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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

Contact Centre – Inquiries, Complaints:
416-593-8314 or Toll Free 1-877-785-1555
Fax: 416-593-8122
Email: inquiries@osc.gov.on.ca

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

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File No.: 2021-36

IN THE MATTER OF
MUGHAL ASSET MANAGEMENT CORPORATION AND
USMAN ASIF

NOTICE OF HEARING
Subsection 127(8) of the *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Application for Extension of Temporary Order

HEARING DATE AND TIME: December 31, 2021 at 10:00 a.m.

LOCATION: By Videoconference

PURPOSE

The purpose of this proceeding is to consider whether the Commission should grant the Application filed by Staff of the Commission to extend the temporary order issued by the Commission on December 17, 2021.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 24th day of December 2021.

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.ca or contact the Registrar at registrar@osc.gov.on.ca.

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Syed Saad Aziz – ss. 127(1), 127(10)

File No.: 2021-35

IN THE MATTER OF
SYED SAAD AZIZ

NOTICE OF HEARING
Sections 127(1) and 127(10) *Securities Act,* RSO 1990, c S.5

PROCEEDING TYPE: Public Settlement Hearing

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this hearing is to consider whether it is in the public interest for the Commission to approve the Settlement Agreement dated December 21, 2021, between Staff of the Commission and Syed Saad Aziz in respect of the Statement of Allegations filed by Staff of the Commission dated November 25, 2021.

REPRESENTATION

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

FAILURE TO PARTICIPATE

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Dated at Toronto this 22nd day of December, 2021.

"Grace Knakowski"
Secretary to the Commission

For more information

Please visit www.osc.ca or contact the Registrar at registrar@osc.gov.on.ca.

IN THE MATTER OF
SYED SAAD AZIZ

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

A. OVERVIEW

1. On July 29, 2021, Syed Saad Aziz (**Aziz**) pleaded guilty to contravening Ontario securities law by engaging in, or holding himself out as engaging in, the business of trading in securities, without being registered to trade in securities, as required by section 25(1) of the *Securities Act* (the **Act**) and thereby committing an offence contrary to section 122(1)(c) of the Act, before the Honourable Justice Louise Botham (**Justice Botham**) of the Ontario Court of Justice. An agreed statement of facts was read into the Court record and upon accepting the facts as true, Aziz was convicted by Justice Botham of the single offence of unregistered trading.

2. Aziz was convicted of an offence that arose from transactions, business or a course of conduct related to securities. The conduct for which Aziz was convicted took place between October 27, 2016 and August 30, 2019 (the **Material Time**).

3. Aziz has not yet been sentenced as Justice Botham requested the issue of disgorgement, as agreed to by the parties, be dealt with before a panel of the Ontario Securities Commission before sentence is imposed by her Honour.

4. Aziz is a resident of Ontario, Canada and Enforcement Staff seek an inter-jurisdictional enforcement order reciprocating Aziz's conviction, pursuant to paragraph 1 of subsection 127(10) of the *Securities Act*, RSO, c S.5 (the **Act**).

B. FACTS

Enforcement Staff make the following allegations of fact, which are derived based on the facts admitted to by Aziz and upon which Justice Botham found Aziz guilty:

5. Aziz is a resident of Markham, Ontario.

6. Yonge Street Capital LLC (**YSC**) was formed by three individuals: Nathanael Anthony Aikman (**Aikman**), Jazib Ali Khan (**Khan**), and Aziz. YSC was promoted as a hedge fund. During the Material Time it accepted investments from Canadian residents.

7. Aziz met Aikman when he was 20 years old. Aikman acted as a mentor to Aziz and advised him that he could show Aziz how to earn money through investments. Ultimately, Aikman asked Aziz if Aziz would be able to get him funds that Aikman could use to trade with.

8. In or about August 2016, Aikman and Aziz decided to start a fund. A couple of months later, Khan joined this venture as well. The division of labour was that Aziz and Khan would secure funds, mostly through friends and family, and Aikman would be responsible for managing funds and investments. Aikman also developed the payout structure for the fund, which was to guarantee a 25% return on investment. Only Aikman had access to YSC's brokerage account. Aziz and Khan could only monitor the performance of YSC by reviewing a spreadsheet based on information that Aikman provided that tracked the performance of every investor's investment. The spreadsheet consistently showed that YSC was performing well.

9. Aziz has never been registered to trade in securities under the Act.

10. None of the companies involved in this matter have ever been registered with the Commission and none have filed a prospectus in relation to the distribution of their shares; specifically: YSC, Yonge Street Capital Management LLC, 2618573 Ontario Inc., Yonge Street Capital Crypto Inc., Nathanael Aikman Inc., and Aikman Capital Inc.

