and Chair of the Panel

August 25, 2021

ORDER
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

WHEREAS on August 25, 2021, the Ontario Securities Commission (the **Commission**) held a hearing by videoconference to consider the request made jointly by Trevor Rosborough (**Rosborough**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated July 28, 2021 (the **Settlement Agreement**);

AND WHEREAS pursuant to the Settlement Agreement, Rosborough has given an undertaking in the form attached as Annex I to this Order (the **Undertaking**);

ON READING the Joint Application for Settlement Hearing, including the Amended Statement of Allegations dated January 22, 2021, the Settlement Agreement and the Undertaking, and on hearing the submissions of the representatives of Rosborough and Staff, and on being advised by Staff that Staff have received payment from Rosborough in the amount of $20,746.16;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Rosborough is prohibited for a period of eight years commencing on the date of this Order;

3. pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Rosborough is prohibited for a period of eight years commencing on the date of this Order;

4. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Rosborough for a period of eight years commencing on the date of this Order;

5. pursuant to paragraph 6 of subsection 127(1) of the Act, Rosborough is reprimanded;

6. pursuant to paragraph 7 of subsection 127(1) of the Act, Rosborough shall immediately resign any position that he holds as a director or officer of an issuer;

7. pursuant to paragraph 8 of subsection 127(1) of the Act, Rosborough is prohibited from becoming or acting as a director or officer of any issuer for a period of eight years commencing on the date of this Order;

8. pursuant to paragraph 8.1 of subsection 127(1) of the Act, Rosborough shall immediately resign any position that he holds as a director or officer of a registrant;

9. pursuant to paragraph 8.2 of subsection 127(1) of the Act, Rosborough is prohibited from becoming or acting as a director or officer of any registrant for a period of eight years commencing on the date of this Order;

10. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Rosborough is prohibited from becoming or acting as a registrant or a promoter for a period of eight years commencing on the date of this Order;

11. pursuant to paragraph 9 of subsection 127(1) of the Act, Rosborough shall pay an administrative penalty in the amount of $35,000.00, which amount shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

12. pursuant to paragraph 10 of subsection 127(1) of the Act, Rosborough shall disgorge to the Commission the profit of $492.32, which amount shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

13. pursuant to section 127.1 of the Act, Rosborough shall pay costs in the amount of $5,000.00;

14. Rosborough shall pay the outstanding amounts referred to in paragraphs 11, 12 and 13 totaling $19,746.16 by September 15, 2021; and

15. notwithstanding any other provisions contained in the Order, after the payments set out in paragraphs 11, 12 and 13 are made in full, Rosborough is permitted to trade and/or acquire the following securities in any registered retirement savings plan, registered education savings plan, registered retirement income fund, and/or tax-free savings account (as defined in the *Income Tax Act*, RSC 1985, c 1 (5th Supp.)) in which Rosborough has sole legal and beneficial ownership, solely through a registered dealer, to whom Rosborough must have given a copy of this Order:

    (a) mutual fund, exchange-traded fund or index fund securities;

    (b) government bonds; and

    (c) guaranteed investment certificates.

"M. Cecilia Williams"

IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR AND
DMITRI GRAHAM

UNDERTAKING

1. This Undertaking is given in connection with the settlement agreement dated July 28, 2021 (the **Settlement Agreement**) between Trevor Rosborough (the **Respondent**) and Staff of the Ontario Securities Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. The Respondent undertakes to provide full cooperation to Staff, including, if required, testifying as a witness for Staff in any proceeding commenced by Staff relating to the matters set out in the Settlement Agreement or the Statement of Allegations, and meeting with Staff in advance of any such proceeding to prepare for that testimony.

DATED at Strathroy, Ontario, this 28th day of July, 2021.

"Michelle Linker" "Trevor Rosborough"
Witness

File No. 2020-33

**IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR AND
DMITRI GRAHAM**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. Illegal insider trading and tipping are fundamental abuses of material non-public information. Regardless of the amount of any profit made, these offences erode public confidence in Ontario's capital markets and cannot be tolerated. This is especially so when those engaged in this illegal conduct are registrants who serve an important gatekeeper role in protecting the integrity of our markets. Investors rely on registrants to understand and comply with Ontario securities law. Consequently, registrants who abuse that trust and counsel others to engage in illegal conduct tarnish the reputation of both the registration regime and law-abiding registrants in Ontario.

2. Trevor Rosborough (**Rosborough** or the **Respondent**), a former mutual fund dealing representative, engaged in illegal tipping and insider trading in the shares of WeedMD Inc. (**WeedMD**) during the period of November 10, 2017 to November 21, 2017 (the **Material Time**).

3. While suspended from registration, Rosborough obtained material non-public information from Taylor Carr (**Carr**), an employee at WeedMD, which is a reporting issuer in Ontario that is listed and publicly traded on the Toronto Venture Exchange. Through Carr, Rosborough confirmed WeedMD was set to announce a major expansion that would significantly increase its cannabis production (the **Expansion**).

4. Before the Expansion was generally disclosed, Rosborough communicated material non-public information relating to the Expansion (the **MNPI**) to two clients, Clients A and B, and purchased WeedMD shares for his own account.

5. WeedMD publicly announced the Expansion on November 22, 2017, and the closing price of WeedMD's shares rose by 33% that day, relative to the previous day's closing price. On November 22, 2017, following the announcement of the Expansion, Rosborough sold all of his shares for a profit of $492.32. His profitable trade was a result of illegal insider trading, and therefore a significant breach of Ontario securities law.

6. The parties will jointly file a request that the Ontario Securities Commission (the **Commission**) issue a Notice of Hearing (the **Notice of Hearing**) to announce that it will hold a hearing (the **Settlement Hearing**) to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5 (the **Act**), it is in the public interest for the Commission to make certain orders against Rosborough.

PART II – JOINT SETTLEMENT RECOMMENDATION

7. Staff of the Commission (**Staff**) recommend settlement of the proceeding (the **Proceeding**) against the Respondent commenced by the Notice of Hearing, in accordance with the terms and conditions set out in Part VI of this Settlement Agreement. The Respondent consents to the making of an order (the **Order**) substantially in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

8. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III – AGREED FACTS

BACKGROUND

9. Rosborough was registered as a mutual fund salesperson with Quadrus Investment Services Ltd. (**Quadrus**) from September 5, 2006 to September 28, 2009, and then as a mutual fund dealing representative from September 28, 2009 to October 31, 2017.

10. On October 31, 2017, Rosborough was terminated from Quadrus. The termination had the effect of automatically suspending Rosborough's registration because of subsection 29(3) of the Act. The termination was followed by a settlement agreement between Rosborough and the Mutual Fund Dealers Association of Canada wherein Rosborough agreed to a fine of $10,000 and $2,500 in costs for obtaining and using pre-signed forms.

11. In November 2017, Rosborough enlisted the help of two individuals, one of whom was Dmitri Graham (**Graham**), to help him continue to advise clients while his registration was suspended. Graham, who was a registered mutual fund dealing

representative, helped Rosborough process securities transactions at this time. In return, Rosborough allowed Graham to work from his office space, drive his vehicle, and paid his registration fees at Sterling Mutuals Inc.

12. In a settlement agreement approved by the Deputy Director of Compliance and Registrant Regulation Branch (CRR) of the Commission on May 4, 2020 (the **CRR Settlement**), Rosborough admitted, among other things, that he had breached subsections 25(1) and 25(3) of the Act for engaging in stealth advising via two individuals, one of whom is Graham, and by holding himself out to prospective clients as engaging in the business of trading and advising in securities. As a result, Rosborough agreed to, among other terms, a five-year suspension of his registration, effective June 1, 2020.

13. By agreeing to the CRR Settlement, Rosborough accepted responsibility for his conduct as described therein. Rosborough also cooperated with the investigation leading up to the CRR Settlement by voluntarily providing access to his records, including his emails, and by voluntarily attending an interview with Staff.

WEEDMD AND THE EXPANSION

14. WeedMD is a reporting issuer in Ontario that is listed and publicly traded on the Toronto Venture Exchange.

15. On November 22, 2017, WeedMD announced details of the Expansion, confirming that the company had entered into a definitive lease and purchase option agreement with Perfect Pick Farms Ltd. (**Perfect Pick**) for Perfect Pick's 98-acre property which included a 610,000 sq. ft. state-of-the-art greenhouse facility that could be rapidly retrofitted for cannabis. The new facility was expected to increase WeedMD's annual production from 1,200 kg to more than 21,000 kg in the initial phase and eventually bring annual production to over 50,000 kg. The Expansion was characterized by WeedMD as a "transformational expansion".

16. After the details of the Expansion were generally disclosed, the closing price of WeedMD shares rose by 33% relative to the previous day's closing price. A material change report regarding the Expansion was filed by WeedMD on November 27, 2017. The Expansion was material in respect of WeedMD.

TIPPING AND INSIDER TRADING OF WEEDMD SHARES

17. Rosborough engaged in illegal insider trading and tipping during the Material Time.

18. Prior to and during the Material Time, Rosborough spoke to Carr and inquired about the status of WeedMD. Carr was an employee of WeedMD prior to and during the Material Time, a fact which was known to Rosborough. Carr was the only person Rosborough knew who was employed at WeedMD during and prior to the Material Time.

19. On or before November 10, 2017, Carr communicated the MNPI to Rosborough. Through Carr, Rosborough confirmed WeedMD was set to announce the Expansion.

20. On November 10, 2017, Rosborough, with knowledge of the MNPI, purchased 1,090 WeedMD shares in his personal account. Rosborough purchased the shares at a price of $1.36 per share for a total amount of $1,492.39.[1]

21. On the same day, Rosborough sent an email to Client A stating, "I also have a friend who is the head grower at WeedMD how[*sic*] let me know off the record that they will be announcing a huge new facility so we need to buy that stock before next Friday and sell Friday."

22. Prior to November 16, 2017, Rosborough communicated the MNPI to Client B, who opened a direct investing account and purchased shares of WeedMD. On November 16, 2017, Client A purchased WeedMD shares.

23. On or before November 21, 2017, Carr told Rosborough that WeedMD was postponing the general disclosure of the Expansion to November 22, 2017.

24. On Tuesday, November 21, 2017, Client A's spouse emailed Rosborough asking if the announcement regarding the Expansion was forthcoming. Rosborough responded on the same day that the announcement was "deferred to Wednesday".

25. On Wednesday, November 22, 2017, after details of the Expansion were generally disclosed by WeedMD, Rosborough sold all of his WeedMD shares at a price of $1.83 per share for a total of $1,984.71.[2] As a result, Rosborough made a profit of $492.32, or a return of approximately 33%, from his insider trading of WeedMD shares.

[1] Inclusive of fees/commissions.
[2] Inclusive of fees/commissions.

MITIGATING FACTORS

26. The Respondent has been granted substantial credit for cooperation for agreeing to the terms set out below, including his undertaking to cooperate with Staff attached as Schedule “B” to this Settlement Agreement (the **Undertaking**).

PART IV – NON-COMPLIANCE WITH ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

27. By engaging in the conduct described above, the Respondent acknowledges and admits that he contravened subsections 76(1) and 76(2) of the Act and that his conduct was contrary to the public interest.

PART V – RESPONDENT’S POSITION

28. The Respondent requests, and Staff do not object, that the Settlement Hearing panel consider the following circumstances:

    (a) The Respondent is remorseful for his conduct, and, in particular, for failing to safeguard and protect the integrity of the capital markets;

    (b) The Respondent accepts full responsibility for his conduct; and

    (c) The Respondent will fully cooperate with Staff as this matter progresses, including by testifying as a witness for Staff in any proceeding related to this matter and to meet with Staff in advance of any such proceeding, as set out in Schedule “B” to this Settlement Agreement.

PART VI – TERMS OF SETTLEMENT

29. The Respondent agrees to the terms of settlement set forth below.

30. The Respondent consents to the Order substantially in the form attached as Schedule “A”, pursuant to which it is ordered that:

    (a) this Settlement Agreement is approved;

    (b) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by the Respondent cease for a period of eight years commencing on the date of the Order;

    (c) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Respondent be prohibited for a period of eight years commencing on the date of the Order;

    (d) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondent for a period of eight years commencing on the date of the Order;

    (e) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondent be reprimanded;

    (f) pursuant to paragraph 7 of subsection 127(1) of the Act, the Respondent immediately resign any position that he holds as a director or officer of an issuer;

    (g) pursuant to paragraph 8 of subsection 127(1) of the Act, the Respondent be prohibited from becoming or acting as a director or officer of any issuer for a period of eight years commencing on the date of the Order;

    (h) pursuant to paragraph 8.1 of subsection 127(1) of the Act, the Respondent immediately resign any position that he holds as a director or officer of a registrant;

    (i) pursuant to paragraph 8.2 of subsection 127(1) of the Act, the Respondent be prohibited from becoming or acting as a director or officer of any registrant for a period of eight years commencing on the date of the Order;

    (j) pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondent be prohibited from becoming or acting as a registrant or a promoter for a period of eight years commencing on the date of the Order;

    (k) pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondent pay an administrative penalty in the amount of $35,000.00, which amount be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

    (l) pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondent disgorge to the Commission the profit of $492.32, which amount be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b) of the Act;

(m) pursuant to section 127.1 of the Act, the Respondent pay costs in the amount of $5,000.00; and

(n) notwithstanding any other provisions contained in the Order, after the payments set out in sub-paragraphs 30(k), 30(l) and 30(m) are made in full, the Respondent is permitted to trade and/or acquire the following securities in any registered retirement savings plan, registered education savings plan, registered retirement income fund, and/or tax-free savings account (as defined in the *Income Tax Act*, RSC 1985, c 1 (5th Supp.)) in which the Respondent has sole legal and beneficial ownership, solely through a registered dealer, to whom the Respondent must have given a copy of the Order:

(i) mutual fund, exchange-traded fund or index fund securities;

(ii) government bonds; and

(iii) guaranteed investment certificates.

31. The Respondent agrees to pay the amounts set out in sub-paragraphs 30(k), 30(l) and 30(m) to the Commission in the following manner:

(a) $20,746.16 by wire transfer before the commencement of the Settlement Hearing; and

(b) $19,746.16 by cheque post-dated to September 15, 2021, which cheque will be provided to Staff before the commencement of the Settlement Hearing.

32. The Respondent consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in paragraph 30, other than sub-paragraphs 30(k), 30(l) and 30(m). These sanctions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

33. The Respondent acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

34. The Respondent has given the Undertaking, in the form attached as Schedule “B” to this Settlement Agreement, to cooperate with Staff, including testifying as a witness for Staff in any proceedings commenced by Staff relating to the matters set out herein and meeting with Staff in advance of any such proceeding to prepare for that testimony.

PART VII – FURTHER PROCEEDINGS

35. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Respondent under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement or as set out in the Amended Statement of Allegations in this matter dated January 22, 2021 (**Statement of Allegations**), unless the Respondent fails to comply with any term in this Settlement Agreement or the Undertaking, in which case Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of this Settlement Agreement, the Statement of Allegations, as well as the breach of this Settlement Agreement or the Undertaking.

36. The Respondent acknowledges that, if the Commission approves this Settlement Agreement and the Respondent fails to comply with any term in it or the Undertaking, Staff or the Commission are entitled to bring any proceedings necessary to, among other things, recover the amounts set out in sub-paragraphs 30(k), 30(l) and 30(m), above.

37. The Respondent waives any defences to a proceeding referenced in paragraph 35 or 36 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement or the Undertaking.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

38. The parties will seek approval of this Settlement Agreement at the Settlement Hearing before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission’s *Rules of Procedure and Forms* (2019), 42 OSCB 9714.

39. The Respondent will attend the Settlement Hearing by video conference.

40. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

41. If the Commission approves this Settlement Agreement:

    (a) the Respondent irrevocably waives all rights to a full hearing, judicial review or appeal of this matter under the Act; and

    (b) neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

42. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

43. If the Commission does not make the Order:

    (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent; and

    (b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

44. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

45. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

46. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at Strathroy, Ontario this 28th day of July, 2021.

"Michelle Linker" "Trevor Rosborough"
Witness

DATED at Toronto, Ontario, this 28th day of July, 2021.

ONTARIO SECURITIES COMMISSION

"Jeff Kehoe"
Director, Enforcement Branch

SCHEDULE "A"

FORM OF ORDER

**IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR AND
DMITRI GRAHAM**

File No. 2020-33

(Names of panelists comprising the panel)

(Day and date order made)

ORDER
([Sections 127 and 127.1] of the *Securities Act*, RSO 1990, c S.5)WHEREAS on **[date]**, the Ontario Securities Commission (the **Commission**) held a hearing by videoconference to consider the request made jointly by Trevor Rosborough (**Rosborough**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated **[date]** (the **Settlement Agreement**);

AND WHEREAS pursuant to the Settlement Agreement, Rosborough has given an undertaking in the form attached as Annex I to this Order (the **Undertaking**);

ON READING the Joint Application for Settlement Hearing, including the Amended Statement of Allegations dated January 22, 2021, the Settlement Agreement and the Undertaking, and on hearing the submissions of the representatives of Rosborough and Staff, and on being advised by Staff that Staff have received payment from Rosborough in the amount of $20,746.16;

IT IS ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Rosborough shall cease for a period of eight years commencing on the date of the Order;

(c) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Rosborough shall be prohibited for a period of eight years commencing on the date of the Order;

(d) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Rosborough for a period of eight years commencing on the date of the Order;

(e) pursuant to paragraph 6 of subsection 127(1) of the Act, Rosborough is reprimanded;

(f) pursuant to paragraph 7 of subsection 127(1) of the Act, Rosborough shall immediately resign any position that he holds as a director or officer of an issuer;

(g) pursuant to paragraph 8 of subsection 127(1) of the Act, Rosborough shall be prohibited from becoming or acting as a director or officer of any issuer for a period of eight years commencing on the date of the Order;

(h) pursuant to paragraph 8.1 of subsection 127(1) of the Act, Rosborough shall immediately resign any position that he holds as a director or officer of a registrant;

(i) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Rosborough shall be prohibited from becoming or acting as a director or officer of any registrant for a period of eight years commencing on the date of the Order;

(j) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Rosborough shall be prohibited from becoming or acting as a registrant or a promoter for a period of eight years commencing on the date of the Order;

(k) pursuant to paragraph 9 of subsection 127(1) of the Act, Rosborough shall pay an administrative penalty in the amount of $35,000.00, which amount shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

(l) pursuant to paragraph 10 of subsection 127(1) of the Act, Rosborough shall disgorge to the Commission the profit of $492.32, which amount shall be designated for allocation or use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

(m) pursuant to section 127.1 of the Act, Rosborough shall pay costs in the amount of $5,000.00;

(n) Rosborough shall pay the outstanding amounts referred to in paragraphs (k), (l) and (m) totaling $19,746.16 by September 15, 2021;

(o) notwithstanding any other provisions contained in the Order, after the payments set out in paragraphs (k), (l) and (m) are made in full, Rosborough is permitted to trade and/or acquire the following securities in any registered retirement savings plan, registered education savings plan, registered retirement income fund, and/or tax-free savings account (as defined in the *Income Tax Act*, RSC 1985, c 1 (5th Supp.)) in which Rosborough has sole legal and beneficial ownership, solely through a registered dealer, to whom Rosborough must have given a copy of the Order:

(i) mutual fund, exchange-traded fund or index fund securities;

(ii) government bonds; and

(iii) guaranteed investment certificates.

____

[Commissioner]

____

[Commissioner]

____

[Commissioner]

ANNEX I to SCHEDULE "A"

UNDERTAKING

IN THE MATTER OF TREVOR ROSBOROUGH, TAYLOR CARR AND DMITRI GRAHAM

UNDERTAKING

1. This Undertaking is given in connection with the settlement agreement dated July 28, 2021 (the **Settlement Agreement**) between Trevor Rosborough (the **Respondent**) and Staff of the Ontario Securities Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. The Respondent undertakes to provide full cooperation to Staff, including, if required, testifying as a witness for Staff in any proceeding commenced by Staff relating to the matters set out in the Settlement Agreement or the Statement of Allegations, and meeting with Staff in advance of any such proceeding to prepare for that testimony.

DATED at Strathroy, Ontario this 28th day of July, 2021.

"Michelle Linker"
Witness

"Trevor Rosborough"

SCHEDULE "B"

UNDERTAKING

IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR and
DMITRI GRAHAM

UNDERTAKING

1. This Undertaking is given in connection with the settlement agreement dated July 28, 2021 (the **Settlement Agreement**) between Trevor Rosborough (the **Respondent**) and Staff of the Ontario Securities Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. The Respondent undertakes to provide full cooperation to Staff, including, if required, testifying as a witness for Staff in any proceeding commenced by Staff relating to the matters set out in the Settlement Agreement or the Statement of Allegations, and meeting with Staff in advance of any such proceeding to prepare for that testimony.

DATED at Strathroy, Ontario this 28th day of July, 2021.

"Michelle Linker" "Trevor Rosborough"
Witness

This page intentionally left blank

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Trevor Rosborough et al. – ss. 127, 127.1

Citation: *Rosborough (Re)*, 2021 ONSEC 20
Date: 2021-08-25
File No. 2020-33

IN THE MATTER OF
TREVOR ROSBOROUGH,
TAYLOR CARR and
DMITRI GRAHAM

ORAL REASONS FOR APPROVAL OF A SETTLEMENT
(Sections 127 and 127.1 of the *Securities Act*, RSO 1990, c S.5)

Hearing:	August 25, 2021	
Decision:	August 25, 2021	
Panel:	M. Cecilia Williams	Commissioner and Chair of the Panel
Appearances:	Alvin Qian	For Staff of the Commission
	Greg Temelini	For Trevor Rosborough

ORAL REASONS FOR APPROVAL OF A SETTLEMENT

The following reasons have been prepared for publication in the Ontario Securities Commission Bulletin, based on the reasons delivered orally in the hearing as edited and approved by the panel, to provide a public record of the oral reasons.

I. OVERVIEW

[1] Staff of the Ontario Securities Commission (**Staff** of the **Commission**), and Trevor Rosborough have jointly submitted that it would be in the public interest for me to approve a settlement agreement entered into between Mr. Rosborough and Staff dated July 28, 2021 (the **Settlement Agreement**) regarding allegations described in the Statement of Allegations dated January 22, 2021.

[2] This matter concerns allegations that Mr. Rosborough, while suspended from registration as a mutual fund dealing representative, obtained material, non-public information (**MNPI**) relating to a major expansion of WeedMD Inc. (**WeedMD**) from Taylor Carr, an employee of WeedMD and, during the period of November 10, 2017 to November 21, 2017 (the **Material Time**), Mr. Rosborough traded in WeedMD shares and tipped two of his clients in contravention of Ontario securities laws and contrary to the public interest.

[3] After considering the Settlement Agreement and the submissions of the parties, I concluded that it would be in the public interest to approve the Settlement Agreement. These are my reasons.

II. SUMMARY OF THE FACTS

[4] The underlying facts and specific breaches of Ontario securities law are fully set out in the Settlement Agreement, which has been filed with the Commission and is publicly available. Accordingly, I do not need to repeat them in detail here.

[5] In summary:

a. WeedMD is a reporting issuer in Ontario and is listed and publicly traded on the Toronto Venture Exchange;

b. WeedMD had entered into an arrangement that was expected to transform their cannabis operations in a material way by significantly increasing WeedMD's annual production of cannabis (the **Expansion**);

c. the Expansion was material to WeedMD. After details of the Expansion were generally disclosed, the closing price of WeedMD's shares rose by 33% over the previous day's closing price. WeedMD filed a material change report regarding the Expansion on November 27, 2017;

d. Mr. Rosborough knew that Mr. Carr worked for WeedMD and Mr. Carr was the only person Mr. Rosborough knew to be employed by WeedMD during the Material Time;

e. during the Material Time, Mr. Carr communicated the MNPI to Mr. Rosborough and Mr. Rosborough subsequently confirmed WeedMD was set to announce the Expansion through Mr. Carr;

f. during the Material Time, Mr. Rosborough, with knowledge of the MNPI:

   i. bought 1,090 WeedMD shares in his personal account, paying $1.36 per share for a total amount of $1,492.39;

   ii. advised Client A that he had received MNPI from the head grower at WeedMD and that they needed to buy WeedMD shares before next Friday and sell Friday, and told Client A's spouse about the delayed announcement of the Expansion; and

   iii. communicated the MNPI to Client B;

g. Client B and Client A both bought WeedMD shares during the Material Time; and

h. Mr. Rosborough sold all of his WeedMD shares on November 22, 2017, after general disclosure of the Expansion, for a profit of $492.32, representing a return of approximately 33% from his insider trading of WeedMD shares.