11. YSC purported to provide high monthly returns by aggregating investors' funds and subsequently investing those funds in various securities and cryptocurrencies.

12. After making their investments, investors opened on-line YSC accounts, which enabled them to login each month and see the rate of return their account earned, as posted by YSC.

13. During the Material Time, investigators traced investments of $6.1 million from 71 individuals to bank accounts related to YSC. Given the level of his involvement in the business, Aziz cannot confirm these figures, but has no reason to dispute them. Further, Aziz is aware that some monies were paid to investors as a return on investment. Several of the investors of YSC are family members and acquaintances of either Khan or Aziz.

14. During the Material Period, Aziz held himself out as engaging in the business of trading in the securities of YSC to several of the investors, who ultimately decided to transfer investment funds to YSC-related bank accounts in either Canada or the US.

15. In early August 2019, investors received an email from YSC announcing a structural change at YSC that reportedly resulted in the liquidation of the 72 client accounts totalling over $10 million. Investors were told that they would receive the full balance in their respective accounts.

16. Subsequent to the email to investors about structural changes, in August 2019, Aziz learned that Aikman had duped him about the nature of YSC's business, that Aikman had falsified information about YSC's monthly returns and that Aikman had lost all the investors' money.

17. On August 22, 2019, Khan and Aziz made a complaint to York Regional Police that Aikman had provided false information about YSC's monthly returns and had lost all the investors' money. On August 30, 2019 Khan and Aziz also sent an email to YSC investors stating that Aikman had "manipulated, lost, and/or stolen most (if not all) of the funds of YSC" and that "Aikman admitted to both of us that for over two years he had been falsifying information in relation to your accounts".

18. At all times when Aziz was engaged in the business of trading in the securities of YSC he operated under the understanding that YSC was a legitimate business. Aziz understood that YSC was a fund that would invest the monies that investors provided to it and then provide returns to those investors. Aikman was responsible for all trading of YSC and controlled access to, and information about, the assets that YSC had under management. Aikman advised Aziz that YSC's business was operating well. Aziz believed him.

19. Aziz benefited approximately $94,994.15 as a result of his involvement with YSC.

20. To Aziz's knowledge and understanding, since May 2019, investors have not received any funds back from YSC.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

21. Pursuant to paragraph 1 of subsection 127(10) of the Act, Aziz's conviction for an offence arising from transactions, business or course of conduct related to securities or derivatives may form the basis for an on order in the public interest made under subsection 127(1) of the Act.

22. Enforcement Staff allege that it is in the public interest to make an order against Aziz.

D. ORDER SOUGHT

23. Enforcement Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraph 1 of subsection 127(10) and subsection 127(1) of the Act against Aziz that:

    (a) Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Aziz cease for a period of 10 years, with the following exception, that Aziz can trade in any securities or derivatives in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax- free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the trading in any securities or derivatives is not for the benefit of or on behalf of any third party;

    (b) Pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Aziz be prohibited for a period of 10 years, with the following exception, that Aziz can acquire securities in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the acquisition of securities is not for the benefit or on behalf of any third party;

    (c) Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Aziz for a period of 10 years;

    (d) Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Aziz resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;

    (e) Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

    (f) Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a registrant or promoter;

    (g) Pursuant to paragraph 10 of subsection 127(1) of the Act, Aziz disgorge to the Commission $60,000 payable at a rate of no less than $6000 per year, commencing 30 days from the date of this order and thereafter every year

payment of no less than $6000 per year to be made in accordance with the schedule set out in (h) below, with the final payment of $6000 payable by December 31, 2030, or until the amount equivalent to the disgorgement amount set out above has been repaid in full, to be allocated in accordance with subsection 3.42(2)(b) of the Act;

(h) With respect to the payments to be ordered in paragraph (g) above, Aziz agrees to personally make payments as follows:

(i) $6000 by certified cheque or bank draft within 30 days from when the Commission makes this Order; and

(ii) A further $6000 by certified cheque or bank draft by December 31, 2022 and each successive year until payment in full is made by not later than December 31, 2030.

(i) With respect to the disgorgement amount set out in (g) above, they are due and owing in accordance with this order; however, the Commission will not take steps to collect the full disgorgement amount outstanding, or add the Respondent to the Delinquent Respondents' list, as long as:

(i) Aziz comply with this order, and

(ii) Aziz comply with the undertaking attached as Schedule "A" to the order;

(j) In the event that the payments set out in paragraph (g) and (h) above, are not made in full, the provisions of paragraphs (a) to (f) shall continue in force until such payment are made in full without any limitation as to time period.