[6] As part of the Settlement Agreement, the parties agreed to the following sanctions:

a. an eight-year ban from participating in the capital markets;

b. disgorgement of his profit of $492.32 to the Commission;

c. an administrative penalty of $35,000;

d. costs of $5,000; and

e. a reprimand of Mr. Rosborough.

[7] Mr. Rosborough agreed to pay the administrative penalty and costs, and to disgorge his profit, in the total amount of $40,492.32, in advance of the hearing. Staff confirmed that he had done so.

III. LAW AND ANALYSIS

[8] The Commission's role at a settlement hearing is to determine whether the terms of the settlement fall within a range of reasonable outcomes and whether the approval of the settlement is in the public interest.[1]

[9] The Settlement Agreement is the product of negotiations between Staff and the Respondent. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.[2]

[10] Settlements serve the public interest in resolving regulatory proceedings promptly, efficiently and with certainty. Settlements avoid the significant resources that would be incurred in a contested proceeding and promote timely statements regarding regulatory requirements and standards to all capital markets participants.

[11] I have reviewed the Settlement Agreement in detail and considered the submissions of counsel for the parties. I have also conducted a confidential settlement conference with counsel for the parties during which I reviewed the proposed settlement agreement, asked questions of counsel and heard their submissions.

[12] The breaches of Ontario securities law in this matter are serious. The Act's prohibition against insider trading aligns with two of the fundamental purposes of the Act – protecting investors from unfair, improper or fraudulent practices and

[1] *Seemann (Re)*, 2018 ONSEC 28, (2018) 41 OSCB 4550 at para 9
[2] *The Toronto-Dominion Bank (Re)*, 2019 ONSEC 29, (2019) 42 OSCB 7273 at para 6

fostering fair, efficient and competitive markets and confidence in the capital markets.[3] The prohibition exists for three principal reasons:

a. fairness requires that all investors have equal access to information about an issuer that would likely affect the market value of the issuer's securities;

b. insider trading may undermine investor confidence in the capital markets; and

c. capital markets operate efficiently on the basis of timely and full disclosure of all material information.[4]

[13] Similarly, the Act prohibits tipping as it undermines confidence in the marketplace by giving a tippee an unfair advantage.[5]

[14] Mr. Rosborough acknowledges and admits that he engaged in illegal insider trading and tipping, contrary to subsections 76(1) and 76(2) of the Act and acted contrary to the public interest.

[15] Mr. Rosborough has been granted substantial credit for cooperation for entering into the Settlement Agreement, including his undertaking to cooperate with Staff in any proceeding commenced by Staff relating to the matters covered in the Settlement Agreement or the Statement of Allegations, and to meet with Staff in advance of any such proceeding to prepare for that testimony.

[16] In arriving at my decision, I have considered the totality of the circumstances, including:

a. the seriousness of the offences; and

b. Mr. Rosborough's:

i. experience in the marketplace as a registrant with the Commission for over 11 years;

ii. previous sanctions for misconduct;

iii. agreement to pay the administrative penalty and costs and to disgorge his illegal profit, in accordance with an acceptable timetable that has all such amounts paid in full by September 15, 2021; and

iv. recognition of the seriousness of his misconduct and his remorse for his actions.

IV. CONCLUSION

[17] In my view, the terms of the Settlement Agreement fall within a range of reasonable dispositions in the circumstances and will have a significant deterrent effect on Mr. Rosborough, as well as act as a general deterrent to other like-minded persons or entities from engaging in similar misconduct.

[18] In my view, the administrative penalty, although significant relative to the amount of the illegal profit made, is appropriate in the circumstances, in particular given Mr. Rosborough's lengthy registration history and the fact that this is not the first time he has engaged in misconduct in the capital markets.

[19] An order for disgorgement is appropriate in this instance. Mr. Rosborough admits that he engaged in illegal insider trading and it is appropriate that amounts he obtained through that activity be disgorged.

[20] In my view, the administrative penalty and market access bans appropriately reflect the principles applicable to sanctions, including the importance of fostering investor protection and confidence in the capital markets, recognition of the seriousness of the misconduct and the need for specific and general deterrence of such misconduct.

[21] For these reasons, I conclude that the Settlement Agreement is in the public interest. I approve the Settlement Agreement on the terms proposed by the parties and will issue an order substantially in the form requested.

Dated at Toronto this 25th day of August, 2021.

"M. Cecilia Williams"

[3] *Securities Act*, RSO 1990, c S.5, s 1.1
[4] *Hutchinson (Re)*, 2019 ONSEC 36, (2019) 42 OSCB 8543 at para 97
[5] *Rankin (Re)*, 2008 ONSEC 6, (2008) 31 OSCB 3303 at para 26

3.1.2 Joseph Debus – s. 21.7

Citation: *Debus (Re)*, 2021 ONSEC 22
Date: 2021-08-31
File No. 2019-16

IN THE MATTER OF
JOSEPH DEBUS

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

Review:	January 27 and 28, 2021	
Decision:	August 31, 2021	
Panel:	M. Cecilia Williams	Commissioner and Chair of the Panel
Appearances:	Dalbir Kelley Mark Persaud	For Joseph Debus
	Kathryn Andrews Sally Kwon	For Staff of the Investment Industry Regulatory Organization of Canada
	Alexandra Matushenko	For Staff of the Commission

REASONS AND DECISION

I. OVERVIEW

[1] Joseph Debus is an investment advisor, previously licenced with Macquarie Private Wealth Canada and regulated by the Investment Industry Regulatory Organization of Canada (**IIROC**). Macquarie is now known as Richardson GMP Ltd. (**Richardson**).

[2] In a decision issued on March 18, 2019 (the **Merits Decision**)[1], an IIROC panel found that Mr. Debus had engaged in the following misconduct:

a. in 2009, he recommended that clients AP and DB purchase shares of MyScreen Mobile Inc. (**MyScreen**) outside of their accounts held with him, without disclosing this activity to his Dealer Member firm, contrary to IIROC Dealer Member Rule 29.1 (**Contravention 1**);

b. between August 2009 and August 2012, he effected unauthorized trades in the account of client AP, contrary to IIROC Dealer Member Rule 29.1 (**Contravention 2**);

c. between June 2009 and February 2013, he engaged in discretionary trading in client PE's account, without the account having been accepted and approved as a discretionary account, contrary to IIROC Dealer Member Rule 1300.4 (**Contravention 3**); and

d. between December 2011 and February 2013, he failed to use due diligence to ensure that recommendations made for client PE were suitable for PE, based on PE's investment objectives and risk tolerance, contrary to IIROC Dealer Member Rule 1300.1(q) (**Contravention 4**).

[3] In a subsequent decision issued on June 25, 2019 (the **Penalty Decision**)[2], the IIROC panel ordered that Mr. Debus:

a. pay the following fines:

i. $40,000 for Contravention 1;

ii. $20,000 for Contraventions 2 and 3 together; and

iii. $5,000 for Contravention 4;

b. disgorge $10,000 with respect to Contraventions 2 and 3;

c. be suspended from registration for nine months;

---

1 *Debus (Re)*, 2019 IIROC 5
2 *Debus (Re)*, 2019 IIROC 18

d. be placed under strict supervision by his Dealer Member firm for 12 months upon any re-registration with IIROC;

e. successfully rewrite and pass the Conduct and Practices Handbook examination within six months of any re-registration with IIROC; and

f. pay costs of $30,000.

[4] On April 16, 2019, Mr. Debus applied to the Ontario Securities Commission (the **Commission**) for a hearing and review (a **Review**) of the Merits Decision and the Penalty Decision.

[5] Mr. Debus seeks an order setting aside the Merits Decision and any related sanctions and costs order and substituting a decision that there is insufficient evidence to sustain any of the allegations.

[6] IIROC Staff asks that Mr. Debus's application be dismissed.

[7] For the reasons set out below, although I find the IIROC panel erred in one minor instance in its reasoning on Contravention 2, I find that Mr. Debus has not established the grounds to warrant my interference in either the Merits Decision or the Penalty Decision.

II. HISTORY OF THE PROCEEDING

[8] Mr. Debus filed his application for a Review on April 16, 2019. On August 26, 2019, I scheduled the Review for March 23 and 24, 2020.

[9] Mr. Debus subsequently received the following extensions and adjournments, resulting in the Review being scheduled for January 27 and 28, 2021:

a. at Mr. Debus's request, due to his counsel's health, on January 14, 2020, he was granted an extension for filing of his Review materials, on consent of the parties, to February 14, 2020;

b. on February 24, 2020, to accommodate my request for written submissions on Mr. Debus's request that I issue a summons to a third party for delivery of certain documents, I extended the deadline for Mr. Debus to deliver his Review materials to April 23, 2020 and adjourned the Review to May 21 and 22, 2020; and

c. at Mr. Debus's request, also for reasons related to his counsel's health:

i. on May 8, 2020 I issued an order granting an adjournment and scheduling the Review for July 29 and 30, 2020;

ii. on July 28, 2020 I granted an extension of the time for Mr. Debus to deliver reply submissions, if any, to September 22, 2020 and scheduled the Review for September 29 and 30, 2020; and

iii. on September 30, 2020, I granted the request for a further adjournment to January 27 and 28, 2021, and marked the dates as peremptory on Mr. Debus.

[10] On January 19, 2021 Mr. Debus requested a further adjournment of the Review. I heard the parties' submissions on the adjournment at the start of the Review on January 27, 2021. I declined to grant the requested adjournment, for reasons to follow. Those reasons can be found at Section III.B, below.

[11] The Review proceeded on January 27 and 28, 2021. On the last day of the Review, Mr. Debus advised that he would be bringing a motion for my recusal on the basis of a reasonable apprehension of bias against both him and his counsel, Mr. Persaud. I heard that motion on February 19, 2021. In a decision and reasons issued separately on August 31, 2021,[3] I dismissed Mr. Debus's motion.

III. PRELIMINARY MATTERS

A. Motion for a summons to a third party for production of documents

1. Background

[12] At an attendance in this proceeding on February 11, 2020, Mr. Debus requested that I issue a summons for documents from a third party, his former employer Richardson.

[13] On April 9, 2020, I advised the parties that I declined to issue the summons, for reasons to follow in the reasons and decision of the Review. These are my reasons.

[14] The issue I must decide is: are the requested documents relevant and admissible in the Review?

[15] It is important to note that Mr. Debus did not consistently identify the documents he was seeking from Richardson. Mr. Debus referred to the same set of documents in each of:

3 *Debus (Re)*, 2021 ONSEC 21

a. a letter to Richardson dated February 11, 2020 in response to my order of the same date that Mr. Debus request documents directly from Richardson; and

b. Mr. Debus's affidavit, sworn on March 1, 2020 in support of his submissions on this issue, at paragraphs 20 and 27.

[16] However, in Mr. Debus's written submissions on this issue dated March 4, 2020, at paragraph 1,[4] in addition to the documents referred to in paragraph 15 a and b, Mr. Debus also sought:

a. from Richardson:

i. any attachments and SageACT! Notes to the emails referenced in paragraph 15; and

ii. all other relevant information; and

b. an order for IIROC to provide all documents in its possession relating to this matter that were not previously provided.

[17] SageACT! is customer relationship management software used by Mr. Debus's firm to track discussions advisors have with clients regarding trades in their accounts. A SageACT! Note reflects a particular conversation an advisor had with a client. This note can be reviewed by the advisor's branch manager or compliance personnel to give approval to a trade when an advisor is under close or strict supervision.[5]

[18] For the purposes of my analysis and decision I have not included the relief sought in paragraph 16(a)(ii) and 16(b) because:

a. as a result of Mr. Debus's concerns during the IIROC merits hearing that not all of the relevant material from Richardson had been made available, the IIROC panel heard from representatives of Richardson and then ordered Richardson to produce a significant amount of additional information. To make a further, broad request for "all relevant information" in this context would have been difficult for Richardson to comply with, and would likely have resulted in significant delay and a great deal of potentially duplicate material;

b. the purpose of this motion was to determine whether it was appropriate to issue a summons to Richardson for production of further documents. Therefore, an order to IIROC to provide all documents in its possession relating to this matter that were not previously provided was outside the scope of the motion; and

c. IIROC's position was that it had made full disclosure in accordance with its obligations and the issue of whether IIROC had made full disclosure was a matter for the Review, not the motion for a summons to a third party.

[19] The documents covered by this analysis, therefore, are all emails and their attachments exchanged between the parties listed below from July 2006 to March 2013:

a. between RN and clients PE, DB and AP;

b. between RN and AB and RN and TB (both AB and TB were Mr. Debus's managers);

c. between RN and AA (both RN and AA were Mr. Debus's assistants);

d. between AA and clients PE, DB and AP;

e. between AA and AB, and between AA and TB;

f. between JI (a former colleague of Mr. Debus's at Richardson) and clients AP and DB;

g. between Mr. Debus and AA; and

h. between Mr. Debus and RN (the **Requested Documents**).

2. Legal framework for issuance of a summons

[20] Commission summonses are issued under Rule 26(1) of the Commission's *Rules of Procedure and Forms*[6] *(***Rules**), which provides that "a Panel may issue a Summons….to require a person resident in Ontario to… produce any document or thing specified in the Summons at an oral hearing".

[21] The summons power in the Rules derives from s. 12(1) of the *Statutory Powers Procedure Act (***SPPA**).[7] That section provides that a "…tribunal may require any person, including a party, by summons…to produce in evidence at an oral or electronic hearing documents and things specified by the tribunal" that are relevant and admissible.

---

[4] Written Submissions of Joseph Debus, dated March 4, 2020
[5] IIROC Hearing Transcript, Debus (Re), June 18, 2018, at 16 line 23 – 17 line 7
[6] (2019) 42 OSCB 9714
[7] RSO 1990, c S.22

[22] Both Rule 26 and s. 12(1) of the SPPA refer to the production of documents at a hearing. Case law, Commission Staff submits and I agree, confirms that a summons to produce documents prior to the hearing may be issued under s. 12(1) of the SPPA because this reduces the need for adjournments and furthers the goal of ensuring just, expeditious and cost-effective proceedings.[8]

[23] Rule 26 should be interpreted in the same way as s. 12(1) of the SPPA has been interpreted because:

a. Rule 26 is derived from s. 12(1) of the SPPA;

b. the Commission's Rules are to be interpreted with reference to s. 2 of the SPPA, which provides that a tribunal's rules are to be "liberally construed to secure the just, most expeditious and cost-effective determination" of the proceedings;

c. similarly, the objective of the Commission's Rules is "to ensure that Commission proceedings are conducted in a just, expeditious and cost-effective manner"[9];

d. the Rules permit a panel to waive any of the rules to achieve that objective[10]; and

e. allowing a summons for pre-hearing production would reduce the need for adjournments, thereby furthering the objective of just, expeditious and cost-effective Commission proceedings.

3. Analysis

(a) Are the Requested Documents relevant and admissible in a review under s. 21.7 of the Securities Act[11]?

[24] Mr. Debus submits that the Requested Documents are credible, they could not have been obtained prior to the IIROC merits hearing, they will likely be conclusive of several issues in the Review, and he will suffer grave prejudice if he is unable to refer to them in the Review.

[25] In the context of this request for a summons, Mr. Debus also made submissions about several issues about the IIROC merits hearing (e.g. breaches of natural justice and procedural fairness, an improper IIROC investigation, insufficient disclosure by IIROC and ineffective assistance by Mr. Debus's previous representative). These submissions relate more properly to the main issues in the Review. I therefore did not consider them in the context of my decision not to issue the summons.

[26] IIROC Staff's position is that the Requested Documents are not relevant. Further, IIROC Staff submits that the Requested Documents were known or ought to have been known by Mr. Debus at the time of the IIROC merits hearing and, therefore, do not meet the "new and compelling" test for the introduction of new evidence in a Review.

[27] Commission Staff's position is that:

a. I may require the party seeking a summons to demonstrate the relevance of the documents sought; and

b. the appropriate relevance threshold for an applicant in a s. 21.7 review proceeding is that the material sought is arguably "new and compelling".

[28] Commission Staff does not take a position on whether a summons should be issued but does provide some observations on Mr. Debus's submissions, several of which I refer to below.

[29] While the parties agree I have the discretion to issue a summons in this instance, they disagree about the principles that should guide the exercise of that discretion.

[30] For the reasons stated below, I find that the predominant principle that should guide my discretion is whether or not the documents are new and compelling evidence.

[31] The Commission has held that the predominant considerations in determining whether to issue a summons should be:

> … procedural fairness, and specifically whether the Applicants are being afforded an opportunity to be heard, the relevance of the evidence to be provided by the witnesses, and whether the evidence provided will be unduly repetitious.[12]

[32] I address first the issue of relevance as my analysis of that factor impacts the analysis of the other two considerations.

---

[8] *Ontario (Human Rights Commission) v Dofasco Inc.* (2001), 57 OR (3d) 693 at para 51; *Davis v Toronto (City)*, 2005 HRTO 7 at para 17; *17-007223 v Wawanesa Mutual Insurance Company*, 2018 CarswellOnt 13678 at paras 4-5

[9] *Rules*, r 1

[10] *Rules*, r 3

[11] RSO 1990, c S.5 (***Securities Act***)

[12] *Khan (Re)*, 2013 ONSEC 36, (2013) 36 OSCB 10485 (***Khan***) at para 33

[33] In the context of the issuance of a summons, the relevance threshold is "generally considered to be low".[13] The Commission has issued summonses where the anticipated evidence "appeared to be relevant to the hearing"[14] and where evidence was "arguably relevant"[15].

[34] Commission Staff submits, and IIROC Staff concurs, that relevance in the context of a Review should be interpreted with reference to the applicable legal standard for admissibility set out in *Canada Malting Co (Re)*[16].

[35] Mr. Debus accepts that *Canada Malting* is the general standard for admissibility of new evidence to be considered by a review panel. However, he argues that the general standard is not appropriate or applicable given the unique and compelling circumstances, including that he did not receive adequate disclosure at the inception of the IIROC case against him and that he continues to be precluded from obtaining the necessary disclosure to make full answer and defense. In my view, these arguments are more relevant to the substance of the Review and are not, therefore, relevant to the summons issue.

[36] An SPPA summons may be issued for documents that are "relevant to the subject-matter of the proceeding and admissible at [the Review]".[17]

[37] In a proceeding under sections 8 and 21.7 of the Act, the standard for admissibility of additional evidence is, in accordance with *Canada Malting*, that it be "new and compelling". This is the standard the Commission has consistently applied when considering what additional evidence may be presented at a Review. To require production of documentation that would not then be admissible in the Review is inconsistent with the objective of ensuring just, expeditious and cost-effective proceedings.

(b) Are the Requested Documents "new and compelling"?

[38] I find that the Requested Documents are not new and compelling.

[39] The Commission has held that evidence is "new" if, absent persuasive explanatory evidence to the contrary, it was not known to the party at the time of the self-regulatory organization's decision, and is "compelling" if it would have changed the self-regulatory organization's decision had it been known at the time of the decision.[18]

[40] The Commission, in the context of a Review, takes a restrained approach to exercising its discretion to admit new evidence, including in the question of what was "known" to a party or what the party "ought to have known".[19]

[41] In summary, Mr. Debus's argument in support of issuing a summons for the Requested Documents is that:

a. much of the communication between Mr. Debus and his managers, AB and TB, and between Mr. Debus and clients AP, DB and PE, was facilitated through his assistants, RN and AA, who often acted according to his direction and likely possessed critical evidence about Mr. Debus's alleged contraventions; and

b. JI often contacted clients on Mr. Debus's behalf and JI therefore could also have provided evidence through his emails relating to the alleged contraventions.

[42] Commission Staff observes, and I agree, that Mr. Debus does not appear to contend that the evidence in the Requested Documents was not known to him at the time of the IIROC merits hearing. I also agree with Commission Staff's observation that Mr. Debus has not provided any facts about the content of any of the Requested Documents that would support his claim of their relevance.

[43] I find that any evidence involving Mr. Debus's assistants, RN and AA, his associate, JI, and his managers, AB and TB, was known or ought to have been known to Mr. Debus prior to the commencement of the IIROC merits hearing and is not, therefore, new.

[44] Mr. Debus had intended to call RN and JI as witnesses in the IIROC merits hearing and served and filed summaries of their anticipated evidence. Neither was called as a witness during the IIROC merits hearing.

[45] Mr. Debus successfully argued that AB be summonsed to the IIROC merits hearing and then advised that he no longer wanted to call AB as a witness. AB had also participated in a lengthy cross-examination by Mr. Debus's previous lawyer in connection with a wrongful dismissal lawsuit by Mr. Debus against Richardson. The substance of AB's evidence must have been known to Mr. Debus as a result.

---

[13] *Khan* at para 32
[14] *Axcess Automation LLC (Re)*, 2012 ONSEC 34, (2012) 35 OSCB 9019 at paras 53 and 58
[15] *Khan* at para 38
[16] (1986) 9 OSCB 3565 (***Canada Malting***)
[17] *SPPA*, s 12(1)
[18] *Hahn Investment Stewards & Co (Re)*, 2009 ONSEC 41, (2009) 32 OSCB 8683 at paras 197-198
[19] *Northern Securities Inc (Re)*, 2013 ONSEC 48, (2014) 37 OSCB 161 at para 28

[46] During the IIROC merits hearing, Mr. Debus brought several successful production motions and received additional documentation from Richardson. They included emails:

a. between Mr. Debus and AB and TB involving clients AP, DB, PE, PE's corporate account, these clients' account numbers and variations of the name of the security MyScreen; and

b. between Mr. Debus and any and all of AB, TB and three named Richardson compliance personnel.

[47] The basis for the production requests was that this information was critical to Mr. Debus's ability to make full answer and defence to the allegations against him. Mr. Debus would have known or ought to have known at the time of making these requests that his assistants RN and AA and associate JI worked closely with him and dealt with his clients. The summaries of their anticipated evidence served and filed in advance of the IIROC merits hearing indicate that RN and JI worked closely with Mr. Debus's clients. However, as part of those successful production requests, Mr. Debus did not specifically seek production of the Requested Documents.

[48] From the materials provided to me for the summons issue, it is apparent that Mr. Debus was an active participant in his defence before the IIROC panel, including in the decisions about which witnesses to call. There was evidence before the IIROC panel that Mr. Debus intended to and did actually review the 19,000 emails produced by Richardson as a result of the production orders. One of the emails from that production that was discussed at the IIROC merits hearing was between assistant AA and manager AB, which is one of the categories of emails Mr. Debus asked me to summons from Richardson.

[49] No compelling explanation has been provided by Mr. Debus for why the evidence of his assistants, colleague and managers was not known to him at the time of the IIROC merits hearing. I conclude, therefore, that the Requested Documents are not "new".

[50] Having determined that the Requested Documents are not "new" there is no need to consider whether they would be "compelling".

[51] As mentioned above in paragraph 31, the other factors in determining whether to issue a summons are procedural fairness and whether the evidence in question would be unduly repetitious. Having found the Requested Documents have not met the admissibility standard of "new and compelling" there is no need to consider whether they would be unduly repetitious.

[52] With respect to procedural fairness, I agree with Commission Staff's position that fairness does not require the Commission to enable a party to obtain information that would not be admissible at a Review. Requiring Mr. Debus to meet the standard for admissibility of new evidence for a Review is consistent with procedural fairness and does not improperly limit his right to be heard.

B. Request for an Adjournment on January 19, 2021

1. Mr. Debus's Position

[53] On January 19, 2021, counsel for Mr. Debus advised that, due to the Ontario government's ongoing COVID-19 response and the potential health dangers of physical association at this time, they were not able to prepare with Mr. Debus for the scheduled Review. Counsel for Mr. Debus therefore requested that the Review be adjourned to a date two weeks following the end of the then current emergency measures.

[54] Mr. Debus acknowledges the public interest in moving forward as expeditiously as possible. However, Mr. Debus submits that the unique circumstances of this case support a delay of a few months to allow him to safely prepare for the Review.

[55] In his submission, those unique circumstances include:

a. he cannot afford new counsel;

b. his counsel has been unable to prepare for the Review because of the extreme caution required to protect Mr. Debus's and his counsel's health; and

c. Mr. Debus's lead counsel, Mr. Persaud's, health issues have worsened.

[56] As a result of these unique circumstances, Mr. Debus submits that his counsel have been unable to physically sit with him, and each other, to review the voluminous materials in this matter to pinpoint all of the evidentiary basis for their case and to properly prepare for the Review.

[57] In oral submissions, Mr. Persaud advised that the adjournment his client was seeking was actually until August 2021 to allow Mr. Persaud to receive a recommended treatment and a COVID-19 vaccine.

[58] Mr. Debus submits that not granting the requested adjournment would prevent him from having the opportunity to properly prepare for the Review. He argues that not granting the adjournment would be contrary to the public interest, as it would result in a party not being heard and would, therefore, bring the administration of justice into disrepute.

2. IIROC Staff's Position

[59] IIROC Staff's position is that Mr. Debus's request does not meet the high bar of exceptional circumstances required under Rule 29(1).

[60] IIROC Staff submits that the adjournment should not be granted because:

a. the COVID-19 pandemic is no longer an exceptional circumstance. After at least ten months of operating under COVID-19-related restrictions, virtual hearings and the preparation required to participate in such hearings should be viewed as the norm;

b. nothing material has changed since written submissions were filed by the parties in June and July 2020. Mr. Debus has had six months to prepare and four months since the matter was marked peremptory. Mr. Debus also filed no evidence in support of the adjournment request that indicates what attempts were made or what difficulties were encountered in preparing for the hearing;

c. the public interest in ensuring the Review proceeds in a timely fashion outweighs Mr. Debus's private interest in his choice of counsel and in preparing in a manner that he and his counsel might prefer; and

d. this request for a fifth adjournment continues a pattern of conduct that began at the IIROC merits hearing, which is evident in the IIROC record.

[61] IIROC Staff also raises the issue that if a further adjournment were to be granted, then I should revisit the stay of the sanctions. IIROC Staff asserts that its consent to the stay was given months ago on the understanding that the matter would proceed without delay.

3. Commission Staff's Position

[62] Commission Staff agrees with IIROC Staff that the request for an adjournment does not meet the test of exceptional circumstances.

[63] In addition, Commission Staff submits that it is in the public interest that Commission proceedings continue, as they have throughout the pandemic. Commission Staff asserts that this is consistent with the Commission's statutory mandate, which includes investor protection, fostering fair and efficient capital markets and ensuring confidence in the capital markets.

4. Analysis

[64] Rule 29(1) provides that every Commission proceeding shall proceed on the scheduled date unless the party requesting an adjournment "satisfies the Panel that there are exceptional circumstances requiring an adjournment."

[65] The issue I must decide is whether the circumstances underlying this request for an adjournment constitute exceptional circumstances justifying a delay of the Review.

[66] The Commission has ruled that the standard set out in Rule 29(1) is a "high bar"[20] that reflects the important objective set out in Rule 1, that Commission proceedings be conducted in a "just, expeditious and cost-effective manner". This objective must be balanced against parties' ability to participate meaningfully in the Review and to present their case.[21]

[67] The balancing of these objectives is necessarily fact-based and must consider the circumstances of the parties and the manner in which they have conducted themselves in the proceeding.[22]

[68] If an adjournment had been granted, it would have been the fifth time that the Review was delayed. A summary of those adjournments is set out in paragraph 9 above. When I granted the most recent adjournment on September 30, 2020, I ordered that the Review date was peremptory on Mr. Debus.

[69] All of the adjournments have been at Mr. Debus's request, with one exception: when I rescheduled the Review to allow for written submissions on the summons issue discussed in section III.A above.

[70] I recognize that the intersection of health issues, COVID-19 restrictions and appropriate health and safety measures present challenging circumstances for Mr. Debus and his counsel. However, I do not find that, in these circumstances, they meet the high bar contemplated by Rule 29(1).

[71] Mr. Debus's written submissions were served and filed in June 2020. Considerable time has elapsed since then, during which efforts could have been made to prepare for oral submissions in support of those made in writing. No evidence was submitted detailing the efforts made by Mr. Debus and his counsel to attempt to prepare and what challenges they were not able to overcome during that lengthy period.

---

20 *Pro-Financial Asset Management (Re),* 2018 ONSEC 18, (2018) 41 OSCB 3512 at para 28

21 *Money Gate Mortgage Investment Corporation (Re),* 2019 ONSEC 40, (2020) 43 OSCB 35 (***Money Gate***) at para 54

22 *Money Gate* at para 54

[72] Nor did Mr. Debus make a compelling argument about what work remains to be done to effectively prepare for the Review. He states the need to be able to physically sit with his counsel in order to review the voluminous record to pinpoint the evidentiary basis for the arguments in support of the application.

[73] The evidentiary record in this matter has not changed since IIROC provided disclosure of the IIROC record to Mr. Debus and his counsel in August and September 2019. More particularly, there have been no changes to the evidentiary record since Mr. Debus filed his written submissions in June 2020.

[74] As I noted in my May 21, 2020 reasons for the second adjournment, at the time I granted the first adjournment in January 2020, Mr. Debus had, at that time, had more than four months to prepare for the Review. There were no COVID-19 restrictions at that time and no indication of any other issue preventing Mr. Debus from preparing for the hearing. I noted then that I expected significant progress would have already been made for a Review that was, at that time, only two months away.[23]

[75] I acknowledge that Mr. Debus was seeking further documents, the subject of the summons issue, and later sought to introduce those same documents as new evidence in the Review. Had either or both those efforts been successful, the evidentiary record would have changed. As part of his new evidence motion, Mr. Debus also sought to call five witnesses to give oral evidence in the Review. As I previously indicated, had these efforts been successful Mr. Debus could have sought an adjournment to make whatever amendments were appropriate to his case.[24] However, this is not the case.

[76] As I noted in my August 18, 2020 reasons for the third adjournment, there are limits to the right of a party to be represented by their counsel of choice. The right to be represented by counsel does not include the right of a party to insist on adjournments due to the availability of counsel, where such adjournments would unreasonably delay the course of the proceedings.[25] At the time of the adjournment request it had been almost two years since IIROC issued the decisions that are the subject of this Review and almost a year since the Review was originally scheduled to be heard.

[77] Both Mr. Debus and his counsel have electronic versions of the evidentiary record. Mr. Debus advised that post-it and hand-written notes had supplemented the electronic version, which notes were not available to both Mr. Debus and his counsel. However, no explanation was provided for why Mr. Debus and his counsel could not, during the elapsed time, work virtually to review the record and any accompanying notes.

[78] While it may be beneficial to Mr. Debus to physically sit with counsel to review materials in advance of counsel making oral submissions on his behalf, this does not in my view constitute exceptional circumstances warranting a further delay of the Review until either an uncertain date two weeks following the end of COVID-19 restrictions (as originally requested) or until August 2021.

[79] For the reasons outlined above, I declined Mr. Debus's request for an adjournment of the Review.

C. Introduction of Mr. Debus's March 18, 2020 affidavit

[80] On the first day of the Review, Mr. Debus sought to introduce as evidence two affidavits he had sworn, dated March 1, 2020 and March 18, 2020, in connection with his motion for a third-party summons for documentation. My reasons for denying that motion appear in section III.A of these reasons. After discussion, Mr. Debus confirmed he was only seeking to introduce the March 1, 2020 affidavit. I did not allow the affidavit to be introduced for reasons that would follow and be included in the reasons for my decision on the Review. These are my reasons for that ruling.

[81] Mr. Debus submitted that sections of the affidavit were relevant to his argument that he had received ineffective assistance from Mr. Sabbah, the paralegal who represented him in the IIROC merits hearing. In particular, the affidavit evidence would cover Mr. Sabbah's alleged inexperience, failure to call an expert witness, failure to request critical additional evidence and inappropriate behaviour during the IIROC proceeding. Mr. Debus argued that much of the evidence on this point would have come from HP, a law student who had worked with Mr. Sabbah. However, my ruling on December 2, 2020, with reasons issued on January 18, 2021[26] denying the introduction of new evidence and witnesses, prevented Mr. Debus from leading HP's evidence.

[82] IIROC Staff and Commission Staff objected to the introduction of the affidavit as it was prepared in connection with an earlier motion and not for the purposes of the Review. They also objected on the basis that it appeared to be an attempt to introduce indirectly evidence which I had already ordered was not to be introduced in this Review.

[83] The affidavit was prepared and filed in connection with an earlier motion and not the Review itself. Therefore, I ruled that the affidavit could not be introduced as evidence in this Review.

[23] *Debus (Re),* 2020 ONSEC 13, (2020) 43 OSCB 4479 (**Debus Adjournment #1**) at para 25
[24] Debus Adjournment #1 at para 27
[25] *Debus (Re),* 2020 ONSEC 20, (2020) 43 OSCB 6577 (**Debus Adjournment #2**) at para 24
[26] *Debus (Re)*, 2021 ONSEC 1, (2021) 44 OSCB 553

IV. ISSUE AND ANALYSIS

A. Introduction

[84] I turn now to the substantive issue raised by this application. Mr. Debus applies under s. 21.7 of the Act, which provides that a person directly affected by a decision of a recognized self-regulatory organization, such as IIROC, may apply to the Commission for a review of the decision.

[85] On an application such as this, the Commission may confirm the IIROC decision or make such other decision as the Commission considers proper.[27] The Commission's review of an IIROC decision is a hearing *de novo* rather than an appeal. In other words, the Commission exercises original jurisdiction rather than a more limited appellate jurisdiction.

[86] Although the Commission need not defer to the IIROC hearing panel's decision[28], the Commission has chosen as a matter of practice to limit the circumstances under which it will substitute its own decision for that of a self-regulatory organization such as IIROC. This choice is consistent with the requirement in the Act that the Commission have regard to the fundamental principle that the Commission should "use the enforcement capability and regulatory expertise of recognized self-regulatory organizations."[29]

[87] It is well established that the Commission will interfere with a decision of a self-regulatory organization only if:

a. the hearing panel proceeded on an incorrect principle;

b. the hearing panel erred in law;

c. the hearing panel overlooked material evidence;

d. new and compelling evidence is presented to the Commission that was not presented to the hearing panel; or

e. the hearing panel's perception of the public interest conflicts with that of the Commission.[30]

[88] In his written submissions Mr. Debus submits that in reviewing IIROC's decisions I should be guided by the Supreme Court of Canada's decision in *Canada (Minister of Citizenship and Immigration) v. Vavilov*[31]. I disagree. That decision relates to the judicial review of administrative decisions. It does not apply to the Commission's review of an IIROC decision, which is governed by the statutory framework outlined above.

[89] The sole issue before me is whether Mr. Debus has established any grounds under *Canada Malting* for interfering with the Merits Decision and/or the Penalty Decision.

B. Has Mr. Debus established any grounds for intervening in the Merits Decision?

[90] Mr. Debus submits that the IIROC panel erred in law and that there is new and compelling evidence. He submits, therefore, that the *Canada Malting* standard is met in this case. My analysis below covers the alleged errors in law, which I've organized into two categories: whether the IIROC panel's alleged failure to address two alleged miscarriages of justice constituted errors in law, and the alleged errors in law related to each of the alleged contraventions of IIROC's rules. I previously considered Mr. Debus's submission that there was new and compelling evidence that had not been presented at the IIROC hearing, and in my December 2, 2020 order I ruled that the proposed witnesses and documentary evidence would not be admitted at the hearing. My reasons for that decision were issued on January 18, 2021.[32]

1. Alleged miscarriages of justice

[91] Mr. Debus submits that there has been a miscarriage of justice for two reasons: ineffective assistance by Mr. Sabbah, the paralegal who represented Mr. Debus in the IIROC proceeding; and IIROC Staff's failure to properly investigate the allegations against Mr. Debus and to provide full disclosure to Mr. Debus on a timely basis. I deal with each of these alleged miscarriages of justice in turn.

(a) Ineffective representation

[92] One of Mr. Debus's grounds for his application is that he was ineffectively represented by Mr. Sabbah at the IIROC proceeding. Mr. Debus submits that although the test for ineffective representation comes from the criminal setting, the fundamental doctrine is also applicable to a disciplinary setting such as a proceeding before an IIROC tribunal. While Mr. Debus cited three decisions of the Law Society Tribunal[33] supporting this assertion, he provided no authority to support the conclusion that the standard in criminal proceedings should also apply to IIROC proceedings, and I am not prepared

[27] *Securities Act,* ss. 21.7(2) and 8(3)
[28] *Berry (Re),* 2009 ONSEC 37, (2009) 32 OSCB 8051 at para 69, citing *Boulieris (Re),* 2004 ONSEC 1, (2004) 27 OSCB 1597 at para 29
[29] *Securities Act,* s 2.1, para 4
[30] *Canada Malting* at para 24
[31] 2019 SCC 65
[32] *Debus (Re)*, 2021 ONSEC 1, (2021) 44 OSCB 553
[33] *Law Society of Upper Canada v Rita Anne Hartmann*, 2010 ONLSAP 1; *Law Society of Upper Canada v Sriskanda*, 2015 ONLSTH 186; *Law Society of Upper Canada v Matthew Joseal Igbinosun*, 2007 ONLSAP 9

to reach that conclusion. Having said that, for the purposes of my analysis below, I have referred to decisions relating to criminal proceedings.

[93] For IIROC's decision to be set aside on the basis of ineffective assistance of counsel, if the criminal standard were to be applied, Mr. Debus must establish that counsel's acts or omissions constituted incompetence and that a miscarriage of justice occurred. The onus to establish incompetence lies with the party raising the issue. Incompetence is determined by a reasonableness standard and there is a strong presumption that counsel's conduct fell within a wide range of reasonable professional assistance.[34]

[94] Where a person chooses to be represented by an agent who is not a lawyer, they cannot argue that the conduct of the agent did not rise to the level of a competent counsel. What they must demonstrate is that the agent's conduct, perhaps combined with other events, produced a miscarriage of justice.[35]

[95] Mr. Debus submits that Mr. Sabbah failed to meet the standard of a competent paralegal as set out by the Law Society of Ontario, being one who has and applies the relevant knowledge, skills, and attributes appropriate to each matter undertaken on behalf of a client.[36]

[96] In *R v Bilinski,* the Court was "not persuaded that the [Law Society of Ontario] providing a rule defining competent paralegals is determinative or of significant assistance in determining whether a paralegal's representation in criminal courts is deficient".[37] The Court went on to say that it was unable to find that the Law Society's regulating of paralegals and/or the Rules for Paralegals results in any specific standard of representation.[38]

[97] *Bilinski* concludes that where an appellant alleges that their representation by a paralegal was deficient to the extent that a new trial is required, they must establish: (1) the facts on which the claim is based, on a balance of probabilities; and (2) that the paralegal's conduct, perhaps combined with other events, produced a miscarriage of justice.[39] If there is no miscarriage of justice, there is no need to examine the paralegal's conduct.[40]

[98] I first consider whether Mr. Debus has established, on a balance of probabilities, the facts on which he bases his claim. I find, for the reasons set out below, that Mr. Debus has not met that test.

[99] Mr. Debus submits that Mr. Sabbah was ineffective because he failed to:

a. properly address the inadequacy of IIROC Staff's investigation;

b. call the necessary witnesses to corroborate and support Mr. Debus's defence; and

c. advance various defences prior to and during the IIROC merits hearing, that were highly relevant and would likely have changed the outcome.

[100] The IIROC record shows that Mr. Sabbah, on more than one occasion, raised the inadequacy of IIROC Staff's investigation with the IIROC panel. The IIROC panel heard submissions from the parties regarding these concerns. The crux of Mr. Sabbah's concern with IIROC Staff's investigation was that Mr. Debus had not received sufficient documents to allow him to mount a full and fair defence to the allegations against him.

[101] The IIROC panel found that Richardson had initially failed to make full production of relevant material to IIROC.[41] Mr. Sabbah's requests for additional documents from Richardson, made during the course of the IIROC proceeding, were largely successful. The IIROC panel subsequently concluded that Mr. Debus had received sufficient disclosure to defend the allegations against him.[42]

[102] Mr. Sabbah also raised with the IIROC panel other questions about the nature and scope of IIROC Staff's investigation (e.g. whether IIROC Staff had investigated Richardson's close and strict supervision process and why certain Richardson personnel had not been interviewed during the investigation). The IIROC record shows that the IIROC panel heard submissions on each concern raised during the hearing and made rulings on those issues.

[103] In its decision dismissing Mr. Debus's motion for production of IIROC's investigation file, the IIROC panel states that it is its responsibility to determine if the allegations have been established and that the case before it is about those allegations and not how IIROC Staff conducted its investigation leading up to those allegations.[43] The record is clear that questions about IIROC Staff's investigation were raised by Mr. Sabbah and addressed by the IIROC panel.

[34] *R v GDB,* 2000 SCC 22 (***GDB***) at para 27
[35] *R v Romanowicz* (1999), 45 OR (3d) 506 (CA) at paras 29 and 31
[36] Law Society of Ontario, *Paralegal Rules of Conduct,* r 3.01(1) and (4)
[37] *R v Bilinski,* 2013 ONSC 2824 (***Bilinski***) at para 79
[38] *Bilinski* at para 80
[39] *Bilinski* at para 83(iv)
[40] *GDB* at para 29; *Bilinski* at para 84
[41] Merits Decision at para 13
[42] Merits Decision at para 13
[43] *Debus (Re),* 2018 IIROC 39 at para 5

[104] Regarding Mr. Sabbah's alleged failure to call the necessary witnesses to corroborate and support Mr. Debus's defence, Mr. Debus refers to paragraph 6 of the IIROC panel's decision in Debus's motion for production, which states, "[w]e also note that Mr. Sabbah has the ability to call other witnesses to give relevant information."[44] I do not agree that this comment provides any support for the conclusion that Mr. Sabbah failed to call the necessary witnesses. The IIROC panel, in this paragraph to which Mr. Debus points, is merely referring to Mr. Debus's right to call further witnesses if deemed appropriate.[45] The reference cannot be interpreted as suggesting that there were other relevant witnesses that should have been called.

[105] One of Mr. Debus's primary arguments at the IIROC merits hearing was that his managers knew about all of his trading activity, including the activity that was the subject of IIROC Staff's allegations, either because he told them or because he was under close or strict supervision, making the alleged activity impossible. Mr. Sabbah successfully requested that AB, one of Mr. Debus's managers, be summonsed to testify at the IIROC merits hearing. However, AB did not testify at the IIROC hearing. At the hearing, Mr. Sabbah clearly stated that the decision had been made not to call AB.[46]

[106] Mr. Debus had also filed summaries of anticipated evidence for his assistant RN and his colleague JI. Neither was called as a witness.

[107] There are any number of reasons why a decision may be made not to call a witness. There is insufficient information before me to conclude that the decision not to call AB, RN or JI as witnesses was the result of incompetence as opposed to a tactical choice made by Mr. Sabbah in consultation with his client during the course of the IIROC merits hearing. It is not the function of appellate courts to second-guess the tactical and strategic decisions of trial counsel.[47] This applies equally to a Commission panel reviewing the decision of a self-regulatory organization.

[108] With respect to an expert witness, Mr. Debus submits that an expert would have provided critical contextual evidence about the alleged contraventions, including the calculation of risk for suitability assessments, the industry's use of a 10% "buffer" for market factors and volatility when calculating suitability, and industry practices relating to margin calls and discretionary trading.

[109] At a pre-hearing conference on January 19, 2018, Mr. Sabbah, in the context of seeking an adjournment of the IIROC merits hearing, argued that one of the reasons for the delay was the need to consult with his client to consider extra witnesses including an expert who might testify about whether trading suitability was an issue.[48] The IIROC panel set a date for Mr. Sabbah to give notice if he was calling an expert witness. Mr. Sabbah did not call an expert witness.

[110] Mr. Debus submits that Mr. Sabbah incorrectly advised him that LC, head of compliance for Mr. Debus's current employer, could provide evidence on industry practices. The IIROC record shows that Mr. Sabbah did initially attempt to ask LC questions about industry practices. However, it was established that he was a fact witness, not an expert witness and, therefore, could not provide evidence of that nature.[49]

[111] There are many reasons why a decision could have been made not to call an expert witness. They may include the inability to identify an appropriate expert, scheduling challenges for an expert, a strategic decision that an expert is not required to establish or contradict a point at issue, and the cost of retaining an expert. The fact that an attempt was made to use LC as an expert raises the possibility that a tactical decision was made not to call an expert.

[112] The IIROC panel did state that expert evidence would have been helpful on Contravention 4, relating to the suitability of Mr. Debus's recommendations to PE.[50] However, the panel concluded that it did not need expert evidence to make its finding. The only evidence before the IIROC panel on this allegation was the calculation of risk conducted by IIROC Staff's investigator and an alternate calculation by Mr. Debus. Both calculations put the risk percentage of the portfolio in question above the client's 20% risk parameter. The IIROC panel stated that expert evidence would have been helpful in precisely quantifying the "overage" of high-risk investments. However, even in the absence of expert evidence and of evidence about Richardson's approach to risk ratings for determining suitability, the IIROC panel concluded that it had "sufficiently clear evidence to satisfy us on the balance of probabilities" that the account in question was offside its stated risk level.[51]

[113] I am unable to conclude that the failure to call an expert witness was due to Mr. Sabbah's ineffectiveness as opposed to a tactical choice made by Mr. Sabbah and Mr. Debus. Also, on the one issue where the IIROC panel felt expert evidence might have been of assistance, it was ultimately able to make conclusions based on the evidence before it.

[114] On the issue of Mr. Sabbah's alleged failure to advance various defences for Mr. Debus, Mr. Debus is incorrect when he says these defences were not advanced. They were. The IIROC record shows that Mr. Sabbah did raise in submissions

---

[44] Debus Motion for Production at para 6; Written Submissions of Joseph Debus, dated June 22, 2020 at para 51
[45] Debus Motion for Production at para 6
[46] IIROC Hearing Transcript, Debus (Re), December 11, 2018, at 132 lines 18-22
[47] *Mediatube Corp v Bell Canada*, [2018] FCJ No 679 at paras 29-34; *GDB* at para 27
[48] IIROC Hearing Transcript, Debus (Re), January 19, 2018, at 19 lines 21-24
[49] IIROC Hearing Transcript, Debus (Re), December 11, 2018, at 187 line 23 - 188 line 8
[50] Merits Decision at para 105
[51] Merits Decision at paras 105-108

and through his questioning of Mr. Debus and other witnesses throughout the IIROC merits hearing the issues of: where responsibility lies for selling shares on a margin call, a firm's role in setting risk ratings, the role of supervisors and the compliance department in overseeing suitability issues, the alleged lack of full and fair disclosure to Mr. Debus and the alleged miscarriage of justice arising from that failure. I conclude, therefore that Mr. Sabbah raised the various defences Mr. Debus submits were not advanced, and the IIROC panel appears to have considered those defences in the Merits Decision and ultimately decided not to accept them.

[115] As I have found that Mr. Debus has failed to establish, on a balance of probabilities, the facts on which his claim of ineffective representation is based, there is no need for me to consider the second arm of the *Bilinski* test, which is whether there was a miscarriage of justice. Mr. Sabbah's representation of Mr. Debus at the IIROC hearing provides no basis for me to interfere with the IIROC panel's decision.

(b) IIROC Staff's conduct

[116] I turn now to Mr. Debus's submission that IIROC Staff's conduct resulted in a miscarriage of justice, which the IIROC panel erred in law by failing to address.

[117] Mr. Debus submits that IIROC Staff's failure to conduct a proper investigation and to make full disclosure to him resulted in a miscarriage of justice. He also submits that IIROC Staff's conduct resulted in an abuse of process. For the reasons set out below, I find no miscarriage of justice or abuse of process related to IIROC Staff's investigation or disclosure. I therefore find no error in law on this ground by the IIROC panel.