(k) such other order or orders as the Commission considers appropriate.

24. Enforcement Staff reserve the right to amend these allegations and to make such further and other allegations as Enforcement Staff may advise and the Commission may permit.

DATED this 25th day of November, 2021.

ONTARIO SECURITIES COMMISSION

20 Queen Street West, 22nd Floor
Toronto, ON M5H

Dihim Emami
Senior Litigation Counsel – JSOT
Email: demami@osc.gov.on.ca
Tel: (416) 596-4253
Staff of the Enforcement Branch

1.4 Notices from the Office of the Secretary

1.4.1 Syed Saad Aziz

FOR IMMEDIATE RELEASE
December 22, 2021

SYED SAAD AZIZ,
File No. 2021-35

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Syed Saad Aziz in the above named matter.

A copy of the Notice of Hearing dated December 22, 2021 and the Statement of Allegations dated November 25, 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 Miner Edge Inc. et al.

FOR IMMEDIATE RELEASE
December 23, 2021

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

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

A copy of the Order and Reasons and Decision dated December 22, 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 Mughal Asset Management Corporation and Usman Asif

FOR IMMEDIATE RELEASE
December 24, 2021

MUGHAL ASSET MANAGEMENT CORPORATION AND USMAN ASIF,
File No. 2021-36

TORONTO – The Office of the Secretary issued a Notice of Hearing on December 24, 2021 setting the matter down to be heard on December 31, 2021 at 10:00 a.m. to consider whether the Commission should grant the Application filed by Staff of the Commission to extend the temporary order issued by the Commission on December 17, 2021.

A copy of the Notice of Hearing dated December 24, 2021 and Application dated December 23, 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

1.4.4 Mughal Asset Management Corporation and Usman Asif

FOR IMMEDIATE RELEASE
December 31, 2021

MUGHAL ASSET MANAGEMENT CORPORATION AND USMAN ASIF,
File No. 2021-36

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

A copy of the Order dated December 31, 2021 is available at www.osc.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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media_inquiries@osc.gov.on.ca

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

1.4.5 Syed Saad Aziz

FOR IMMEDIATE RELEASE
December 31, 2021

SYED SAAD AZIZ,
File No. 2021-35

TORONTO – Following a hearing held in writing, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Syed Saad Aziz.

A copy of the Order dated December 31, 2021, Settlement Agreement dated December 21, 2021 and Reasons and Decision for Approval of a Settlement dated December 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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Central 1 Credit Union

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for revocation and replacement of a previous decision dated March 13, 2019, In the Matter of Central 1 Credit Union due to change in primary non-securities regulator – Previous decision had exempted the filer, a central credit union, from the dealer and adviser registration requirements and the prospectus requirement in respect of the issuance of evidences of deposit and shares to its members – the filer is a central credit union incorporated under the laws of British Columbia and subject to regulation and supervision by the BC Financial Services Authority – the filer cannot rely on the available exclusions and exemptions under securities legislation in jurisdictions outside of British Columbia because it is not the type of enumerated credit unions – relief granted on terms and conditions and a five-year sunset clause.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74 and 144.

December 21, 2021

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

AND

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

AND

IN THE MATTER OF
CENTRAL 1 CREDIT UNION
(the Filer)

DECISION

Background

Previous Decision

In 2017, the Filer made an application to the Ontario Securities Commission (the **Commission**) under the securities legislation of the Jurisdiction of the principal regulator and obtained from the Commission, as the principal regulator, a decision *In the Matter of Central 1 Credit Union* dated March 13, 2019 (the **Previous Decision**) providing relief from the dealer registration requirement, the adviser registration requirement and the prospectus requirement in respect of the issuance by the Filer of evidences of deposits and shares of the Filer to its members and auxiliary members (as such terms are defined below), subject to certain terms and conditions.

The Previous Decision provided that the exemptive relief obtained by the Filer would terminate on a date that is five years after the date of the Previous Decision, being March 13, 2024 (the **Pending Expiry Date**) and was conditional on the Filer continuing to be subject to regulation and supervision by the Financial Institutions Commission of British Columbia (**FICOM**). Effective November 1, 2019, the BC Financial Services Authority (**BCFSA**) replaced FICOM as the Filer's primary regulator for non-securities related matters.