[118] The subject of an investigation is not entitled to dictate the nature and scope of the investigation.[52] I agree that IIROC Staff has discretion to put forward the case it deems appropriate. I also agree with the IIROC panel that it is the hearing panel's responsibility to determine if the evidence tendered by IIROC Staff establishes the allegations.[53]

[119] IIROC Staff's disclosure obligations are akin to the disclosure standard imposed on the Crown in criminal proceedings by *R v Stinchcombe.*[54] Under the *Stinchcombe* test, IIROC Staff is obligated to disclose all relevant information in its possession where there is a reasonable possibility that the information could assist the accused in making a full answer and defence.[55] *Stinchcombe* does not stand for the proposition that a prosecutor must seek all relevant information.

[120] It is clear from the IIROC record that IIROC Staff disclosed to Mr. Debus all of the documents that it had gathered in the course of its investigation. IIROC Staff made disclosure to Mr. Debus's original counsel in 2017 and then to Mr. Sabbah in 2018.

[121] However, it is also clear that Richardson had failed to provide to IIROC Staff all of the documents in its possession that were responsive to IIROC Staff's requests for information during the investigation.

[122] The IIROC panel, after hearing significant evidence from Richardson, agreed with Mr. Debus that there was additional documentation that should be produced by Richardson. The documents ordered were delivered and a 7-volume compendium of documents, including from Richardson's additional production, was filed, and referred to in Mr. Debus's defence.

[123] The fact that the IIROC panel determined it appropriate to order production from Richardson does not equate to a failure by IIROC Staff to make disclosure to Mr. Debus. IIROC Staff's disclosure obligation is limited to relevant documents in IIROC Staff's possession. The obligation does not extend to documents that IIROC Staff might have been able to obtain but did not. The issue of there being further relevant documentation at Richardson was raised during the merits hearing by Mr. Debus and addressed by the IIROC panel.

[124] I conclude that there was nothing about IIROC Staff's investigative decisions or its disclosure to Mr. Debus that resulted in a miscarriage of justice and, therefore, the IIROC panel did not commit an error in law regarding this ground.

2. Alleged errors in law associated with each contravention of IIROC's Rules

(a) Contravention 1 – Client DB

[125] The IIROC panel found that Mr. Debus had recommended that his client, DB, purchase shares of MyScreen through an account at another firm and that Mr. Debus failed to disclose that activity to his firm. Mr. Debus submits that the panel made errors in law in arriving at that conclusion, including that the panel had insufficient evidence to make a negative credibility finding against Mr. Debus and that it gave substantial weight to witness MS's testimony. I find no error in law on the IIROC panel's part.

[126] The underpinning for the first contravention was the decision by Mr. Debus's firm to prohibit him from promoting and later dealing with shares of MyScreen, a high-risk investment. DB had acquired shares of MyScreen through Mr. Debus at his

52 *Azeff (Re)*, 2012 ONSEC 16, (2012) 35 OSCB 5159 at para 284; *Proprietary Industries Inc. (Re)*, 2005 ABASC 745 at paras 104-111
53 Merits Decision at paras 28-29
54 [1991] 3 SCR 326 (***Stinchcombe***)
55 *Stinchcombe* at para 22

firm prior to the prohibition being in place. During the prohibition, DB purchased shares of MyScreen in a dormant corporate account he maintained at Bank of Montreal Nesbitt Burns (**BMONB**).

[127] Before he moved his accounts to Mr. Debus's firm, DB held accounts at BMONB. MS was DB's advisor at BMONB. MS remained close friends with DB after he moved his accounts to Mr. Debus's firm and MS had a continuing professional relationship with members of DB's family.

[128] Mr. Debus testified that DB was keen to acquire more MyScreen shares. He did not recommend that DB buy the shares. Mr. Debus did tell DB that his firm's Compliance Department would not allow him to buy any further shares for DB. Mr. Debus also testified that DB and MS had called him and that he participated in the call to share the story about MyScreen with a fellow advisor in hopes that MS would take an interest in the stock. Mr. Debus's position at the IIROC merits hearing was that DB had relied on MS's advice to buy MyScreen in his BMONB account.

[129] DB did not testify at the IIROC hearing. MS testified that he was aware DB already held shares of MyScreen and that he had seen information about the security at DB's home. MS also testified that Mr. Debus and DB had called MS to discuss DB's purchase of MyScreen shares in DB's dormant corporate account at BMONB. On that call, according to MS, Mr. Debus asked whether MS would also like to buy some MyScreen shares but MS declined because he had conducted no due diligence on the company.

[130] In addition, MS testified that on the call with DB, Mr. Debus was enthusiastic about the investment and that he discussed quantity and price. The IIROC panel found that in the three-way call, Mr. Debus made the recommendation to DB to buy more shares of MyScreen, DB relied on Mr. Debus's recommendation, and the call included a discussion about the amount, price and method of acquisition.

[131] MS testified prior to Richardson's production of trade blotters in response to one of the IIROC panel's production orders. During his testimony MS stated that after the three-way call with DB and Mr. Debus the MyScreen shares were acquired for DB through a cross trade with Mr. Debus's firm. It was clear from the trading blotter that no cross trade took place. MS did not have an opportunity to respond to this evidence. The IIROC panel found that MS put the order on the OTC pink sheet market where it was filled in the ordinary course.

[132] The IIROC panel found that the error in MS's testimony was something the witness had been uncertain about at the time, and that it was minor and not critical to the central evidence about the telephone call with DB and Mr. Debus.[56] I find no error in law in the IIROC panel's decision to not give weight to this aspect of MS's evidence but to rely on other aspects of his evidence that it found to be credible.

[133] Mr. Debus testified that he later told his firm about DB's acquisition at BMONB in case DB subsequently wanted to move his holding into the firm. There was also evidence about a meeting in 2010 with Mr. Debus, DB and his family, and AB, during which DB complained about the significant losses he and his family had incurred in MyScreen. Mr. Debus's position was that because the loss discussed at that meeting was significantly larger than would have been possible based on DB's holdings at his firm, AB must have realized that DB held stock elsewhere. The IIROC panel disagreed and also found that even if AB had come to that realization during the 2010 meeting, it did not amount to Mr. Debus advising his managers about DB's trading in MyScreen at another firm.

[134] The IIROC panel devotes a significant portion of the Merits Decision to its assessment of Mr. Debus's credibility. It conducted that assessment in accordance with the well-established principle that credibility is tested by the consistency of the evidence with the preponderance of the probabilities presented by the case.[57]

[135] The IIROC panel chose not to accept Mr. Debus's evidence about DB's trade at BMONB or about whether he told his managers about the trade. Mr. Debus submits that the IIROC panel erred in law because IIROC Staff's investigation was flawed and the panel, therefore, had insufficient evidence on which to base its assessment of Mr. Debus's credibility. As I stated earlier, the nature and scope of IIROC Staff's investigation is at its discretion. A review of the IIROC record indicates that the IIROC panel considered all of the evidence, including Mr. Debus's testimony, and made the credibility assessments it deemed appropriate and consistent with the other evidence before it. I find no error in law regarding its decision on this issue.

(b) Contravention 1 – Client AP

[136] Mr. Debus's client AP also purchased shares of MyScreen during the period Mr. Debus was prohibited by his firm from having any dealings in MyScreen shares. AP testified at the IIROC merits hearing. Mr. Debus argues that the IIROC panel erred in law because IIROC Staff failed to produce evidence to support a finding that Mr. Debus had recommended AP buy shares of MyScreen through another firm. I disagree.

[137] The IIROC panel accepted AP's evidence that Mr. Debus had recommended he buy shares of MyScreen and advised him that he would also have to buy it elsewhere as Mr. Debus had been told by his firm that he could not buy any more

[56] Merits Decision at para 46
[57] Merits Decision at para 14

for his clients. AP bought three tranches of 50,000 MyScreen shares in his BMO Investorline account. AP's evidence was that Mr. Debus recommended the first two purchases but that AP made the third purchase on his own.

[138] AP testified that he had numerous conversations about MyScreen with Mr. Debus, including one in which Mr. Debus recommended that AP hold on to the stock as the stock's price declined. The IIROC panel found this evidence to be consistent with Mr. Debus's testimony that he counselled clients to stay in the stock irrespective of their losses because Mr. Debus had personal faith in the investment on a long-term basis. The IIROC panel found AP's evidence more consistent with the other evidence before it. Where AP's testimony was challenged on cross-examination, it withstood that challenge.

[139] AP testified that Mr. Debus told him that Mr. Debus would arrange with the MyScreen founders for shares to be available for him to purchase. Mr. Debus submits that IIROC Staff failed to provide any evidence that he had the ability to arrange a block trade of MyScreen shares for AP.

[140] In my view, this point is irrelevant. IIROC Staff's allegations make no reference to a block trade. The alleged misconduct that is the subject of the IIROC proceeding was that Mr. Debus recommended that AP buy shares of MyScreen and that he told him that the purchase had to be made at another firm. The IIROC panel accepted AP's evidence that Mr. Debus recommended the stock and that the purchase had to occur elsewhere. The evidence was that as a result, AP did buy shares of MyScreen through his BMO Investorline account on two occasions. These findings of fact by the IIROC panel are in no way undermined by AP's recollection that Mr. Debus said he could arrange a block trade, which Mr. Debus denied, and that there was no evidence at the hearing that a block trade involving Mr. Debus or his firm occurred.

(c) Contraventions 2 and 3 – Unauthorized and Discretionary Trading, Clients AP and PE

[141] The IIROC panel concluded that Mr. Debus had:

a. effected unauthorized trades in AP's account between August 2009 and August 2013, contrary to IIROC Rule 29.1; and

b. engaged in discretionary trading in PE's account between June 2009 and February 2013, contrary to IIROC Rule 1300.4.

[142] Mr. Debus submits that the IIROC panel, in coming to those conclusions, made the following errors in law:

a. accepting the uncontradicted evidence regarding trades made following the close and strict supervision protocols;

b. failing to address the important contradictory statements of PE regarding his trade in Cott Corp;

c. concluding that margin call transactions conducted by Mr. Debus's firm were unauthorized or discretionary trades conducted by Mr. Debus;

d. ignoring the fact that Richardson's refusal to provide SageACT! Notes, which Mr. Debus submits would have been exculpatory, was inconsistent with its record keeping obligations under IIROC's rules; and

e. ignoring Richardson's conduct and IIROC Staff's lack of a proper investigation.

[143] IIROC Staff submits that the IIROC panel did not make an error in law on these two allegations. The IIROC panel, IIROC Staff submits, accepted PE's and AP's evidence, the documentary evidence, and the evidence of IIROC Staff's investigator where it conflicted with Mr. Debus's evidence on this issue.

[144] With one minor exception, I find that the IIROC panel did not commit an error in law regarding Contraventions 2 and 3.

i. Close or Strict Supervision

[145] Mr. Debus's position at the IIROC merits hearing was that since he was under supervision for much of the time period for these allegations, he could not have executed trades for AP and PE without first obtaining approval from his managers. Mr. Debus also argued before the IIROC panel that he documented his discussions with AP and PE in SageACT! Notes, which he attached as screenshots to his requests for pre-approval of the trades. The IIROC panel did not accept Mr. Debus's testimony as it was inconsistent with the documentary evidence.[58]

[146] The Merits Decision details the IIROC panel's analysis of the trading conducted during the various periods of Mr. Debus's close or strict supervision.[59] Its analysis demonstrates that it did not, as Mr. Debus submits, accept uncontroverted evidence about the close and strict supervision protocols.

[58] Merits Decision at para 81
[59] Merits Decision at paras 82-89

[147] The IIROC panel concluded on the evidence that:

a. as a general matter it did not, for reasons articulated in the Merits Decision,[60] accept Mr. Debus's blanket defence of being supervised throughout his time at Macquarie;

b. AP and PE had had conversations with Mr. Debus during which they gave him discretion to trade in their accounts without their specific authorization, and were not aware that he was not entitled to exercise that discretion;

c. Mr. Debus's close supervision (February 26, 2009 to June 10, 2010) did not require him to have trades pre-approved and, consistent with that conclusion, there was no evidence of emails seeking approval or details of any client authorizations during that period, including for the 43 trades for AP and the 35 trades for PE made by Mr. Debus during that period;

d. while Mr. Debus was under his first period of strict supervision (June 11, 2010 to June 11, 2011), he was required to have trades pre-approved and there was evidence of him seeking such approval for the majority of trades during this period;

e. during the period Mr. Debus was not under any supervision (June 12, 2011 to October 26, 2011), he was not required to obtain pre-approval and there was no evidence of Mr. Debus seeking approval or receiving instructions from his clients;

f. Mr. Debus likely started making and incorporating SageACT! Notes during his second period of strict supervision; and

g. during Mr. Debus's second period of strict supervision (October 27, 2011 until he left Macquarie on March 8, 2013), there were 9 small trades for AP to satisfy margin calls and 22 trades for PE. The IIROC panel concluded that 5 of the trades for AP were unauthorized as the timing and details of the trades differed from the information Mr. Debus recorded in SageACT! Notes for those trades. It also concluded that it preferred PE's evidence that Mr. Debus had not discussed the trades with him.

ii. PE's contradictory statements

[148] In his evidence, PE testified that of the 22 of his trades at issue during Mr. Debus's second period of strict supervision, Mr. Debus only discussed one stock, Canada Lithium, with PE prior to conducting the trade. Subsequent to PE's testimony, Mr. Debus located, among further production received from Richardson, an email where PE appears to approve a purchase of Cott Corp.

[149] Mr. Debus submits that the IIROC panel made an error in law by failing to directly address this contradiction. I disagree. In the Merits Decision, the IIROC panel discusses the contradictory evidence, concluding that PE was likely in error about Cott Corp. but that it did not diminish his evidence on the other stocks in question, for which there was no similar documentary evidence.[61]

iii. AP's margin call transactions

[150] I find that the IIROC panel erred when it concluded that AP did not speak to Mr. Debus at all about most, if not all, of the 9 margin call trades in AP's account during Mr. Debus's second period of strict supervision. However, that error is not sufficient to warrant my interference with the Merits Decision.

[151] The IIROC panel recognized that by the terms of a margin account, the firm was entitled to proceed with a margin trade without the authorization of a client.[62] The panel then discussed contradictory testimony by Mr. Debus about how many of these 9 margin call trades were made by the firm or by Mr. Debus, including Mr. Debus's evidence that in some instances, despite his having spoken with the client, it was too late and the firm had sold the stock.[63] The IIROC panel then concluded that the more likely explanation is the one given by AP; *i.e.*, that AP did not speak to Mr. Debus at all about most if not all of these trades.

[152] In the evidence before the IIROC panel, on at least four occasions during this period, there were notes from Mr. Debus indicating he had spoken with AP and stock was being sold to clean up or cover margin calls, with accompanying emails to a manager seeking and obtaining approvals for the trades. In three of those instances, the trade blotter reflects the trade with a note indicating "forced contracting without approval".[64]

[153] The IIROC panel did not explain how it concluded that given Mr. Debus's firm's authority to execute margin call trades without client authorization, it was in fact Mr. Debus rather than his firm that conducted the trades. Further, there is no

[60] Merits Decision at paras 22-25 and 80-93
[61] Merits Decision at paras 92-93
[62] Merits Decision at para 88
[63] Merits Decision at para 89
[64] Exhibit 18, IIROC Staff's Compilation Brief re AP and PE, Tabs 8-11

analysis about how Mr. Debus, executing margin call trades in a client's account under the authority granted by the margin agreement, was trading without authorization.

[154] These margin trades represented only 9 of the 70 alleged unauthorized trades in AP's account during the period in question. I find that the IIROC panel's error regarding this small number of the trades at issue does not warrant my coming to a different conclusion with respect to the IIROC panel's overall conclusion regarding Contravention 2.

iv. Richardson's record-keeping

[155] Richardson's record keeping was not an issue before the IIROC panel. I therefore find no error in law in the IIROC panel not addressing that issue.

v. Richardson's and IIROC Staff's conduct

[156] I find no error in law on the IIROC panel's part regarding Richardson's conduct or IIROC Staff's investigation. In the Merits Decision, the IIROC panel clearly states that initially, Richardson did not make full production of the relevant material to IIROC Staff.[65] The IIROC panel, in response to Mr. Debus's motion for production, heard significant evidence from Richardson and ordered further production. The IIROC panel concluded that Mr. Debus received sufficient disclosure to defend the allegations against him.[66] I addressed IIROC Staff's investigation in paragraphs 116-124 above.

(d) Contravention 4 – Suitability

[157] Mr. Debus submits that the IIROC panel erred in law by finding that he had failed to ensure his recommendations for PE were suitable because the IIROC panel:

a. failed to recognize it is the dealer member firm, not IIROC, that decides if a suitability issue has arisen in a client account;

b. had no evidence from IIROC Staff of any concerns PE might have had about suitability, any suitability inquiries about PE's account from the firm's compliance department or any restrictions on PE's account for suitability purposes;

c. made its decision without dealing with IIROC Staff's failure to address whether the firm had internal software controls related to suitability;

d. failed to hear expert evidence about industry or firm suitability standards; and

e. failed to consider the evidence that Mr. Debus was required to obtain management approval for every client trade and to send confirming emails to all clients the day after each trade.

[158] IIROC Staff submits that whether Richardson questioned the suitability of these trades or holdings in PE's account is irrelevant; advisors have an independent obligation to ensure their recommendations to clients are suitable. Also, IIROC Staff submits that the sufficiency of Richardson's supervision was not an issue before the IIROC panel. IIROC Staff further submits that the fact that PE did not complain about the trades in question does not determine suitability. Lastly, IIROC Staff submits that the IIROC panel determined it had sufficiently clear evidence to satisfy itself on the balance of probabilities that PE's account contained more than 20% high risk investments, contrary to the account's agreed risk allocation, without the need for expert evidence.

[159] I find no error in law with respect to the IIROC panel's decision on Contravention 4. I addressed the issue of expert evidence in paragraphs 108-113 above. Mr. Debus acknowledged that he had an independent obligation with respect to the suitability of trades in his clients' accounts.[67] The appropriateness of Richardson's supervisory systems was not before the IIROC panel. The fact that during different periods Mr. Debus was required to obtain approvals for trades and that clients were to be sent emails after every trade does not detract from Mr. Debus's obligation to ensure that his recommendations to PE were within PE's stated risk parameters and therefore suitable.

C. Has Mr. Debus established any grounds for intervening in the Penalty Decision?

[160] Mr. Debus submits that the sanctions imposed by the IIROC panel were grossly excessive, were overly punitive and should be set aside. In addition, Mr. Debus submits that he was under firm-imposed close and strict supervision for an extended period of time, that he never breached any dealer rules, protocols or procedures and that he had never been found liable for any offence. In these circumstances, Mr. Debus argues, the Penalty Decision is excessive and improper.

[161] In support of his submission that the Penalty Decision should be set aside, Mr. Debus cites two cases: *Chappell v. Midland Doherty Ltd.*[68] and *Ontario Securities Commission v. Tiffin*[69]. In my view, neither of these cases is relevant.

[65] Merits Decision at para 13
[66] Merits Decision at para 13
[67] Merits Decision at paras 24 and 96
[68] (1987) 10 OSCB 4000
[69] 2020 ONCA 217

[162] In *Chappell,* the Commission accepted the terms of settlement agreements between the Commission and Chappell, and the Commission and the dealer employing Chappell, for various regulatory breaches, including Chappell's discretionary trading and the dealer firm's failure to supervise. The Commission noted that while Staff had previously tended to take enforcement action against the particular individuals who had breached securities law, a greater focus on the conduct of the dealer employers is appropriate. Unlike the situation in *Chappell*, the conduct of the firm employing Mr. Debus was not the subject of the IIROC merits hearing and is not properly before me for the purpose of this Review.

[163] In *Tiffin,* the Ontario Court of Appeal found that a six-month custodial sentence for three offences under section 122(1) of the *Securities Act*, while not an error in law, was demonstrably unfit. A nine-month suspension from the industry is not, in my view, equivalent to a six-month custodial sentence. As I indicate below, I do not find the Penalty Decision to be demonstrably unfit.

[164] IIROC Staff submits that the sanctions were appropriate and that Mr. Debus fails to identify any error that would warrant my interfering with the Penalty Decision.

[165] I agree. The IIROC panel lays out in the Penalty Decision its analysis of the evidence, including mitigating and aggravating factors, and case law supporting each of its conclusions. Similarly, the IIROC panel lays out its analysis for determining that a suspension is appropriate, based on the guidelines, evidence and case law, and its rationale for ordering a nine-month suspension rather than twelve months, as IIROC Staff had requested.

[166] Although I find the IIROC panel erred with respect to its finding relating to 9 of the 70 unauthorized trades in AP's account, this is a small number of trades for relatively small amounts. It does not, in my view, warrant my intervention to modify the sanction for that contravention or the disgorgement order.

V. CONCLUSION

[167] For the above reasons, I find no justification to interfere with the Merits Decision or the Penalty Decision. Mr. Debus's application is dismissed.

Dated at Toronto this 31st day of August, 2021.

"M. Cecilia Williams"

3.1.3 Joseph Debus

Citation: *Debus (Re)*, 2021 ONSEC 21
Date: 2021-08-31
File No. 2019-16

IN THE MATTER OF
JOSEPH DEBUS

REASONS AND DECISION ON A MOTION

Hearing:	February 19, 2021	
Decision:	August 31, 2021	
Panel:	M. Cecilia Williams	Commissioner and Chair of the Panel
Appearances:	Dalbir Kelley Mark Persaud	For Joseph Debus
	Kathryn Andrews Sally Kwon	For Staff of the Investment Industry Regulatory Organization of Canada
	Linda Fuerst Alexandra Matushenko	For Staff of the Commission

REASONS AND DECISION

I. OVERVIEW

[1] On April 16, 2019, Joseph Debus applied for a hearing and review (the **Hearing**) of the Investment Industry Regulatory Organization of Canada (**IIROC**) merits decision[1] and sanctions decision[2] against him. After a number of extensions of filing deadlines and adjournments, I heard Mr. Debus's application on January 27 and 28, 2021.

[2] Prior to the end of the Hearing on January 28, 2021, Mr. Debus advised that he would be bringing a motion for my recusal on the basis of a reasonable apprehension of bias against both him and his counsel, Mr. Persaud.

[3] Mr. Debus seeks an order:

a. requiring me to recuse myself from continued participation in the Hearing; and

b. striking the panel that presided over the Hearing (*i.e.*, me alone) and remitting the matter back for a new hearing and review before a different panel.

[4] I heard the motion on February 19, 2021.

[5] Having applied the test for establishing reasonable apprehension of bias, I conclude that the issues raised by Mr. Debus do not give rise to a reasonable apprehension of bias on my part, as against either Mr. Debus or Mr. Persaud.

II. ISSUE AND ANALYSIS

A. Introduction

[6] The issue I need to decide is whether Mr. Debus has established that my conduct during this proceeding demonstrates an actual bias or a reasonable apprehension of bias against him or Mr. Persaud.

B. Legal framework and test for establishing a reasonable apprehension of bias

[7] Before I analyze that issue, I must address the legal framework and the test for establishing a reasonable apprehension of bias.

[8] It is well established that "the judge being asked to disqualify himself on the basis of reasonable apprehension of bias and prejudgement is the judge who hears the disqualification motion".[3] Therefore, it is appropriate that I hear this motion.

---

[1] *Debus (Re),* 2019 IIROC 5
[2] *Debus (Re),* 2019 IIROC 18
[3] *Khan (Re),* 2014 ONSEC 3, (2014) 37 OSCB 1035 (***Khan***) at para 13, citing *Authorson (Litigation Guardian of) v Canada (Attorney General),* [2002] OJ No 2050

[9] The burden of demonstrating actual or perceived bias lies with the party alleging bias.[4] The threshold for establishing actual bias or a reasonable apprehension of bias is high.[5] Commissioners are presumed to act "fairly and impartially in discharging their adjudicative responsibilities" and this presumption will stand unless there is any evidence to the contrary.[6]

[10] The applicable test for determining a reasonable apprehension of bias is:

> "…the apprehension of bias must be a reasonable one, held by reasonable and right minded persons, applying themselves to the question and obtaining thereon the required information…[The] test is 'what would an informed person, viewing the matter realistically and practically – and having thought the matter through – conclude. Would he think that it is more likely than not that [the decision-maker], whether consciously or unconsciously, would not decide fairly'."[7]

[11] Throughout these reasons, when I refer to "bias" I am referring to both a "reasonable apprehension of bias" and actual bias, unless I specify otherwise.

[12] The inquiry into bias is fact-specific[8] and the issues raised in support of the recusal motion must be construed in the context of the entire proceeding.[9]

C. Has Mr. Debus met the burden for establishing that my conduct during this proceeding demonstrates bias?

1. Introduction

[13] I have grouped the evidence that Mr. Debus submits supports his bias allegation into the following categories:

a. the manner in which I conducted this proceeding: including when reasons for my decisions were reserved, my decision not to allow new evidence at the Hearing, and by allegedly precluding Mr. Persaud from fairly presenting Mr. Debus's case at the Hearing;

b. my attitude towards Mr. Persaud's health issues: including my references to Mr. Persaud's health in reasons for decisions, my handling of the January 19, 2021 adjournment request, my alleged failure to accommodate Mr. Persaud, my alleged "attack" on Mr. Persaud during the Hearing and the timing of my order related to a motion for destruction of copies of a medical note relating to Mr. Persaud's health filed in support of Mr. Debus's third adjournment request; and

c. my alleged partiality towards IIROC Staff and OSC Staff: including by failing to conspicuously address IIROC Staff's and OSC Staff's allegedly improper and unprofessional conduct with respect to Mr. Persaud's health, allegedly failing to maintain my impartial adjudicative function, and condoning OSC Staff's abdication of its proper role in the Hearing.

[14] OSC Staff submits that the motion should be dismissed because:

a. Mr. Debus has failed to discharge his burden of establishing either actual or perceived bias on my part;

b. certain of Mr. Debus's factual assertions are incorrect; and

c. a reasonable, informed person considering the entire record of the proceedings would reasonably conclude that I discharged my adjudicative duties fully, fairly, and impartially.

[15] IIROC Staff submits that:

a. Mr. Debus has failed to demonstrate actual bias or meet the high threshold for finding a reasonable apprehension of bias;

b. steps undertaken by me to control the Hearing, ask questions for clarification purposes, and issue rulings unfavourable to Mr. Debus do not constitute bias against Mr. Debus or Mr. Persaud; and

---

(Div Ct) at para 1

4 *R v S (RD),* [1997] 3 SCR 484 (***RDS***) at para 114

5 *Khan* at para 27

6 *Khan* at para 28, citing *Norshield Asset Management (Canada) Ltd. (Re),* 2009 ONSEC 4, (2009) 32 OSCB 1249 at para 64

7 *Committee for Justice & Liberty v Canada (National Energy Board),* [1978] 1 SCR 369 at 394

8 *Yukon Francophone School Board, Education Area #23 v Yukon (Attorney General),* 2015 SCC 25 (***Yukon***) at para 26

9 *RDS* at paras 114 and 141

c. the proper route for disagreements with any rulings made during these proceedings is through an appeal.

[16] I will now address in turn each of the three categories described above.

2. The manner in which I conducted the proceeding

(a) Error in law relating to reserving reasons for decisions

[17] Mr. Debus submits that I consistently issued decisions with reasons to follow on his motions while issuing reasons with my decisions on motions by IIROC Staff or OSC Staff. That submission is factually inaccurate.

[18] During this proceeding I have issued decisions with reasons to follow on two of six applications brought by Mr. Debus. The first was my decision, issued on April 9, 2020, not to issue a summons for documents from a third party. The second was my decision not to grant Mr. Debus's fifth adjournment request, which I heard orally on January 27, 2021.

[19] I issued reasons with my decisions for two of Mr. Debus's requests for adjournment and extension of filing times, and granted two other requests, one for an extension of filing times and the other for an adjournment, orally with no reasons.

[20] IIROC Staff and OSC Staff filed one joint motion in this proceeding, objecting to Mr. Debus's intention to adduce new evidence at the Hearing. I issued my decision on December 2, 2020, and my reasons for that decision on January 18, 2021.[10]

[21] Mr. Debus did not articulate any reason why my alleged course of conduct in issuing decisions with reasons to follow created an apparent lack of impartiality. Regardless, the record of this proceeding does not reflect any such course of conduct.

(b) Improper refusal to allow evidence that was not before the IIROC panel

[22] Mr. Debus submits that I improperly failed to allow new evidence at the Hearing that had not been before the IIROC panel, including with respect to his application to call an expert witness.

[23] On October 10, 2020, Mr. Debus confirmed his intention to introduce new evidence at the Hearing. I had asked for this confirmation because the new evidence Mr. Debus had originally indicated he would introduce included the documents for which I had declined to issue a summons in my April 9, 2020 decision.

[24] IIROC Staff and OSC Staff objected to the introduction of the new evidence. The motion to consider whether the new evidence could be introduced was heard in writing.

[25] A hearing and review pursuant to s. 8(2) of the *Securities Act*[11] is a hearing *"de novo",* rather than an appeal. In other words, the Commission exercises original jurisdiction rather than a more limited appellate jurisdiction.[12] Unless a party establishes that it would be appropriate to introduce new evidence, the evidence before the panel in such a hearing is the record of the original proceeding buttressed by the parties' written and oral submissions.

[26] The Commission has taken a restrained approach in exercising its discretion to allow new evidence to be introduced.[13]

[27] While the Commission need not defer to an IIROC panel's decision, the Commission has chosen as a matter of practice to limit the circumstances under which it will substitute its own decision for that of a self-regulatory organization such as IIROC. The Commission has stated that it will only interfere with a decision of a self-regulatory organization in certain circumstances, one of which is where "new and compelling evidence was presented to the Commission that was not presented to the [self-regulatory organization]".[14]

[28] It follows that any new evidence admitted on an application for hearing and review must be "new and compelling."[15]

[29] On December 2, 2020, I ordered that Mr. Debus could neither examine his five proposed witnesses nor adduce additional documentary evidence. My reasons for the decision were issued on January 18, 2021.

[30] Mr. Debus submits that I erroneously placed the burden on him "in an apparent haste to deny [him] procedural fairness". I did, orally at the September 30, 2020 attendance where this point was discussed with the parties, order that Mr. Debus

---

[10] *Debus (Re),* 2021 ONSEC 1, (2021) 44 OSCB 553
[11] RSO 1990, c S.5
[12] *Rudensky (Re),* 2019 ONSEC 24, (2019) 42 OSCB 6141 at para 29, citing *Boulieris (Re)*, 2004 ONSEC 1, (2004) 27 OSCB 1597 at paras 29-30, aff'd 2005 CanLII 16629 (ON SCDC), [2005] OJ No 1984 (Div Ct) and *Vitug (Re)*, 2010 ONSEC 7, (2010) 33 OSCB 3965 at para 43, aff'd 2010 ONSC 4464 (Div Ct)
[13] *Northern Securities Inc. (Re),* 2013 ONSEC 48, (2014) 37 OSCB 161 (***Northern Securities***) at para 28
[14] *Canada Malting Co. (Re),* (1986) 9 OSCB 3565 at para 24
[15] *Northern Securities* at para 30

bring a motion to introduce new evidence. However, my oral comments were clarified the next day, when I issued a written order reflecting the attendance and requiring only that Mr. Debus advise the Registrar and the parties of his intentions about any new evidence. Mr. Debus suffered no prejudice from any inconsistency between my oral comments and the written order.

[31] My subsequent decision not to allow the introduction of new evidence was made on the basis of whether Mr. Debus had met the established test. Disagreement with the findings made against the interests of a party is not evidence of a reasonable apprehension of bias. The appropriate forum for addressing any concerns with that decision is an appeal.

[32] With respect to the denial of a request for an expert witness, the record of the proceeding reflects that Mr. Debus did not formalize his intention to introduce an expert witness. I made no ruling on that issue.

(c) Allegedly precluding Mr. Persaud from fairly presenting Mr. Debus's case

[33] Mr. Debus submits that I prevented his counsel Mr. Persaud from fairly presenting his case by interrupting and deciding how Mr. Persaud should proceed.

[34] One of the Commission's important objectives is that proceedings be conducted in a just, expeditious, and cost-effective manner.[16] At the outset of the Hearing I advised the parties that I had read their written submissions and that there was no need to repeat them. During the course of the Hearing I advised Mr. Persaud that there was no need to read into the transcript information that was already part of the original record of proceedings. I also indicated when I felt Mr. Persaud had addressed a point and he should move on to other issues. In addition, I asked Mr. Persaud questions to clarify his written and oral submissions.

[35] The transcripts of the Hearing indicate that I was mindful of the time available, two days having been scheduled for the Hearing, and the need to ensure that there was sufficient time for all of the parties to make oral submissions, including time for Mr. Persaud's reply submissions, if any. This was consistent with my obligation to ensure a just and expeditious hearing for all of the parties.

[36] The case Mr. Debus cites for the premise that questioning by a trier of fact can form the basis of a reasonable apprehension of bias, *Brouillard v The Queen*[17]*,* is distinguishable. That case involved a judge questioning a witness, and the manner and content of the questioning raised bias concerns. This is not the case here. My questions were appropriately directed to counsel in an effort to clarify his written and oral submissions.

3. My attitude towards Mr. Persaud's health

(a) References to Mr. Persaud's health in reasons granting adjournments

[37] Mr. Debus submits that on two occasions, when giving reasons for my decisions to grant his adjournment requests, I made gratuitous references to Mr. Persaud's health.

[38] The first occasion relates to reasons issued on May 21, 2020[18], for my decision on May 8, 2020, to grant an adjournment. At the commencement of the Hearing on January 27, 2021, Mr. Debus brought to my attention an error in my May 2020 reasons, in which I referred to Mr. Persaud's "personal and health" concerns. Later on January 27, 2021, after reviewing those reasons and the material in support, I advised that the inclusion of "and" was a typographical error and would be corrected. The Notice of Correction was issued on February 8, 2021. The error cannot reasonably be interpreted as demonstrating bias, a conclusion that is supported by the fact that Mr. Debus did not raise the concern when the reasons were issued.

[39] The second occasion relates to my August 18, 2020 reasons granting Mr. Debus's third request for an adjournment.[19] In those reasons, I balanced Mr. Persaud's right to privacy with Mr. Debus's obligation, imposed by the Commission's Rules, to establish that the high bar set in Rule 29(1) of "exceptional circumstances" warranting a further adjournment had been met.

[40] The two previous adjournments had been granted due to Mr. Persaud's unspecified health issues. In support of the third motion to adjourn, Mr. Debus filed a medical note with the Tribunal, which provided specificity that had not previously been communicated. As I explained in my reasons, the medical note was a significant factor in my determining that the test for an adjournment had been met.

---

[16] *Ontario Securities Commission Rules of Procedure and Forms,* (2019) 42 OSCB 9714, r 1
[17] [1985] 1 SCR 39 (***Brouillard***)
[18] *Debus (Re),* 2020 ONSEC 13, (2020) 43 OSCB 4479
[19] *Debus (Re),* 2020 ONSEC 20, (2020) 43 OSCB 6577

[41] In striving to achieve the appropriate balance I marked the medical note as confidential under Rule 22(4) of the Commission's *Rules of Procedure and Forms* and subsection 2(2) of the *Tribunal Adjudicative Records Act, 2019*[20]. I did so without having been asked. I included in my reasons only those details from the note that were necessary to support my conclusion that the standard of "exceptional circumstances" had been met. This balancing was in no way gratuitous or disrespectful to Mr. Persaud.

(b) Handling Mr. Debus's January 19, 2021, request for an adjournment in a manner that disregarded Mr. Persaud's health concerns

[42] Mr. Debus advised on January 19, 2021, just over a week before the Hearing was to begin, that he was seeking a further adjournment of the Hearing. I informed the parties the following day, through the Registrar, that I would hear oral submissions regarding the request at the start of the Hearing on January 27, 2021. Mr. Debus did not ask at the time that his request for an adjournment be dealt with in a different manner. He now says my refusal to deal with the adjournment motion prior to the hearing date disregarded Mr. Persaud's medical difficulties and that proceeding with the adjournment motion and the Hearing on January 27 put Mr. Persaud, his associate Mr. Kelley, and Mr. Debus at risk as they had to participate in the Hearing together by videoconference from Mr. Persaud's offices.

[43] The fact that previous requests for adjournment had been heard in writing did not guarantee that future adjournment requests would be dealt with in the same way. Commission panels have the discretion to manage their process as they deem appropriate to achieve the objective of conducting a proceeding in a just, expeditious and cost-effective manner. Commission panels have, where appropriate in the circumstances, heard a request for an adjournment at the start of a hearing and proceeded with the hearing if the request was denied.[21]

[44] Hearing oral submissions regarding the adjournment request at the start of the Hearing was not inconsistent with Commission practice and does not give rise to a reasonable apprehension of bias.

[45] Mr. Debus had known, since the September 30, 2020 attendance in this matter, that the Hearing dates were peremptory on him. He also knew, from reasons issued on earlier adjournment requests, that the bar for granting an adjournment is high and that one's choice of counsel is not absolute. Mr. Debus had full opportunity on January 27, 2021, to make submissions about whether a further adjournment was warranted in the circumstances. My reasons for the decision denying the request for an adjournment can be found at section III.B of the Hearing Reasons and Decision.[22]

[46] The adjournment request, and the Hearing that immediately followed, were held by videoconference, so that all parties could attend in a manner consistent with public health measures. There was no requirement that Mr. Debus, Mr. Persaud and Mr. Kelley be physically together in Mr. Persaud's office for the adjournment request or Hearing. That decision was their choice.

[47] Mr. Debus has failed to establish that the manner in which his adjournment request was heard could reasonably be seen to demonstrate bias. The fact that an adjudicator has ruled against a party or that a party disagrees with a finding of an adjudicator does not constitute bias. The appropriate forum for any disagreement with my decision is an appeal.

(c) Alleged failure to accommodate Mr. Persaud

[48] Mr. Debus submits that I failed or refused to accommodate Mr. Persaud in any way despite being aware of his serious health issues. That is factually inaccurate.

[49] During this proceeding Mr. Debus has been granted four extensions of dates for the filing of various materials and four adjournments of the Hearing date, all in some way related to Mr. Persaud's lack of availability for health-related reasons.

[50] In response to Mr. Debus's September 2020 adjournment request due to Mr. Persaud's health issues, I raised for Mr. Debus's consideration whether proceeding with the Hearing in writing would accommodate those concerns. Mr. Debus responded that an oral hearing was required.

[51] During the Hearing on January 27 and 28, 2021, I provided accommodations to Mr. Persaud, including:

a. agreeing on January 27 that Mr. Persaud attend the Hearing by audio only;

b. delaying the start of the Hearing on January 28 to accommodate Mr. Persaud's arrival; and

c. recessing for an hour on January 28 to provide Mr. Persaud with an opportunity to prepare oral reply submissions.

---

[20] SO 2019, c 7, Sched 60

[21] See, *e.g.*, *Money Gate Mortgage Investment Corporation (Re),* 2019 ONSEC 40, (2020) 43 OSCB 35

[22] *Debus (Re),* 2021 ONSEC 22

[52] Mr. Persaud was accommodated on multiple occasions. Mr. Debus's dissatisfaction with my decisions is insufficient to give rise to a reasonable apprehension of bias.

(d) Alleged "attack" on Mr. Persaud in an angry tone

[53] Mr. Debus submits that I "attacked" Mr. Persaud by speaking to him in an angry tone about his not looking at his camera on two occasions during the Hearing.

[54] The transcript of January 27, 2021 shows that I advised Mr. Persaud he was turned away from the camera in case he was not aware of the fact. I told him that it was "quite all right" and that I was not "reading anything into it", merely bringing it to his attention.[23]

[55] Later that same day, I advised Mr. Persaud again, in case he was not aware, that he had his back to the camera and it was "making it…a little hard to hear". In this instance, I also told Mr. Persaud that "it's quite all right".[24]

[56] There have been circumstances where, in addition to other factors, a judge's sarcastic remarks when questioning a witness[25] or disparaging and disrespectful remarks to counsel,[26] were found on appeal to rise to the level of reasonable apprehension of bias.

[57] There is nothing in either exchange above that Mr. Debus cites in support of this ground for his motion that reflects any such behaviour on my part. I disagree with Mr. Debus's submission on this point.

(e) Timing of the order for the destruction of copies of the medical note

[58] At the start of the Hearing on January 27, 2021, Mr. Debus brought a motion for an order directing IIROC Staff and OSC Staff to destroy copies of the medical note. I reserved my decision until I had had an opportunity to consider the parties' submissions on the motion.

[59] Mr. Debus says that the timing of my decision showed bias as it was only after the motion for my recusal that I addressed this serious issue. I disagree.

[60] I made my decision to grant the order during the course of the Hearing and had planned to communicate it prior to the Hearing's close. Mr. Debus advised of his intention to bring this recusal motion at the end of the Hearing but before I was able to communicate my decision about the medical note. Rather than leave this sensitive matter outstanding, I told the parties of my decision before the completion of the Hearing. There is nothing inherently insensitive about my decision to leave communication of a decision on a preliminary motion to the end of a two-day hearing, and my decision was not impacted in any way by the bringing of the bias motion by Mr. Debus.

4. My alleged partiality towards IIROC Staff and OSC Staff

(a) Failure to conspicuously address allegedly improper and unprofessional conduct by IIROC Staff and OSC Staff toward Mr. Persaud

[61] In response to Mr. Debus's fourth adjournment request in September 2020, I asked IIROC Staff and OSC Staff for submissions. In response, they filed a joint submission dated September 24, 2020, opposing the request. In addition to outlining the test for granting an adjournment and referring to previous extensions and adjournments granted, IIROC Staff and OSC Staff submitted that, in the absence of evidence in the form of a medical note as had been provided for the previous adjournment, the Hearing should proceed.

[62] In my July 28, 2020 order granting the preceding adjournment, I placed significance on the medical note, which had for the first time provided some specificity to support the conclusion that there were exceptional circumstances warranting a third adjournment. Given those reasons, a submission from IIROC Staff and OSC Staff that similar evidence supporting the existence of exceptional circumstances was required was neither surprising nor unprofessional. Nor was there anything in the language of the submission that suggested a callous or disrespectful attitude to Mr. Persaud, let alone one that warranted my intervention.

[63] On October 2, 2020, Mr. Debus wrote to IIROC Staff and OSC Staff and asked that they destroy their copies of the medical note. IIROC Staff and OSC Staff refused, and instead suggested that Mr. Debus provide a redacted copy of the medical note.

[23] Hearing Transcript, Debus (Re), January 27, 2021 at 30
[24] Hearing Transcript, Debus (Re), January 27, 2021 at 95
[25] *Brouillard*
[26] *Yukon*

[64] Mr. Debus now says that IIROC Staff and OSC Staff were unprofessional in their response, that I should have commented to that effect, and that my failure to do so suggests bias.

[65] I was not privy to this communication among the parties at the time. It is therefore irrelevant to the question of whether my conduct at the Hearing gave rise to a reasonable apprehension of bias. Accordingly, it is unnecessary, and would be inappropriate, for me to express a view as to the professionalism of the communication among the parties.

(b) Alleged failure to maintain my impartial adjudicative function

[66] Mr. Debus submits that I failed to maintain my impartial adjudicative function, which supports a conclusion of a reasonable apprehension of bias against him and Mr. Persaud. The two instances Mr. Debus cites in support of this submission are: my characterization of Mr. Persaud's statements during the Hearing about IIROC Staff's and OSC Staff's conduct, including as they relate to IIROC Staff's use of the term "agent", as "bald assertions"; and my statement that I did not agree with Mr. Persaud's characterization of IIROC Staff's submission about revisiting the stay of the IIROC sanctions decision as a "threat" against Mr. Debus.

[67] During IIROC Staff's oral submissions on the second day of the Hearing, Mr. Persaud interjected to object to IIROC Staff's use of the term "agent" when referring to the paralegal who had acted for Mr. Debus during the IIROC hearing. Mr. Persaud stated that the term was incorrect and IIROC Staff should be directed not to use it. Mr. Persaud also stated that IIROC Staff was intentionally identifying the representative as an "agent" rather than a paralegal in a disingenuous attempt to apply certain jurisprudence and to mislead the panel. Mr. Persaud said he was "pointing out a pattern of conduct by counsel that should be dealt with, and they should be called on the carpet, because my client continues to have to deal with improper conduct by counsel".[27]

[68] I reminded Mr. Persaud that IIROC Staff was making submissions, that it was entitled to make submissions as he had done the preceding day, and that he would have a full opportunity to respond in his reply submissions. I asked that he hold any response to IIROC Staff's submission until his reply submissions.[28]

[69] I then stated that Mr. Persaud "[had], on a number of occasions, made some bald assertions about improper conduct by counsel"[29] and I asked that he either particularize those allegations so that counsel could respond or desist in making the comments.[30]

[70] During the Hearing, Mr. Persaud made numerous statements that IIROC Staff and/or OSC Staff had engaged in misconduct or were in violation of their professional obligations.[31] An attempt by OSC Staff on January 27, 2021 to obtain particulars from Mr. Persaud about OSC Staff's alleged breach of their professional responsibilities did not elicit any specific details from Mr. Persaud.

[71] The term "bald" is used frequently by courts and other adjudicative bodies to describe the nature of assertions or allegations. It is a convenient and concise term that does not by itself reasonably support the conclusion that it carries a pejorative connotation.

[72] As an adjudicator I have an obligation to ensure that proceedings before me are conducted in a fair and orderly manner. My comments to Mr. Persaud were made in that context. It was appropriate to request that any allegations of improper conduct be specified so they could be properly addressed.

[73] As for IIROC Staff's use of the term "agent", IIROC Staff submits that it was not deceptive, deliberately misleading, or disingenuous and that its use of the term neither had implications for the Hearing nor any effect on me. "Agent", IIROC Staff submits, is one of two categories of persons identified in IIROC's Consolidated Rules who may represent a party in an IIROC proceeding.[32] IIROC Staff also submits that it made numerous references to Mr. Debus's representative being a paralegal.[33] In addition, IIROC Staff submits that I was unaffected by IIROC Staff's use of the term as I noted at the end of its oral submissions that the only new issue to be addressed by Mr. Debus in reply submissions was "with respect to the issue of a panel's obligation regarding a paralegal."[34] I find that, pursuant to IIROC's Rules, the use of the term agent is appropriate when describing a licensed paralegal.

---

[27] Hearing Transcript, Debus (Re), January 28, 2021 at 21 line 24 – 22 line 6 and at 22 lines 16-20
[28] Hearing Transcript, Debus (Re), January 28, 2021 at 23 lines 1-4 and lines 15-18
[29] Hearing Transcript, Debus (Re), January 28, 2021 at 23 lines 4-5
[30] Hearing Transcript, Debus (Re), January 28, 2021 at 23 lines 10-15
[31] Hearing Transcript, Debus (Re), January 27, 2021 at 14-16, 20-22, 51, 96, 98-101, and 107-108
[32] *IIROC Consolidated Enforcement, Examination and Approval Rules*, r 8203(6), 8402 "oral hearing", 8405(1), (3)-(8), 8406(3)-(4), (9), 8416(2), 8420(3), 8423(1) and (8)
[33] Hearing Transcript, Debus (Re), January 28, 2021 at 17 lines 6-8 and 16-18, at 18 lines 5-6 and 9-13, and at 24 lines 13-17
[34] Hearing Transcript, Debus (Re), January 28, 2021 at 45 lines 10-12

[74] I now turn to my comment that I did not agree with Mr. Persaud's characterization that it was a "threat" for IIROC Staff to submit that consideration be given to lifting the stay on the sanctions imposed on Mr. Debus.

[75] I ordered the stay of the sanctions at an appearance in this proceeding on August 21, 2019. At that appearance, IIROC Staff did not object to the stay on the understanding that the Hearing would proceed without delay.[35] IIROC Staff's submission that consideration should be given to whether the stay should be lifted came approximately 17 months later, in response to Mr. Debus's fifth adjournment request.