Exemption Sought

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Filer from the dealer registration requirement, the adviser registration requirement and the prospectus requirement contained in the Legislation in respect of the issuance by the Filer of evidences of deposits and shares of the Filer to its members and auxiliary members in the ordinary course of the Filer's business as a central credit union (the **Exemption Sought**). The Filer has applied for the Exemption Sought on substantially the same terms and conditions as the Previous Decision, except that the new decision being sought would replace all references to FICOM with BCFSA, update certain representations, and extend the Pending Expiry Date.

The Filer has applied for revocation of the Previous Decision effective as of the date of this decision.

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

(a) the Commission is the principal regulator for this application, and

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

Interpretation

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

For the purposes of this decision, the following terms have the following meanings:

(a) **auxiliary member** has the meaning set out in the first sentence of paragraph 13 of this decision.

(b) **CCAA** means the *Cooperative Credit Associations Act* (Canada).

(c) **central credit union** means a credit union in which membership is restricted to credit unions, other corporations, public bodies or the Crown in right of Canada or British Columbia or in any other right, or the equivalent organizations under the laws of the Jurisdictions.

(d) **CUCPA** means the *Credit Unions and Caisses Populaires Act, 1994* (Ontario).

(e) **CUIA** means the *Credit Union Incorporation Act* (British Columbia).

(f) **FIA** means the *Financial Institutions Act* (British Columbia).

(g) **member** means an organization that:

(i) is a credit union, cooperative association or other incorporated organization,

(ii) is permitted to be a member of the Filer under the Filer's Constitution and Rules and the CUIA,

(iii) has been admitted to membership of the Filer, and

(iv) has had its name entered in the Filer's register of members,

but does not include a person who is an auxiliary member.

(h) **OSFI** means the Office of the Superintendent of Financial Institutions.

Representations

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

The Filer

1. The Filer is a central credit union governed by the CUIA. The Filer's principal and head office is located in Vancouver, British Columbia.

2. The Filer provides a range of services including wholesale financial products, trust services, payment processing solutions and direct banking technologies and services primarily to credit unions, cooperative associations (and similar

organizations) and other incorporated organizations located in any Canadian jurisdiction. The Filer is also a payments provider for its member credit unions and acts as bare trustee for liquidity assets of its member credit unions in British Columbia and certain of its member credit unions in Ontario.

3. The Filer is a reporting issuer in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan. None of the Filer's securities are posted or traded on any marketplace as defined in National Instrument 21-101 *Marketplace Operation*. The Filer is not in default of securities legislation in any jurisdiction of Canada, except, the Filer has been relying on the Previous Decision despite not satisfying a condition of the relief due to the shift in responsibilities from FICOM to BCFSA. The Filer applied for the Exemption Sought to address this change.

4. The primary regulator for the Filer for non-securities-related matters is the BCFSA. The principal regulator of the Filer for securities-related matters is ordinarily the British Columbia Securities Commission. However, for the purposes of this application, the Filer has determined that it does not require the Exemption Sought in British Columbia and has therefore selected the Commission as its principal regulator on the grounds that Ontario is the jurisdiction in respect of which it has the most significant connection after British Columbia.

5. At the time of the Previous Decision, the primary regulator for the Filer for non-securities-related matters was FICOM. Effective November 1, 2019, the BCFSA, a new crown agency created by the British Columbia government, assumed the responsibilities of FICOM and became the Filer's primary regulator for non-securities-related matters. The shift of responsibilities from FICOM to the BCFSA has not changed in any material way the nature or substance of the regulation and supervision to which the Filer is subject, and the Filer remains subject to a comprehensive scheme of prudential regulation and supervision that is comparable to the regulatory framework governing central credit unions or equivalent organizations in other Canadian jurisdictions.

6. Until January 15, 2017, the Filer was also regulated by OSFI as an "association" governed by the CCAA. As a result of amendments to the CCAA effective January 15, 2017, the CCAA no longer applies to the Filer and the Filer ceased to be regulated by OSFI. The Filer's business and activities have not changed as a result of these amendments to the CCAA effective January 15, 2017.

7. The Filer is not registered as an extra-provincial credit union under the CUCPA and is not subject to the direct oversight of the Financial Services Regulatory Authority of Ontario (previously, the Financial Services Commission of Ontario). The Filer entered into an undertaking to share information with the Superintendent of Financial Services, Ontario and the Deposit Insurance Corporation of Ontario. The Filer entered into a memorandum of understanding with the Deposit Insurance Corporation of Ontario with respect to, among other things, information sharing. In 2019, pursuant to the *Financial Services Regulatory Authority of Ontario Act, 2016*, the Deposit Insurance Corporation of Ontario and the Financial Services Commission of Ontario amalgamated and continued as one corporation under the name of the Financial Services Regulatory Authority of Ontario, which assumed the former regulatory functions of both the Financial Services Commission of Ontario and the Deposit Insurance Corporation of Ontario.