[76] In the circumstances, IIROC Staff's submission was neither surprising nor inappropriate and was not, in my view, communicated as a threat to Mr. Debus. Whether the stay of the sanctions levied by the IIROC panel over a year earlier should have remained in effect was a legitimate issue to consider when addressing a request for a further adjournment.

[77] It is possible that an objective observer might consider either or both of my statements above as an indication of momentary impatience. Even if that were the case, it would not give rise to a reasonable apprehension of bias. As the Court of Appeal for Ontario has held, "[i]t takes much more than a demonstration of judicial impatience with counsel or even downright rudeness to dispel the strong presumption of impartiality."[36]

(c) Condoning OSC Staff's abdication of its role

[78] Mr. Debus submits that OSC Staff abdicated its proper role in the Hearing by acting as co-counsel to IIROC Staff and making joint submissions, instead of providing independent legal advice to the Panel. Mr. Debus submits that this was improper and that I improperly condoned the conduct.

[79] This submission is founded upon a fundamental misunderstanding of OSC Staff's role. OSC Staff does not advise the tribunal. OSC Staff is a party in a hearing and review proceeding.[37] The panel has its own counsel, who are completely independent of OSC Staff.

[80] There was nothing improper about OSC Staff's conduct during the Hearing. OSC Staff was free to make whatever submissions it chose to during the hearing, including joint submissions where appropriate in the interest of efficiency.

III. CONCLUSION

[81] For the above reasons, I find that there is no reasonable basis for an apprehension of bias. The motion is dismissed.

Dated at Toronto this 31st day of August, 2021.

"M. Cecilia Williams"

[35] Hearing Transcript, Debus (Re), August 21, 2019 at 6 lines 16-28
[36] *Kelly v Palazzo,* 2008 ONCA 82 at para 21
[37] *TD Securities Inc. (Re),* 2013 ONSEC 29, (2013) 36 OSCB 7492 at para 7

3.2 Director's Decisions

3.2.1 John Alojz Kodric

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

AND

IN THE MATTER OF
AN APPLICATION FOR REGISTRATION OF
JOHN ALOJZ KODRIC

DECISION OF THE DIRECTOR

1. John Alojz Kodric ("**Kodric**") applied for reactivation of registration as a dealing representative in the category of mutual fund dealer under the *Securities Act*, R.S.O. 1990, c. S.5 (the "**Act**") with Wealthforce Inc. (**Wealthforce**) (the "**Application**").

2. Kodric was previously registered as a dealing representative in the same category from 1998 to 2014. He subsequently applied for reactivation of registration, and his registration was refused after an opportunity to be heard before the Director. The reasons for the refusal of his registration are set out in the Director's decision dated September 22, 2015 (the "**2015 Director's Decision**").

3. While the Director refused Kodric's registration, she also found that should Kodric decide to apply for reactivation of registration after a period of at least twelve months from the date of the 2015 Director's Decision, Kodric may be suitable for registration subject to:

   (a) Terms and conditions (including strict supervision by his sponsoring firm and prohibiting the use of leverage);

   (b) Kodric demonstrating remorse for the misconduct set out in the 2015 Director's Decision; and

   (c) Kodric demonstrating that he has taken courses to better understand his obligations as a registrant.

4. From June 23, 2020 to July 23, 2020, Kodric was registered as a dealing representative in the category of investment dealer with Foster & Associates Financial Services Inc. Kodric's registration was granted by the Investment Industry Regulatory Organization of Canada subject to terms and conditions, including that Kodric was to be placed under strict supervision and was not to engage in leverage activities, including the use of margin accounts.

5. After completing its review of the Application, Staff sent a letter to Kodric on August 13, 2021, informing him that Staff had recommended to the Director that his registration be granted subject to terms and conditions ("**Terms and Conditions**"), consistent with condition (a) in the 2015 Director's Decision. The Terms and Conditions, which are set out in Schedule "A", require Wealthforce to strictly supervise Kodric's trading activities, and prohibit Kodric from recommending that any client borrow money to invest in securities, or otherwise recommend a leveraging investment strategy.

6. Staff also informed Kodric that in Staff's view, he had satisfied conditions (b) and (c) in the 2015 Director's Decision.

7. Staff's letter of August 13, 2021 informed Kodric of his right to an opportunity to be heard by the Director before a decision was made regarding Staff's recommendation, in accordance with s. 31 of the Act. Kodric did not request an opportunity to be heard and accepted the Terms and Conditions on August 13, 2021. Accordingly, Kodric's registration in Ontario was reactivated effective August 16, 2021, subject to the Terms and Conditions.

"Jeff Scanlon"
Manager
Compliance and Registrant Regulation

August 20, 2021

Schedule "A"

Terms and Conditions for Registration of John Alojz Kodric

The registration of John Alojz Kodric (the **Registrant**) as a dealing representative in the category of mutual fund dealer is subject to the terms and conditions set out below. These terms and conditions were imposed by the Director pursuant to subsection 27(3) of the *Securities Act* (Ontario).

Strict Supervision

1. The Registrant is subject to strict supervision.

   Monthly Strict Supervision Reports (in the form specified in Schedule B to CSA Staff Notice 31-349 *Change to Standard Form Reports for Close Supervision and Strict Supervision Terms and Conditions*) are to be completed on the Registrant's sales activities and dealings with clients. The supervision reports are to be retained by the sponsoring firm and must be made available for review upon request or as required by the Strict Supervision Report.

Prohibition on leverage

2. The Registrant may not recommend that any client borrow money to invest in securities, or otherwise recommend a leveraging investment strategy.

These terms and conditions of registration constitute Ontario securities law, and a failure by the Registrant to comply with these terms and conditions may result in further regulatory action against the Registrant, including a suspension of his registration.

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
Petroteq Energy Inc.	August 6, 2021	August 24, 2021

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
Rapid Dose Therapeutics Corp.	June 29, 2021	August 26, 2021

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
Akumin Inc.	August 20, 2021	
Agrios Global Holdings Ltd.	September 17, 2020	
New Wave Holdings Corp.	August 3, 2021	
Reservoir Capital Corp.	May 5, 2021	
Rapid Dose Therapeutics Corp.	June 29, 2021	August 26, 2021

This page intentionally left blank

Chapter 5

Rules and Policies

5.1.1 National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions

NATIONAL INSTRUMENT 94-102
DERIVATIVES: CUSTOMER CLEARING AND PROTECTION OF CUSTOMER COLLATERAL AND POSITIONS

PART 1
DEFINITIONS, INTERPRETATION AND APPLICATION

Definitions and interpretation

1. (1) In this Instrument

"Canadian financial institution" has the meaning ascribed to it in National Instrument 45-106 *Prospectus Exemptions*;

"cleared derivative" means a derivative that is, directly or indirectly, submitted to and cleared by a clearing agency; "clearing intermediary" means a direct intermediary or an indirect intermediary;

"customer" means a counterparty to a cleared derivative other than a clearing intermediary or a regulated clearing agency;

"customer collateral" means all cash, securities and other property if any of the following apply:

(a) the cash, securities or other property is received or held by a clearing intermediary or regulated clearing agency from, for or on behalf of a customer, and is intended to or does margin, guarantee, secure, settle or adjust a cleared derivative of the customer;

(b) the cash, securities or other property is posted on behalf of a customer by a clearing intermediary to satisfy the margin requirements arising from the customer's cleared derivatives;

"direct intermediary" means a person or company that

(a) with respect to a cleared derivative, is a participant of the regulated clearing agency at which the cleared derivative is cleared,

(b) directly provides clearing services for a customer in respect of a cleared derivative entered into by, for or on behalf of the customer, and

(c) requires, receives or holds collateral from, for or on behalf of the customer in providing clearing services;

"excess margin" means customer collateral in respect of a customer's cleared derivatives that

(a) is delivered to a regulated clearing agency or clearing intermediary from, for or on behalf of the customer, and

(b) has a value in excess of the amount required by the regulated clearing agency to clear and settle the cleared derivatives of the customer;

"indirect intermediary" means a person or company that

(a) indirectly provides clearing services for a customer in respect of a cleared derivative entered into by, for or on behalf of the customer, and

(b) requires, receives or holds collateral from, for or on behalf of the customer in providing clearing services;

"initial margin" means, in relation to a regulated clearing agency's margin system that manages credit exposures to its participants, collateral that is required by the regulated clearing agency to cover potential changes in the value of a customer's cleared derivatives over an appropriate close-out period in the event of a default;

"local customer" means a customer that, in respect of a local jurisdiction, is any of the following:

(a) an individual who is resident in the local jurisdiction;

(b) a person or company, other than an individual, to which any of the following apply:

(i) the person or company is organized under the laws of the local jurisdiction;

(ii) the head office of the person or company is in the local jurisdiction;

(iii) the principal place of business of the person or company is in the local jurisdiction;

"participant" means a person or company that has entered into an agreement with a regulated clearing agency to access the services of the regulated clearing agency and is bound by the regulated clearing agency's rules and procedures;

"permitted depository" means a person or company that is any of the following:

(a) a Canadian financial institution or Schedule III bank;

(b) a regulated clearing agency;

(c) the central bank of Canada or of a permitted jurisdiction;

(d) in Québec, a person recognized or exempt from recognition as a central securities depository under the *Securities Act* (Québec);

(e) a person or company

(i) whose head office or principal place of business is in a permitted jurisdiction,

(ii) that is a banking institution or trust company of a permitted jurisdiction, and

(iii) that has shareholders' equity, as reported in its most recent audited financial statements, of not less than the equivalent of $100 000 000;

(f) with respect to customer collateral that it receives from a customer or a clearing intermediary for which it provides clearing services, a registered investment dealer as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

(g) with respect to customer collateral that it receives from a customer or a clearing intermediary for which it provides clearing services, a prudentially regulated entity

(i) whose head office or principal place of business is located outside of Canada, and

(ii) that is subject to and in compliance with the laws of a permitted jurisdiction relating to clearing services and the requiring, receiving and holding of customer collateral;

"permitted investment" means cash or a security or other financial instrument with minimal market and credit risk that is capable of being liquidated rapidly with minimal adverse price effect;

"permitted jurisdiction" means a foreign jurisdiction that is any of the following:

(a) a country where the head office or principal place of business of a Schedule III bank is located, and a political subdivision of that country;

(b) if a customer has provided express written consent to the clearing intermediary or the regulated clearing agency clearing a cleared derivative in a foreign currency, the country of origin of the foreign currency used to denominate the rights and obligations under the cleared derivative entered into by, for or on behalf of the customer, and a political subdivision of that country;

"position" means the economic interest of a counterparty in an outstanding cleared derivative at a point in time;

"prudentially regulated entity" means a person or company that is subject to and in compliance with the laws of a foreign jurisdiction that is a permitted jurisdiction under paragraph (a) of the definition of "permitted jurisdiction", relating to minimum capital requirements, financial soundness and risk management;

"qualifying central counterparty" means a person or company to which all of the following apply:

(a) it is recognized, exempt from recognition or otherwise registered or authorized to operate as a central counterparty in a jurisdiction of Canada or a foreign jurisdiction by a government or regulatory authority;

(b) it is subject to regulation that is consistent with the *Principles for market infrastructures* published by the Bank for International Settlements' Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions in April 2012, as amended from time to time;

"regulated clearing agency" means

(a) in British Columbia, Manitoba and Ontario, a person or company recognized or exempt from recognition as a clearing agency in the local jurisdiction, and

(b) in Alberta, Newfoundland and Labrador, New Brunswick, the Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon, a person or company recognized or exempt from recognition as a clearing agency or clearing house pursuant to the securities legislation of any jurisdiction of Canada;

"Schedule III bank" means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada); "segregate" means to separately hold or separately account for a customer's positions or customer collateral.

(2) In this Instrument, a person or company is an affiliated entity of another person or company if one of them controls the other or each of them is controlled by the same person or company.

(3) In this Instrument, a person or company (the first party) is considered to control another person or company (the second party) if any of the following apply:

(a) the first party beneficially owns or directly or indirectly exercises control or direction over securities of the second party carrying votes which, if exercised, would entitle the first party to elect a majority of the directors of the second party, unless the first party holds the voting securities only to secure an obligation;

(b) the second party is a partnership, other than a limited partnership, and the first party holds more than 50% of the interests of the partnership;

(c) the second party is a limited partnership and the general partner of the limited partnership is the first party;

(d) the second party is a trust and the trustee of the trust is the first party.

(4) In this Instrument, in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan and Yukon, "derivative" means a "specified derivative" as defined in Multilateral Instrument 91-101 *Derivatives: Product Determination*.

Application

2. (1) This Instrument does not apply to any of the following:

(a) a regulated clearing agency whose head office or principal place of business is in a foreign jurisdiction except with respect to a cleared derivative entered into by, for or on behalf of a local customer;

(b) a clearing intermediary that provides clearing services except with respect to a cleared derivative entered into by, for or on behalf of a local customer.

(2) This Instrument applies to

(a) in Manitoba,

(i) a derivative other than a contract or instrument that, for any purpose, is prescribed by any of sections 2, 4 and 5 of Manitoba Securities Commission Rule 91-506 *Derivatives: Product Determination* not to be a derivative, and

(ii) a derivative that is otherwise a security and that, for any purpose, is prescribed by section 3 of Manitoba Securities Commission Rule 91-506 *Derivatives: Product Determination* not to be a security,

(b) in Ontario,

(i) a derivative other than a contract or instrument that, for any purpose, is prescribed by any of sections 2, 4 and 5 of Ontario Securities Commission Rule 91-506 *Derivatives: Product Determination* not to be a derivative, and

(ii) a derivative that is otherwise a security and that, for any purpose, is prescribed by section 3 of Ontario Securities Commission Rule 91-506 *Derivatives: Product Determination* not to be a security, and

(c) in Québec, a derivative specified in section 1.2 of *Regulation 91-506 respecting derivatives determination*, other than a contract or instrument specified in section 2 of that regulation.

In each other local jurisdiction, this Instrument applies to a derivative as defined in subsection 1(4) of this Instrument. This text box does not form part of this Instrument and has no official status.

(3) Despite subsection (2), this Instrument does not apply to an option on a security.

(4) In British Columbia, Newfoundland and Labrador, the Northwest Territories, Nunavut, Prince Edward Island and Yukon, subsection (3) does not apply to a security that is a derivative as defined in subsection 1(4).

PART 2
TREATMENT OF CUSTOMER COLLATERAL BY A CLEARING INTERMEDIARY

Segregation of customer collateral – clearing intermediary

3. (1) A clearing intermediary must segregate a customer's positions and customer collateral from the positions and property of other persons or companies including the positions and property of the clearing intermediary.

(2) A clearing intermediary must segregate the positions and customer collateral of a customer of an indirect intermediary from the positions and property of the indirect intermediary.

Holding of customer collateral – clearing intermediary

4. A clearing intermediary must hold all customer collateral

(a) in one or more accounts at a permitted depository that are clearly identified as holding customer collateral, and

(b) in separate accounts from the property of all persons who are not customers.

Excess margin – clearing intermediary

5. A clearing intermediary must at least once each business day identify and record the value of excess margin it holds that is attributable to each customer for which the clearing intermediary provides clearing services.

Use of customer collateral – clearing intermediary

6. (1) A clearing intermediary must not use or permit the use of customer collateral except in accordance with this section and sections 7 and 8.

(2) A clearing intermediary must not use or permit the use of customer collateral of a customer except to do any of the following:

(a) margin, guarantee, secure, settle or adjust a cleared derivative of the customer;

(b) with respect to excess margin, guarantee, secure or extend the credit of the customer.

(3) Other than with respect to excess margin used in accordance with paragraph (2)(b), a clearing intermediary must not create or permit to exist any lien or other encumbrance on a cleared derivative of a customer or customer collateral in respect of the cleared derivative unless the lien or other encumbrance secures an obligation resulting from the cleared derivative in favour of any of the following:

(a) the customer;

(b) the regulated clearing agency or clearing intermediary responsible for clearing the cleared derivative.

Investment of customer collateral – clearing intermediary

7. (1) A clearing intermediary must not invest customer collateral or enter into an agreement for resale or repurchase of customer collateral except in accordance with subsections (2) and (3).

(2) A clearing intermediary may

(a) invest customer collateral in a permitted investment, and

(b) enter into an agreement for resale or repurchase of customer collateral if all of the following apply:

(i) the agreement is for the resale or repurchase of a permitted investment;

(ii) the agreement is in writing;

(iii) the term of the agreement is no more than one business day, or reversal of the transaction is possible on demand;

(iv) written confirmation specifying the terms of the agreement is delivered by the counterparty to the agreement to the clearing intermediary immediately on entering into the agreement;

(v) the agreement is not entered into with an affiliated entity of the clearing intermediary.

(3) A loss resulting from an investment or use of a customer's customer collateral in accordance with subsection (1) or subsection (2) by the clearing intermediary must be borne by the clearing intermediary making the investment and not by the customer.

Use of customer collateral – indirect intermediary default

8. (1) A clearing intermediary must not use customer collateral of a customer of an indirect intermediary for which the clearing intermediary provides clearing services to satisfy an obligation of the indirect intermediary.

(2) Despite subsection (1), a clearing intermediary may use the customer collateral of a customer to fully or partially satisfy an obligation of an indirect intermediary that arises or is accelerated as a consequence of the indirect intermediary's default only if the obligation is attributable to a cleared derivative of the customer.

Acting as a clearing intermediary

9. (1) A person or company must not act as a clearing intermediary for a customer unless the person or company is any of the following:

(a) a person or company that is subject to and is in compliance with the laws of a jurisdiction of Canada relating to minimum capital requirements, financial soundness and risk management;

(b) a person or company that is registered as a dealer under securities legislation in a local jurisdiction;

(c) a person or company that is

(i) a prudentially regulated entity, and

(ii) subject to and in compliance with the laws of a permitted jurisdiction relating to clearing services and the requiring, receiving and holding of customer collateral.

(2) A clearing intermediary must not provide clearing services for a customer unless the clearing services are provided in respect of derivatives that are cleared by a regulated clearing agency.

Risk management – clearing intermediary

10. A clearing intermediary that provides or proposes to provide clearing services for an indirect intermediary must adopt and implement rules, policies or procedures reasonably designed to

(a) identify, monitor and reasonably mitigate material risks arising from the provision of clearing services, and

(b) manage a default of the indirect intermediary.

Risk management – indirect intermediary

11. (1) An indirect intermediary must establish and implement rules, policies or procedures reasonably designed to identify, monitor and reasonably mitigate the material risks to the clearing intermediary or its customers arising from the provision of indirect clearing services for a customer.

(2) An indirect intermediary that receives clearing services from a clearing intermediary must provide the clearing intermediary with all information reasonably required to identify, monitor and reasonably mitigate any material risks arising from the provision of indirect clearing services for customers.

PART 3
RECORDKEEPING BY A CLEARING INTERMEDIARY

Retention of records – clearing intermediary

12. (1) A clearing intermediary must keep a record required under this Part and Part 4, and all supporting documentation,

(a) in a readily accessible and safe location and in a durable form,

(b) in the case of a record or supporting documentation that relates to a cleared derivative, for a period of 7 years following the date on which the cleared derivative expires or is terminated, and

(c) in any other case, for a period of 7 years following the date on which a customer's last cleared derivative that is cleared for or on behalf of the customer through the clearing intermediary expires or is terminated.

(2) Despite subsection (1), in Manitoba, with respect to a customer or clearing intermediary located in Manitoba, the time period applicable to records and supporting documentation kept pursuant to subsection (1) is 8 years.

Daily records – clearing intermediary

13. (1) A clearing intermediary that receives customer collateral must calculate and record all of the following at least once each business day in its records:

(a) for each customer, the amount of customer collateral it requires from, for or on behalf of the customer;

(b) the total amount of customer collateral it requires from, for or on behalf of all customers.

(2) For each indirect intermediary that a clearing intermediary provides clearing services for, the clearing intermediary must calculate and record all of the following at least once each business day in its records:

(a) the amount of customer collateral it requires from, for or on behalf of each customer of each indirect intermediary;

(b) the total amount of customer collateral it requires from, for or on behalf of all customers of each indirect intermediary.

(3) For each customer, a clearing intermediary must record all of the following in its records:

(a) each permitted depository at which it holds customer collateral of the customer;

(b) calculated at least once each business day, the current value of any customer collateral received from, for or on behalf of the customer, including all of the following:

(i) any accruals on the customer collateral creditable to the customer;

(ii) any gains or losses in respect of the customer collateral;

(iii) any charges accruing to the customer;

(iv) any distributions or transfers of the customer collateral.

Daily records – direct intermediary

14. For each customer, a direct intermediary must record all of the following at least once each business day in its records:

(a) the total amount of customer collateral required for the cleared derivatives of the customer by each regulated clearing agency;

(b) the total amount of the customer's excess margin held by the direct intermediary.

Daily records – indirect intermediary

15. For each customer, an indirect intermediary must record all of the following at least once each business day in its records:

(a) the total amount of collateral required for the cleared derivatives of the customer by each clearing intermediary through which the indirect intermediary clears;

(b) the sum of the amounts for the customer referred to in paragraph (a);

(c) the total amount of the customer's excess margin held by the indirect intermediary.

Identifying records – direct intermediary

16. A direct intermediary must keep records that, at any time, enable it to identify all of the following in its own accounts and in the accounts held with each regulated clearing agency through which it provides clearing services:

(a) the positions and property of the direct intermediary;

(b) the positions and value of customer collateral held for or on behalf of each of the direct intermediary's customers.

Identifying records – indirect intermediary

17. An indirect intermediary must keep records that, at any time, enable it to identify all of the following in its own accounts and in the accounts held with each clearing intermediary through which it provides clearing services:

(a) the positions and property of the indirect intermediary;

(b) the positions and value of customer collateral held for or on behalf of each of the indirect intermediary's customers.

Identifying records – multiple clearing intermediaries

18. A clearing intermediary that provides clearing services in respect of a cleared derivative for an indirect intermediary must keep records that, at any time, enable it and each of its indirect intermediaries to identify all of the following in the accounts held with the clearing intermediary:

(a) the positions and property of the indirect intermediary;

(b) the positions and value of customer collateral held for or on behalf of the indirect intermediary's customers.

Records of investment of customer collateral – clearing intermediary

19. A clearing intermediary that invests customer collateral must keep records of all of the following with respect to each investment of customer collateral:

(a) the date of the investment;

(b) the name of each person or company through which the investment was made;

(c) a daily market valuation of the investment, including any unrealized gain or loss on the investment and related supporting documentation;

(d) a description of each asset or instrument in which the investment was made;

(e) the identity of each permitted depository where each asset or instrument in which the investment was made is deposited;

(f) the date on which the investment was liquidated or otherwise disposed of and the realized gain or loss;

(g) the name of each person or company liquidating or disposing of the investment.

Records of currency conversion – clearing intermediary

20. A clearing intermediary must keep a record of each conversion of customer collateral from one currency to another.

PART 4
REPORTING AND DISCLOSURE BY A CLEARING INTERMEDIARY

Clearing intermediary delivery of disclosure by regulated clearing agency

21. (1) Before receiving the first cleared derivative from, for or on behalf of a customer, a clearing intermediary must provide the customer, or an indirect intermediary for which it provides clearing services, with all of the following:

(a) the written disclosure provided under subsection 41(1) by each regulated clearing agency the direct intermediary uses to clear a cleared derivative for the customer or indirect intermediary;

(b) the investment guidelines and policy provided under subsection 45(1) by each regulated clearing agency that invests customer collateral attributable to the customer.

(2) After accepting the first cleared derivative from, for or on behalf of a customer, each time that the clearing intermediary receives written disclosure in accordance with subsection 41(2) or subsection 45(2) from a regulated clearing agency that invests customer collateral attributable to the customer, the clearing intermediary must provide the written disclosure to the customer, or indirect clearing intermediary for which it provides clearing services, within a reasonable period of time.

Disclosure to customer by clearing intermediary

22. (1) Before receiving the first cleared derivative from, for or on behalf of a customer, a clearing intermediary must provide written disclosure to the customer describing the treatment of customer collateral not held at a regulated clearing agency, including the impact of relevant bankruptcy and insolvency laws, in the event of a default by the clearing intermediary.

(2) After accepting the first cleared derivative from, for or on behalf of a customer of, each time there is a change to the written disclosure referred to in subsection (1), the clearing intermediary must provide written disclosure to the customer, within a reasonable period of time, describing the change.

Disclosure to customer by indirect intermediary

23. (1) Before receiving the first cleared derivative from, for or on behalf of a customer, an indirect intermediary must provide written disclosure to the customer including a description of all of the following:

(a) the material risks associated with receiving clearing services through an indirect intermediary;

(b) the rules, policies or procedures for transferring positions and customer collateral to another clearing intermediary or liquidating positions and customer collateral, in the event of the indirect intermediary's default.

(2) After accepting the first cleared derivative from, for or on behalf of a customer of, each time there is a change to the rules, policies or procedures referred to in paragraph (1)(b), the indirect intermediary must provide written disclosure to the customer, within a reasonable period of time, describing the change.

Customer information – clearing intermediary

24. (1) A direct intermediary must provide all of the following to a regulated clearing agency:

(a) before submitting to the regulated clearing agency the first cleared derivative for or on behalf of a customer of the direct intermediary, or of an indirect intermediary for which the direct intermediary provides clearing services, information sufficient to identify the customer and the customer's positions and customer collateral;

(b) at least once each business day after providing the information referred to in paragraph (a), information that identifies the customer's positions and the current value of the customer's customer collateral.

(2) An indirect intermediary must provide all of the following to a clearing intermediary through which it provides clearing services:

(a) before submitting to the clearing intermediary the first cleared derivative for or on behalf of a customer, information sufficient to identify the customer and the customer's positions and customer collateral;

(b) at least once each business day after providing the information referred to in paragraph (a), information that identifies the customer's positions and the current value of the customer's customer collateral.

Customer collateral report – regulatory

25. (1) A direct intermediary that receives customer collateral must electronically deliver to the regulator or securities regulatory authority, within 10 business days of the end of each calendar month, a completed Form 94-102F1 *Customer Collateral Report: Direct Intermediary*.

(2) An indirect intermediary that receives customer collateral must electronically deliver to the regulator or securities regulatory authority, within 10 business days of the end of each calendar month, a completed Form 94-102F2 *Customer Collateral Report: Indirect Intermediary*.

Customer collateral report – customer

26. (1) A clearing intermediary must make available to each customer from, for or on behalf of whom it receives customer collateral, a report, calculated and available on a daily basis, setting out all of the following:

(a) the current value of each position of the customer;

(b) the current value of customer collateral received from, for or on behalf of the customer that is held by the clearing intermediary or at a permitted depository;

(c) the current value of the customer collateral received from, for or on behalf of the customer that is posted with any of the following:

(i) a regulated clearing agency;

(ii) another clearing intermediary.

(2) A clearing intermediary must make available to each indirect intermediary from which it receives customer collateral a report, calculated and available on a daily basis, setting out all of the following:

(a) the current value of each position of each customer of the indirect intermediary;

(b) the current value of customer collateral received from the indirect intermediary for or on behalf of each customer of the indirect intermediary that is held by the clearing intermediary or at a permitted depository;

(c) the current value of the customer collateral received from the indirect intermediary for or on behalf of each customer of the indirect intermediary that is posted with any of the following:

(i) a regulated clearing agency;

(ii) another clearing intermediary.

Disclosure of investment of customer collateral

27. (1) Before receiving the first cleared derivative from, for or on behalf of a customer, a clearing intermediary that invests customer collateral must disclose in writing its investment guidelines and policy directly to the customer, or, if applicable, to the indirect intermediary that is providing clearing services to the customer.

(2) A clearing intermediary that invests customer collateral must within a reasonable period of time disclose in writing any change to the investment guidelines and policy referred to in subsection (1) directly to the customer or, if applicable, to the indirect intermediary that is providing clearing services to the customer.

PART 5
TREATMENT OF CUSTOMER COLLATERAL BY A REGULATED CLEARING AGENCY

Collection of initial margin

28. A regulated clearing agency must collect initial margin for each customer on a gross basis.

Segregation of customer collateral – regulated clearing agency

29. A regulated clearing agency must segregate a customer's positions and customer collateral from the positions and property of other persons or companies including the positions and property of the regulated clearing agency.

Holding of customer collateral – regulated clearing agency

30. A regulated clearing agency must hold all customer collateral

(a) in one or more accounts at a permitted depository that are clearly identified as holding customer collateral, and

(b) in separate accounts from all other property that is not customer collateral.

Excess margin – regulated clearing agency

31. A regulated clearing agency must at least once each business day identify and record the value of excess margin it holds for or on behalf of the customers of each clearing intermediary.

Use of customer collateral – regulated clearing agency

32. (1) A regulated clearing agency must not use or permit the use of customer collateral except in accordance with this section and sections 33 and 34.

(2) A regulated clearing agency must not use or permit the use of customer collateral of a customer except to do any of the following:

(a) margin, guarantee, secure, settle or adjust a cleared derivative of the customer;

(b) with respect to excess margin, guarantee, secure or extend the credit of the customer.

(3) Other than with respect to excess margin used in accordance with paragraph (2)(b), a regulated clearing agency must not create or permit to exist any lien or other encumbrance on a cleared derivative of a customer or customer collateral in respect of the cleared derivative unless the lien or other encumbrance secures an obligation resulting from the cleared derivative in favour of any of the following:

(a) the customer;

(b) the regulated clearing agency or a clearing intermediary responsible for clearing the cleared derivative.

Investment of customer collateral – regulated clearing agency

33. (1) A regulated clearing agency must not invest customer collateral or enter into an agreement for resale or repurchase of customer collateral except in accordance with subsections (2) and (3).

(2) A regulated clearing agency may

(a) invest customer collateral in a permitted investment, and

(b) enter into an agreement for resale or repurchase of customer collateral if all of the following apply:

(i) the agreement is for resale or repurchase of a permitted investment;

(ii) the agreement is in writing;

(iii) the term of the agreement is no more than one business day, or reversal of the transaction is possible on demand;

(iv) written confirmation specifying the terms of the agreement is delivered by the counterparty to the agreement to the regulated clearing agency immediately on entering into the agreement;

(v) the agreement is not entered into with an affiliated entity of the regulated clearing agency.

(3) A loss resulting from an investment or use of a customer's customer collateral in accordance with subsection (1) or subsection (2) by the regulated clearing agency must be borne by the regulated clearing agency making the investment or by a clearing intermediary that is a participant of the regulated clearing agency and not by any customer.

Use of customer collateral – clearing intermediary default

34. (1) A regulated clearing agency must not use customer collateral to satisfy an obligation of a clearing intermediary to which the regulated clearing agency provides clearing services.

(2) Despite subsection (1), a regulated clearing agency may use the customer collateral of a customer to fully or partially satisfy an obligation of a clearing intermediary that arises or is accelerated as a consequence of the clearing intermediary's default only if the obligation is attributable to a cleared derivative of the customer.

Risk management – NI 24-102 applies

35. Part 3 of National Instrument 24-102 *Clearing Agency Requirements* applies to a regulated clearing agency and, for that purpose, a reference in that instrument to a "recognized clearing agency" is to be read as a reference to a "regulated clearing agency".

PART 6
RECORDKEEPING BY A REGULATED CLEARING AGENCY

Retention of records – regulated clearing agency

36. A regulated clearing agency must keep a record required under this Part and Part 7, and all supporting documentation, in a readily accessible and safe location and in a durable form, until the date on which the cleared derivative that the record or supporting documentation relates to expires or is terminated.

Daily records – regulated clearing agency

37. (1) A regulated clearing agency that receives customer collateral must calculate and record all of the following at **least** once each business day in its records:

(a) for each customer, the amount of customer collateral it requires from, for or on behalf of the customer;

(b) the total amount of customer collateral it requires from, for or on behalf of all customers.

(2) A regulated clearing agency must record all of the following in its records:

(a) each permitted depository at which it holds customer collateral;

(b) calculated at least once each business day, the current value of the customer collateral received from, for or on behalf of the customers of each direct intermediary including all of the following:

(i) any accruals on the customer collateral creditable to the direct intermediary's customers;

(ii) any gains or losses in respect of the customer collateral;

(iii) any charges accruing to the direct intermediary's customers;

(iv) any distributions or transfers of the customer collateral.

Identifying records – regulated clearing agency

38. A regulated clearing agency must keep records that, at any time, enable it and each of its direct intermediaries to identify all of the following in the accounts held at the regulated clearing agency:

(a) the positions and property held for the direct intermediary;

(b) the positions and value of customer collateral held for or on behalf of the direct intermediary's customers;

(c) the positions and value of customer collateral held for or on behalf of customers of each indirect intermediary for which the direct intermediary provides clearing services.

Records of investment of customer collateral – regulated clearing agency

39. A regulated clearing agency that invests customer collateral must keep records of all of the following with respect to each investment of customer collateral:

(a) the date of the investment;

(b) the name of each person or company through which the investment was made;

(c) a daily market valuation of the investment, including any unrealized gain or loss on the investment and related supporting documentation;

(d) a description of each asset or instrument in which the investment was made;

(e) the identity of each permitted depository where each asset or instrument in which the investment is made is deposited;

(f) the date on which the investment was liquidated or otherwise disposed of and the realized gain or loss;

(g) the name of each person or company liquidating or disposing of the investment.

Records of currency conversion – regulated clearing agency

40. A regulated clearing agency must keep a record of each conversion of customer collateral from one currency to another.

PART 7
REPORTING AND DISCLOSURE BY A REGULATED CLEARING AGENCY

Disclosure to direct intermediaries by regulated clearing agency

41. (1) Before receiving the first cleared derivative from, for or on behalf of a customer, a regulated clearing agency must provide written disclosure to the direct intermediary through which the derivative is cleared including a description of all of the following:

(a) the rules, policies or procedures of the regulated clearing agency that govern the segregation and use of customer collateral and the transfer or liquidation of a cleared derivative of a customer in the event of a direct intermediary's default;

(b) the impact of laws, including bankruptcy and insolvency laws, on the customer, its positions and customer collateral in the event of a direct intermediary's default;

(c) the circumstances under which an interest or ownership rights in customer collateral may be enforced by the regulated clearing agency, the direct intermediary or the customer.

(2) After accepting the first cleared derivative from, for or on behalf of a customer, each time there is a change to the rules, policies or procedures referred to in paragraph (1)(a), the regulated clearing agency must provide written disclosure to the direct intermediary through which the derivative is cleared, within a reasonable period of time, describing the change.

Customer information – regulated clearing agency

42. A regulated clearing agency must have rules, policies or procedures reasonably designed to confirm that the information it receives from a direct intermediary in accordance with subsection 24(1) is complete and received in a timely manner.

Customer collateral report – regulatory

43. A regulated clearing agency that receives customer collateral must electronically deliver to the regulator or securities regulatory authority, within 10 business days of the end of each calendar quarter, a completed Form 94-102F3 *Customer Collateral Report: Regulated Clearing Agency*.

Customer collateral report – direct intermediary

44. A regulated clearing agency must make available to each direct intermediary from which it receives customer collateral a report, calculated and available on a daily basis, setting out all of the following:

(a) the current value of each position of each customer of the direct intermediary;

(b) the current value of customer collateral received from the direct intermediary for or on behalf of each customer of the direct intermediary that is held by the regulated clearing agency;

(c) the total current value of customer collateral received from the direct intermediary that is held at a permitted depository;

(d) the location of each permitted depository at which the customer collateral is held.

Disclosure of investment of customer collateral

45. (1) Before receiving the first cleared derivative from, for or on behalf of a customer, a regulated clearing agency that invests customer collateral must disclose in writing its investment guidelines and policy to the direct intermediary through which the derivative is cleared.

(2) A regulated clearing agency that invests customer collateral must within a reasonable period of time disclose in writing any change to the investment guidelines and policy referred to in subsection (1) to the direct intermediary through which the derivative is cleared.

PART 8
TRANSFER OF POSITIONS

Transfer of customer collateral and positions

46. (1) On default of a direct intermediary, a regulated clearing agency and the defaulting direct intermediary must do all of the following:

(a) facilitate a transfer of the defaulting direct intermediary's customers' positions and customer collateral, or their liquidation proceeds, from the defaulting direct intermediary to one or more non-defaulting direct intermediaries;

(b) make reasonable efforts to ensure the transfer is facilitated in accordance with the customer's instructions.

(2) At the request of a customer, a regulated clearing agency and a non-defaulting direct intermediary must facilitate a transfer of the customer's positions and customer collateral from the non-defaulting direct intermediary to one or more non-defaulting direct intermediaries if all of the following apply:

(a) the customer has consented to the transfer;

(b) the customer's account is not currently in default;

(c) the transferred positions will have appropriate margin at the receiving direct intermediary;

(d) any remaining positions will have appropriate margin at the transferring direct intermediary;

(e) the receiving direct intermediary has consented to the transfer.

Transfer from a clearing intermediary

47. A clearing intermediary that provides clearing services for an indirect intermediary must have rules, policies or procedures in respect of the portability and transfer of a customer's positions and customer collateral that include a reasonable mechanism for transferring the positions and customer collateral of the indirect intermediary's customers, in the event of a default by the indirect intermediary or at the request of the indirect intermediary's customer, to one or more non-defaulting clearing intermediaries.

PART 9
SUBSTITUTED COMPLIANCE

Substituted compliance

48. (1) A clearing intermediary whose head office or principal place of business is in a foreign jurisdiction is exempt from this Instrument in respect of a cleared derivative entered into by, for or on behalf of a local customer if all of the following apply:

(a) the cleared derivative is cleared for or on behalf of a local customer

(i) in a local jurisdiction other than British Columbia, Manitoba and Ontario by a qualifying central counterparty or a regulated clearing agency, and

(ii) in British Columbia, Manitoba and Ontario, by a regulated clearing agency;

(b) the clearing intermediary is all of the following:

(i) registered, licensed or otherwise authorized to perform the services of a clearing intermediary in a foreign jurisdiction listed in Appendix A;

(ii) in compliance with the laws of the foreign jurisdiction applicable to the clearing intermediary set out in Appendix A opposite the name of the foreign jurisdiction relating to clearing services and the requiring, receiving and holding of customer collateral.

(2) Despite subsection (1), a clearing intermediary relying on the exemption from the Instrument set out in subsection (1) that provides clearing services in respect of a cleared derivative entered into by, for or on behalf of a local customer must comply with the provisions of this Instrument set out in Appendix A opposite the name of the foreign jurisdiction referred to in paragraph (1)(b).

(3) A regulated clearing agency whose head office or principal place of business is in a foreign jurisdiction is exempt from this Instrument in respect of a cleared derivative entered into by, for or on behalf of a local customer if the regulated clearing agency complies with all of the following:

(a) the terms and conditions of any recognition or exemption decision made by any securities regulatory authority in respect of the regulated clearing agency;

(b) the laws of a foreign jurisdiction applicable to the regulated clearing agency set out in Appendix A opposite the name of the foreign jurisdiction relating to clearing services and the requiring, receiving and holding of customer collateral.

(4) Despite subsection (3), a regulated clearing agency relying on the exemption from the Instrument set out in subsection (3) that provides clearing services in respect of a cleared derivative entered into by, for or on behalf of a local customer must comply with the provisions of this Instrument set out in Appendix A opposite the name of the foreign jurisdiction referred to in paragraph (3)(b).

PART 10
EXEMPTIONS

Exemption – general

49. (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant an exemption.

(3) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART 11
EFFECTIVE DATE

Effective date

50. This Instrument comes into force on July 3, 2017.

APPENDIX A
TO
NATIONAL INSTRUMENT 94-102 DERIVATIVES: CUSTOMER CLEARING AND PROTECTION OF CUSTOMER POSITIONS AND COLLATERAL

Substituted Compliance
(Section 48)

PART A
LAWS, REGULATIONS OR INSTRUMENTS OF FOREIGN JURISDICTIONS APPLICABLE TO CLEARING INTERMEDIARIES FOR SUBSTITUTED COMPLIANCE

Foreign Jurisdiction	**Laws, Regulations or Instruments**	**Provisions of this Instrument applicable to a clearing intermediary despite compliance with the foreign jurisdiction's laws, regulations or instruments**
European Union	Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended by Regulation (EU) 600/2014 of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012. Commission Delegated Regulation (EU) 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives contracts not cleared by a CCP. Directive (EU) 39/2004 of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.	Subsection 6(2) Subsection 6(3) Section 12 Section 25 Section 26
United States of America	Commodity Futures Trading Commission, *General Regulations Under the Commodity Exchange Act*, 17 CFR pt 1. Commodity Futures Trading Commission, *Registration*, 17 CFR pt 3. Commodity Futures Trading Commission, *Cleared Swaps*, 17 CFR pt 22. Commodity Futures Trading Commission, *Bankruptcy Rules*, 17 CFR pt 190.	Section 12 Section 25 Section 26

PART B
LAWS, REGULATIONS OR INSTRUMENTS OF FOREIGN JURISDICTIONS APPLICABLE TO REGULATED CLEARING AGENCIES FOR SUBSTITUTED COMPLIANCE

Foreign Jurisdiction	Laws, Regulations or Instruments	Provisions of this Instrument applicable to a regulated clearing agency despite compliance with the foreign jurisdiction's laws, regulations or instruments
European Union	Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, as amended by Regulation (EU) 600/2014 of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012. Commission Delegated Regulation (EU) 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives contracts not cleared by a CCP. Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties, as amended by Commission Delegated Regulation (EU) 822/2016 of 21 April 2016 amending Delegated Regulation (EU) No 153/2013 as regards the time horizons for the liquidation period to be considered for the different classes of financial instruments. Directive (EU) 39/2004 of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.	Section 28 Subsection 32(2) Subsection 32(3) Section 36 Section 43 Section 44
United States of America	Commodity Futures Trading Commission, *General Regulations Under the Commodity Exchange Act*, 17 CFR pt 1. Commodity Futures Trading Commission, *Cleared Swaps*, 17 CFR pt 22. Commodity Futures Trading Commission, *Derivatives Clearing Organizations*, 17 CFR pt 39. Commodity Futures Trading Commission, *Provisions Common to Registered Entities*, 17 CFR pt 40. Commodity Futures Trading Commission, *Swap Data Recordkeeping and Reporting Requirements*, 17 CFR pt 45. Commodity Futures Trading Commission, *Bankruptcy Rules*, 17 CFR pt 190.	Section 36 Section 43 Section 44

FORM 94-102F1
CUSTOMER COLLATERAL REPORT: DIRECT INTERMEDIARY

This Form 94-102F1 is to be completed by each direct intermediary in order to comply with its reporting obligations to the local securities regulator under subsection 25(1) of National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (the "**Instrument**").

Type of Filing: □ INITIAL □ AMENDMENT[1]

Reporting Date[2]	DD/MM/YY
Reporting Period[3]	MM/YY

Reporting direct intermediary
[LEI][4]

Table A

Table A is to be completed by each direct intermediary that receives customer collateral from a customer in accordance with the Instrument. For calculations in Table A, include all customers that have posted customer collateral with the reporting direct intermediary.

A.	Total value of non-cash customer collateral posted with the direct intermediary as of the last business day of the Reporting Period	Total value of customer collateral posted with the direct intermediary as of the last business day of the Reporting Period	Number of customers represented by the reported total value of customer collateral posted with the direct intermediary[5]

Table B

Table B is to be completed by each direct intermediary that receives customer collateral from an indirect intermediary in accordance with the Instrument. Complete a separate line for each indirect intermediary that has posted customer collateral with the reporting direct intermediary. Where an LEI is not available, please provide the complete legal name of the indirect intermediary.

B.	Indirect intermediary	Customer collateral	
		Total value of non-cash customer collateral posted with the direct intermediary as of the last business day of the Reporting Period	Total value of customer collateral posted with the direct intermediary as of the last business day of the Reporting Period
1.	[LEI of any indirect intermediary that has posted customer collateral with the reporting direct intermediary]		

[1] Please mark the form as "amendment" if the form is being resubmitted to correct or replace a form previously filed for a Reporting Period. Otherwise, please make the form as "initial".
[2] The Reporting Date must be within 10 business days of the end of the Reporting Period.
[3] The Reporting Period is the calendar month for which the form is submitted.
[4] Where an LEI is not available, please provide the complete legal name of the reporting direct intermediary together with the complete address of its head office.
[5] Please report the number of customers whose customer collateral was included in calculating the value reported in the second column of Table A.

Table C

Table C is to be completed by each direct intermediary that receives customer collateral from a customer or from an indirect intermediary in accordance with the Instrument. Complete a separate line for each location at which customer collateral is held by or for the reporting direct intermediary. Where an LEI is not available, please provide the complete legal and operating name(s) of the permitted depository.

C.	Permitted depository
1.	[LEI of reporting direct intermediary, if holding customer collateral itself]
2.	[LEI of any permitted depository holding customer collateral for the reporting direct intermediary]

Table D

Table D is to be completed by each direct intermediary that has posted customer collateral with a regulated clearing agency in accordance with the Instrument. Complete a separate line for each regulated clearing agency with which the reporting direct intermediary has posted customer collateral. Where an LEI is not available, please provide the complete legal and operating name(s) of the regulated clearing agency.

D.	Regulated clearing agency	Customer collateral	
		Total value of non-cash customer collateral posted with the regulated clearing agency as of the last business day of the Reporting Period	Total value of customer collateral posted with the regulated clearing agency as of the last business day of the Reporting Period
1.	[LEI of any regulated clearing agency with which the reporting direct intermediary has posted customer collateral]		

FORM 94-102F2
CUSTOMER COLLATERAL REPORT: INDIRECT INTERMEDIARY

This Form 94-102F2 is to be completed by each person or company that acts as an indirect intermediary in order to comply with its reporting obligations to the local securities regulator under subsection 25(2) of National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (the "**Instrument**").

Type of Filing: □ INITIAL □ AMENDMENT[1]

Reporting Date[2]	DD/MM/YY
Reporting Period[3]	MM/YY

Reporting indirect intermediary
[LEI][4]

Table A

Table A is to be completed by each indirect intermediary that receives customer collateral from a customer in accordance with the Instrument. For calculations in Table A include all customers that have posted customer collateral with the reporting indirect intermediary.

A.	Total value of non-cash customer collateral posted with the indirect intermediary as of the last business day of the Reporting Period	Total value of customer collateral posted with the indirect intermediary as of the last business day of the Reporting Period	Number of customers represented by the reported total value of customer collateral posted with the indirect intermediary[5]

Table B

Table B is to be completed by each indirect intermediary that receives customer collateral from a customer in accordance with the Instrument. Complete a separate line for each location at which customer collateral is held by or for the reporting indirect intermediary. Where an LEI is not available, please provide the complete legal and operating name(s) of the permitted depository.

B.	Permitted depository
1.	[Reporting indirect intermediary, if holding customer collateral itself]
2.	[Any permitted depository holding customer collateral for the reporting direct intermediary]

1 Please mark the form as "amendment" if the form is being resubmitted to correct or replace a form previously filed for a Reporting Period. Otherwise, please make the form as "initial".
2 The Reporting Date must be within 10 business days of the end of the Reporting Period.
3 The Reporting Period is the calendar month for which the form is submitted.
4 Where an LEI is not available, please provide the complete legal name of the reporting indirect intermediary together with the complete address of its head office.
5 Please report the number of customers whose customer collateral was included in calculating the value reported in the second column of Table A.

Table C

Table C is to be completed by each indirect intermediary that has posted customer collateral with a direct intermediary in accordance with the Instrument. Complete a separate line for each direct intermediary with which the reporting indirect intermediary has posted customer collateral. Where an LEI is not available, please provide the complete legal and operating name(s) of the direct intermediary.

C.	Direct intermediary	Customer collateral	
		Total value of non-cash customer collateral posted with the direct intermediary as of the last business day of the Reporting Period	Total value of customer collateral posted with the direct intermediary as of the last business day of the Reporting Period
1.	[LEI of any direct intermediary with which the reporting indirect intermediary has posted customer collateral]		

FORM 94-102F3
CUSTOMER COLLATERAL REPORT: REGULATED CLEARING AGENCY

This Form 94-102F3 is to be completed by each regulated clearing agency in order to comply with its reporting obligations to the local securities regulator under section 43 of National Instrument 94-102 *Derivatives: Customer Clearing and Protection of Customer Collateral and Positions* (the "**Instrument**").

Type of Filing: □ INITIAL □ AMENDMENT[1]

Reporting Date[2]	DD/MM/YY
Reporting Period[3]	MM/YY

Reporting regulated clearing agency
[LEI][4]

Table A

Table A is to be completed by each regulated clearing agency that receives customer collateral from a direct intermediary in accordance with the Instrument. Complete a separate line for each direct intermediary that has posted customer collateral with the reporting regulated clearing agency. Where an LEI is not available, please provide the complete legal name of the direct intermediary.

A.	Direct intermediary	Customer collateral	
		Total value of non-cash customer collateral posted with the regulated clearing agency as of the last business day of the Reporting Period	Total value of customer collateral posted with the regulated clearing agency as of the last business day of the Reporting Period
1.	[LEI of any direct intermediary that has posted customer collateral with the reporting regulated clearing agency]		

1 Please mark the form as "amendment" if the form is being resubmitted to correct or replace a form previously filed for a Reporting Period. Otherwise, please make the form as "initial".
2 The Reporting Date must be within 10 business days of the end of the Reporting Period.
3 The Reporting Period is the calendar quarter for which the form is submitted.
4 Where an LEI is not available, please provide the complete legal name of the reporting regulated clearing agency together with the complete address of its head office.

Table B

Table B is to be completed by each regulated clearing agency that holds customer collateral in accordance with the Instrument. Complete a separate line for each location at which customer collateral is held by or for the reporting regulated clearing agency. Where an LEI is not available, please provide the complete legal and operating name(s) of the permitted depository.

B.	Permitted depository
1.	[LEI of reporting regulated clearing agency, if holding customer collateral itself]
2.	[LEI of any permitted depository holding customer collateral for the reporting regulated clearing agency]

Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:
Brompton Lifeco Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus (NI 44-102) dated August 23, 2021
NP 11-202 Preliminary Receipt dated August 24, 2021
Offering Price and Description:
$250,000,000 Preferred Shares and Class A Shares
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3265654

____

Issuer Name:
BetaPro Canadian Gold Miners -2x Daily Bear ETF (formerly Horizons BetaPro S&P/TSX Global Gold Bear Plus ETF)
BetaPro Canadian Gold Miners 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF)
BetaPro Crude Oil Inverse Leveraged Daily Bear ETF
BetaPro Crude Oil Leveraged Daily Bull ETF (formerly BetaPro Crude Oil Daily Bull ETF
BetaPro Equal Weight Canadian Bank -2x Daily Bear ETF
BetaPro Equal Weight Canadian Bank 2x Daily Bull ETF
BetaPro Equal Weight Canadian REIT -2x Daily Bear ETF
BetaPro Equal Weight Canadian REIT 2x Daily Bull ETF
BetaPro Gold Bullion -2x Daily Bear ETF (formerly Horizons BetaPro COMEX® Gold Bullion Bear Plus ETF)
BetaPro Gold Bullion 2x Daily Bull ETF (formerly Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF)
BetaPro Marijuana Companies 2x Daily Bull ETF
BetaPro Marijuana Companies Inverse ETF
BetaPro NASDAQ-100® -2x Daily Bear ETF (formerly Horizons BetaPro NASDAQ-100® Bear Plus ETF)
BetaPro NASDAQ-100® 2x Daily Bull ETF (formerly Horizons BetaPro NASDAQ-100® Bull Plus ETF)
BetaPro Natural Gas Inverse Leveraged Daily Bear ETF (formerly BetaPro Natural Gas -2x Daily Bear ETF)
BetaPro Natural Gas Leveraged Daily Bull ETF (formerly BetaPro Natural Gas 2x Daily Bull ETF)
BetaPro S&P 500 VIX Short-Term Futures ETF (formerly Horizons BetaPro S&P 500 VIX Short-Term Futures ETF)
BetaPro S&P 500® -2x Daily Bear ETF (formerly Horizons BetaPro S&P 500® Bear Plus ETF)
BetaPro S&P 500® 2x Daily Bull ETF (formerly Horizons BetaPro S&P 500® Bull Plus ETF)
BetaPro S&P 500® Daily Inverse ETF (formerly Horizons BetaPro S&P 500® Inverse ETF)
BetaPro S&P/TSX 60 -2x Daily Bear ETF (formerly Horizons BetaPro S&P/TSX 60 Bear Plus ETF)
BetaPro S&P/TSX 60 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX 60 Bull Plus ETF)
BetaPro S&P/TSX 60 Daily Inverse ETF (formerly Horizons BetaPro S&P/TSX 60 Inverse ETF)
BetaPro S&P/TSX Capped Energy -2x Daily Bear ETF
BetaPro S&P/TSX Capped Energy 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX Capped Energy Bull Plus ETF)
BetaPro S&P/TSX Capped Financials -2x Daily Bear ETF (formerly Horizons BetaPro S&P/TSX Capped Financials Bear Plus ETF)
BetaPro S&P/TSX Capped Financials 2x Daily Bull ETF (formerly Horizons BetaPro S&P/TSX Capped Financials Bull Plus ETF)
BetaPro Silver -2x Daily Bear ETF
BetaPro Silver 2x Daily Bull ETF
Horizons Crude Oil ETF (formerly Horizons NYMEX® Crude Oil ETF)

Horizons Gold ETF (formerly Horizons COMEX® Gold ETF)
Horizons Natural Gas ETF (formerly Horizons NYMEX® Natural Gas ETF)
Horizons Silver ETF (formerly Horizons COMEX® Silver ETF)
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Long Form Prospectus dated Aug 25, 2021
NP 11-202 Final Receipt dated Aug 26, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3253280

Issuer Name:
Purpose Biotech ETF
StoneCastle Global Tactical Asset Allocation Fund
Principal Regulator – Ontario
Type and Date:
Combined Preliminary and Pro Forma Simplified Prospectus dated Aug 25, 2021
NP 11-202 Preliminary Receipt dated Aug 26, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3267251

Issuer Name:
Mulvihill Premium Yield Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Aug 25, 2021
NP 11-202 Preliminary Receipt dated Aug 26, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3267138

Issuer Name:
Imperial International Equity Pool
Imperial Overseas Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated August 27, 2021
NP 11-202 Final Receipt dated Aug 27, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3126103

Issuer Name:
Mackenzie Global Resource Fund
Principal Regulator - Ontario
Type and Date:
Amendment #4 to Final Simplified Prospectus dated
August 23, 2021
NP 11-202 Final Receipt dated Aug 24, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3140751

Issuer Name:
CIBC Global Bond Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated
August 27, 2021
NP 11-202 Final Receipt dated Aug 30, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3206951

NON-INVESTMENT FUNDS

Issuer Name:
1284684 BC Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated August 23, 2021
NP 11-202 Preliminary Receipt dated August 25, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3266525

Issuer Name:
AYA GOLD & SILVER INC.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated August 27, 2021
NP 11-202 Preliminary Receipt dated August 27, 2021
Offering Price and Description:
$70,007,500.00 (6,830,000 COMMON SHARES) $10.25 PER COMMON SHARE
Underwriter(s) or Distributor(s):
DESJARDINS SECURITIES INC.
SPROTT CAPITAL PARTNERS LP
CORMARK SECURITIES INC.
NATIONAL BANK FINANCIAL
STIFEL NICOLAUS CANADA INC.
BMO CAPITAL MARKETS
Promoter(s):
-
Project #3271020

Issuer Name:
Brompton Lifeco Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated August 23, 2021
NP 11-202 Preliminary Receipt dated August 24, 2021
Offering Price and Description:
$250,000,000 Preferred Shares and Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3265654

Issuer Name:
Canada Silver Cobalt Works Inc.
Principal Regulator - British Columbia
Type and Date:
Amendment dated August 24, 2021 to Preliminary Shelf Prospectus dated August 13, 2021
NP 11-202 Preliminary Receipt dated August 25, 2021
Offering Price and Description:
$30,000,000.00
Common Shares
Preference Shares
Subscription Receipts
Warrants
Debt Securities
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3261948

Issuer Name:
Carbon Streaming Corporation (formerly Mexivada Mining Corp.)
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated August 25, 2021
NP 11-202 Preliminary Receipt dated August 25, 2021
Offering Price and Description:
US$104,901,256.00
104,901,256 COMMON SHARES AND 104,901,256 WARRANTS ISSUABLE ON DEEMED EXERCISE OF OUTSTANDING SPECIAL WARRANTS
Underwriter(s) or Distributor(s):
-
Promoter(s):
Justin Cochrane
Project #3267076

Issuer Name:
CARDS II Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated August 25, 2021
NP 11-202 Preliminary Receipt dated August 26, 2021
Offering Price and Description:
Up to $8,000,000,000.00 - Credit Card Receivables Backed Notes
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
Canadian Imperial Bank of Commerce
Project #3267362

Issuer Name:
Chorus Aviation Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Shelf Prospectus dated August 26, 2021
NP 11-202 Preliminary Receipt dated August 26, 2021
Offering Price and Description:
$750,000,000.00
Class A Variable Voting Shares and Class B Voting Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3268634

Issuer Name:
Corcel Exploration Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 23, 2021
NP 11-202 Preliminary Receipt dated August 24, 2021
Offering Price and Description:
Offering: $500,000.00 - 5,000,000 Common Shares
Offering Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
Joel Freudman
Project #3265758

Issuer Name:
Definity Financial Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated August 27, 2021
NP 11-202 Preliminary Receipt dated August 27, 2021
Offering Price and Description:
$*
* Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
BARCLAYS CAPITAL CANADA INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #3270491

Issuer Name:
Delta 9 Cannabis Inc.
Principal Regulator - Manitoba
Type and Date:
Preliminary Shelf Prospectus dated August 25, 2021
NP 11-202 Preliminary Receipt dated August 26, 2021
Offering Price and Description:
$20,000,000.00 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3267063

Issuer Name:
Dominus Acquisitions Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated August 25, 2021
NP 11-202 Preliminary Receipt dated August 26, 2021
Offering Price and Description:
Minimum Offering: $400,000.00 or 4,000,000 Common Shares
Maximum Offering: $500,000.00 or 5,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #3267521

Issuer Name:
Good2Go4 Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated August 30, 2021
NP 11-202 Preliminary Receipt dated August 30, 2021
Offering Price and Description:
$215,000.00 - 2,150,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
James Cassina
Project #3272809

Issuer Name:
Grounded People Apparel Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 26, 2021
NP 11-202 Preliminary Receipt dated August 27, 2021
Offering Price and Description:
1,450,335 Common Shares issuable on conversion of Special Warrants issued at a price of $0.30 per Special Warrant
Underwriter(s) or Distributor(s):
-
Promoter(s):
Maximilian Justus
Project #3269832

Issuer Name:
Knowlton Development Corporation, Inc.
Principal Regulator - Quebec
Type and Date:
Amendment dated August 27, 2021 to Preliminary Long Form Prospectus dated July 12, 2021
NP 11-202 Preliminary Receipt dated August 30, 2021
Offering Price and Description:
US$Š Š Common Shares
Underwriter(s) or Distributor(s):
GOLDMAN SACHS CANADA INC.
J.P. MORGAN SECURITIES CANADA INC.
UBS SECURITIES CANADA INC.
BMO NESBITT BURNS INC .
MERRILL LYNCH CANADA INC.
JEFFERIES SECURITIES, INC.
MORGAN STANLEY CANADA LIMITED
RBC DOMINION SECURITIES INC.
Promoter(s):
-
Project #3249026

Issuer Name:
Rritual Superfoods Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated August 24, 2021
NP 11-202 Preliminary Receipt dated August 24, 2021
Offering Price and Description:
$4,000,000.00 - 8,000,000 Units
$0.50 per Unit
Underwriter(s) or Distributor(s):
CLARUS SECURITIES INC.
Promoter(s):
David Kerbel
Project #3265475

Issuer Name:
Silverfish Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 27, 2021
NP 11-202 Preliminary Receipt dated August 30, 2021
Offering Price and Description:
4,000,000.00 - Offered Shares.
Price: $0.25
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
Joseph Cullen
Project #3271825

Issuer Name:
Spirit Blockchain Capital Inc. (formerly, 1284696 B.C. Ltd.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 23, 2021
NP 11-202 Preliminary Receipt dated August 26, 2021
Offering Price and Description:
347,000 Common Shares issuable on deemed exercise of 347,000 Special Warrants Price of $0.05 per Special Warrant
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3267115

Issuer Name:
Trenchant Life Sciences Investment Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated August 26, 2021
NP 11-202 Preliminary Receipt dated August 27, 2021
Offering Price and Description:
Up to 10,000,000 Common Shares issuable on deemed exercise of up to 10,000,000 Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
Dr. Robert E.W. Hancock
Project #3269775

Issuer Name:
Alpha Cognition Inc. (formerly Crystal Bridge Enterprises Inc.)
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated August 25, 2021
NP 11-202 Receipt dated August 26, 2021
Offering Price and Description:
$75,000,000.00 - Common Shares, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Kenneth Cawkell
Project #3253409

Issuer Name:
Aneesh Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated August 26, 2021
NP 11-202 Receipt dated August 26, 2021
Offering Price and Description:
$250,000.00 -2,500,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Promoter(s):
-
Project #3237974

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated August 25, 2021
NP 11-202 Receipt dated August 26, 2021
Offering Price and Description:
$12,000,000,000.00 - Medium Term Notes (Principal At Risk Notes)
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
DESJARDINS SECURITIES INC.
HSBC SECURITIES (CANADA) INC.
IA PRIVATE WEALTH INC.
MANULIFE SECURITIES INCORPORATED
RAYMOND JAMES LTD.
RICHARDSON WEALTH LIMITED
WELLINGTON-ALTUS PRIVATE WEALTH INC.
Promoter(s):
-
Project #3261600

Issuer Name:
Deal Pro Capital Corporation
Principal Regulator - Ontario **Type and Date:**
Final CPC Prospectus dated August 27, 2021
NP 11-202 Receipt dated August 30, 2021
Offering Price and Description:
Minimum Offering: $250,000.00 or 2,500,000 Common Shares
Maximum Offering: $450,000.00 or 4,500,000 Common Shares
$0.10 per Common Share
Underwriter(s) or Distributor(s):
HAMPTON SECURITIES LIMITED
Promoter(s):
-
Project #3250754

Issuer Name:
FPX Nickel Corp. (formerly First Point Minerals Corp.)
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated August 26, 2021
NP 11-202 Receipt dated August 26, 2021
Offering Price and Description:
C$100,000,000.00 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3258516

Issuer Name:
Graphene Manufacturing Group Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 27, 2021
NP 11-202 Receipt dated August 27, 2021
Offering Price and Description:
C$10,045,000.00 - 4,900,000 Units
Price: C$2.05 per Unit
Underwriter(s) or Distributor(s):
CANTOR FITZGERALD CANADA CORPORATION
Promoter(s):
-
Project #3260331

Issuer Name:
mdf commerce inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated August 24, 2021
NP 11-202 Receipt dated August 24, 2021
Offering Price and Description:
$67,840,000.00 - 8,480,000 Subscription Receipts each representing the right to receive one Common Share
Price: $8.00 per Subscription Receipt
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
ECHELON WEALTH PARTNERS INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
DESJARDINS SECURITIES INC.
LAURENTIAN BANK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
Promoter(s):
-
Project #3260823

Issuer Name:
Orcus Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated August 27, 2021
NP 11-202 Receipt dated August 27, 2021
Offering Price and Description:
Minimum Offering: $250,000 or 2,500,000 Common Shares
Maximum Offering: $400,000 or 4,000,000 Common
Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
PI Financial Corp.
Promoter(s):
Deepak Varshney
Project #3237696

Issuer Name:
Osisko Green Acquisition Limited
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated August 30, 2021
NP 11-202 Receipt dated August 30, 2021
Offering Price and Description:
$250,000,000.00 - 25,000,000 CLASS A RESTRICTED
VOTING UNITS
Price: $10.00 per Class A Restricted Voting Units
Underwriter(s) or Distributor(s):
EIGHT CAPITAL
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
Promoter(s):
OSISKO GREEN SPONSOR CORP.
OSISKO MINING INC.
Project #3249294

Issuer Name:
Park Lawn Corporation Principal
Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 27, 2021
NP 11-202 Receipt dated August 27, 2021
Offering Price and Description:
$135,044,000.00 - 3,710,000 Common Shares Price:
$36.40 per Common Share
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
CORMARK SECURITIES INC.
RBC DOMINION SECURITIES INC.
TD SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
STIFEL NICOLAUS CANADA INC.
PARADIGM CAPITAL INC.
Promoter(s):
-
Project #3262814

Issuer Name:
Smithe Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated August 25, 2021
NP 11-202 Receipt dated August 27, 2021
Offering Price and Description:
Minimum Offering: $250,000 or 2,500,000 Common Shares
Maximum Offering:
$500,000 or 5,000,000 Common Shares Price: $0.10 per
Common Share
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
Promoter(s):
Sam Wong
Project #3248565

Issuer Name:
Tricon Residential Inc. (formerly, Tricon Capital Group Inc.)
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated August 26, 2021
NP 11-202 Receipt dated August 26, 2021
Offering Price and Description:
C$1,500,000,000.00 - Common Shares, Debt Securities,
Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3263673

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	Cidel Asset Management Inc. and Lorica Investment Counsel Inc.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager, Commodity Trading Manager	July 30, 2021
New Registration	First Atlantic Private Wealth Inc.	Portfolio Manager	August 25, 2021
New Registration	Libertas Capital Partners Inc.	Exempt Market Dealer	August 27, 2021
Change in Registration Category	GMG Private Counsel Inc.	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	August 31, 2021

This page intentionally left blank

Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.1 SROs

13.1.1 Mutual Fund Dealers Association of Canada (MFDA) – Client Focused Reforms Rule Amendments – Notice of Commission Approval

NOTICE OF COMMISSION APPROVAL

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

CLIENT FOCUSED REFORMS RULE AMENDMENTS

The Ontario Securities Commission has approved proposed amendments (**Amendments**) to make the MFDA requirements uniform in all material respects with the reforms to enhance the client-registrant relationship (**Client Focused Reforms** or **CFRs**) made to National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* by the Canadian Securities Administrators (**CSA CFRs**).

The Amendments were published for public comment on November 19, 2020 for a 60-day period ending on January 18, 2021. Three comment letters were received. The MFDA has made non-substantive changes in response to the comments received. A summary of the public comments and the MFDA's responses, as well as a blacklined copy of the Amendments showing changes made to the version published for comment, can be found at www.osc.ca.

Also on November 19, 2020, the MFDA made housekeeping rule amendments[1] to conform the MFDA's rules to the CSA CFRs. Even though the housekeeping amendments were deemed to be approved, the MFDA made non-substantive changes to them in response to comments received in order to provide better clarity with respect to relationship disclosure, and client lending and margin. The public comments relating to the housekeeping amendments and the MFDA's responses have been included in the summary referenced above. A blacklined copy of the housekeeping amendments showing changes made to the version published on November 19, 2020, can be found at www.osc.ca.

Both the Amendments and housekeeping amendments will come into effect on December 31, 2021 to align with the implementation date of the CSA CFRs[2].

In addition, the British Columbia Securities Commission; the Alberta Securities Commission; the Financial and Consumer Affairs Authority of Saskatchewan; the Financial and Consumer Services Commission of New Brunswick; the Manitoba Securities Commission; the Nova Scotia Securities Commission; the Prince Edward Island Office of the Superintendent of Securities Office; Office of the Superintendent of Securities, Northwest Territories; Office of the Superintendent of Securities, Nunavut; and Office of the Yukon Superintendent of Securities have either not objected to or have approved the Amendments.

[1] Under the MFDA's Joint Rule Review Protocol with the CSA, housekeeping rule changes are not published for comment, and will be effective on the date designated by the MFDA in its filing. Housekeeping rule changes have no material impact on investors, issuers, members, registrants or the capital markets in any province or territory of Canada and are necessary to conform to applicable securities legislation.

[2] The CSA CFRs relating to conflicts of interest came into effect on June 30, 2021, while the remaining reforms will take effect on December 31, 2021.

13.2 Marketplaces

13.2.1 Liquidnet Canada – Notice of Withdrawal of Proposed Changes

LIQUIDNET CANADA

**NOTICE OF WITHDRAWAL OF PROPOSED CHANGES
RELATING TO BOND TRADING FUNCTIONALITY**

In accordance with the Process for the Review and Approval of the Information Contained in Form 21-101F2 and the Exhibits thereto (the "ATS Protocol"), Liquidnet Canada Inc. ("Liquidnet Canada") has withdrawn the Notice of Proposed Changes and Request for Comment published on December 17, 2020 relating to changes to bond trading functionality. To the extent Liquidnet Canada decides to pursue the proposal again, it will be published for comment in accordance with the requirements of the ATS Protocol.

Index

Agrios Global Holdings Ltd.
Cease Trading Order 7457

Akumin Inc.
Cease Trading Order 7457

BAM Exchange LP
Order 7411

Carr, Taylor
Notice from the Office of the Secretary 7400
Order with Related Settlement Agreement – ss. 127, 127.1 7414
Oral Reasons for Approval of a Settlement – ss. 127, 127.1 7427

Cidel Asset Management Inc.
Amalgamation 7569

Debus, Joseph
Notice from the Office of the Secretary 7401
Reasons and Decision – s. 21.7 7430
Reasons and Decision on a Motion 7447

Distinction Balanced Class
Decision 7403

Distinction Bold Class
Decision 7403

Distinction Conservative Class
Decision 7403

Distinction Growth Class
Decision 7403

Distinction Prudent Class
Decision 7403

First Atlantic Private Wealth Inc.
New Registration 7569

GMG Private Counsel Inc.
Change in Registration Category 7569

Graham, Dmitri
Notice from the Office of the Secretary 7400
Order with Related Settlement Agreement – ss. 127, 127.1 7414
Oral Reasons for Approval of a Settlement – ss. 127, 127.1 7427

Gran Tierra Energy Inc.
Decision 7410

Handa, Rakesh
Notice from the Office of the Secretary 7401

IA Clarington Canadian Balanced Class
Decision 7403

IA Clarington Canadian Conservative Equity Class
Decision 7403

IA Clarington Canadian Conservative Equity Fund
Decision 7403

IA Clarington Focused Balanced Class
Decision 7403

IA Clarington Global Bond Fund
Decision 7403

IA Clarington Global Opportunities Class
Decision 7403

IA Clarington Investments Inc.
Decision 7403

IA Clarington Real Return Bond Fund
Decision 7403

IA Clarington Strategic U.S. Growth & Income Fund
Decision 7403

Kodric, John Alojz
Decision of the Director 7455

Libertas Capital Partners Inc.
New Registration 7569

Liquidnet Canada
Marketplaces – Notice of Withdrawal of Proposed Changes 7572

Lorica Investment Counsel Inc.
Amalgamation 7569

MFDA
SROs – Client Focused Reforms Rule Amendments – Notice of Commission Approval 7571

Miner Edge Corp.
Notice from the Office of the Secretary 7401

Miner Edge Inc.
Notice from the Office of the Secretary 7401

Mutual Fund Dealers Association of Canada
SROs – Client Focused Reforms Rule Amendments – Notice of Commission Approval 7571

National Instrument 94-102 Derivatives: Customer Clearing and Protection of Customer Collateral and Positions
Notice of Coming into Force – Amendments 7399
Rules and Policies 7459

New Wave Holdings Corp.
Cease Trading Order 7457

People Corporation
Order..7412

Performance Sports Group Ltd.
Cease Trading Order 7457

Petroteq Energy Inc.
Cease Trading Order 7457

Rapid Dose Therapeutics Corp.
Cease Trading Order 7457

Reservoir Capital Corp.
Cease Trading Order 7457

Rosborough, Trevor
Notice from the Office of the Secretary 7400
Order with Related Settlement Agreement – ss. 127, 127.1 7414
Oral Reasons for Approval of a Settlement – ss. 127, 127.1 7427