8. As a central credit union governed by the CUIA and subject to the oversight of the BCFSA, the Filer is subject to a comprehensive scheme of prudential regulation and supervision that the Filer believes is comparable to the regulatory framework governing central credit unions or equivalent organizations organized under applicable legislation in other Canadian jurisdictions and the supervision provided by applicable regulators in such jurisdictions. In particular:

   (a) The Filer is subject to regulation pursuant to the CUIA and FIA, and applicable regulations under such legislation, all of which are administered by the BCFSA.

   (b) The CUIA sets forth a scheme of corporate law requirements applicable to credit unions governed by it, such as the Filer, as well as requirements relating to various matters, including membership, governance, business authorization, filings, auditors and audit committees, and hearings and appeals before the BCFSA. Pursuant to the CUIA, the BCFSA has various powers of supervision including the right to consent to various transactions, the right to require certain transactions under certain circumstances and the right to consent to changes to a credit union's constitution and rules.

   (c) The FIA and its regulations set forth requirements applicable to credit unions governed by the CUIA, such as the Filer, including business authorizations, corporate governance, capital and liquidity requirements and requirements relating to deposits and borrowing.

   (d) The BCFSA has various powers of supervision under the FIA including, for example, the power to order financial institutions to acquire additional liquid assets or increase their capital base, powers to supervise the conduct of auditors, and generally broad powers of examination, audits and inspection and powers of sanction. The superintendent appointed under the FIA must periodically conduct an examination of the affairs of every financial institution subject to the FIA. The FIA states that for the purposes of administration and enforcement of the FIA, the superintendent appointed under the FIA and its investigators examiners or other persons in accordance with the FIA may act outside of British Columbia as if acting inside it.

(e) In February 2014, FICOM identified the Filer as a domestic systemically important financial institution (**D-SIFI**). As a D-SIFI, the Filer is subject to additional regulatory and supervisory requirements determined by the BCFSA addressing matters such as capital requirements and regulatory reporting.

9. The Constitution and Rules of the Filer (the **Rules**) restrict membership in the Filer to incorporated organizations. The Filer's members are primarily credit unions and other sophisticated institutions. In particular, the Rules restrict membership in the Filer to incorporated organizations that qualify as Class A members, Class B members or Class C members in accordance with the requirements below:

(a) Class A members are (i) credit unions incorporated under the CUIA or the former *Credit Unions Act* (British Columbia) or the CUCPA, incorporated under the laws of any other Canadian jurisdiction and licensed or registered under those laws to carry on business as a credit union or caisse populaire in that jurisdiction, or incorporated as a federal credit union under the laws of Canada, or (ii) credit unions incorporated under the laws of another jurisdiction as a central credit union or as a corporation which, in the opinion of the board of directors of the Filer (the **Board of Directors**), conducts its operations in a manner similar to a central credit union incorporated under the CUIA or the former *Credit Unions Act* (British Columbia), and in all cases whose application for membership has been approved as provided in the Rules;

(b) Class B members are cooperative associations incorporated under the *Cooperative Association Act* (British Columbia) or cooperatives incorporated under other legislation in British Columbia or under the laws of another Canadian jurisdiction which, in the opinion of the Board of Directors, conducts its operations on a cooperative basis and is designated as a cooperative association by the Board of Directors for the purposes of membership in the Filer; and

(c) Class C members are incorporated organizations whose application for membership has been approved as provided in the Rules, other than a Class A member or a Class B member; in general terms, Class C members consist of organizations that do not qualify as (or do not wish to be, or are otherwise not approved as) Class A members or Class B members but wish to maintain deposits with the Filer or that wish to become members of the Filer for other reasons.

The Filer is not permitted to have members that are individuals. The classes of shares of the Filer are set out in its Rules. Amendments to the Rules must be approved by members and the BCFSA or a successor thereof.

10. The authorized share capital of the Filer consists of five classes of shares (**Shares**), as follows:

(a) Class A shares with a par value of $1.00 per Class A share, which may only be issued to and held by Class A members;

(b) Class B shares with a par value of $1.00 per Class B share, which may only be issued to and held by Class B members;

(c) Class C shares with a par value of $1.00 per Class C share, which may only be issued to and held by Class C members;

(d) Class D shares with a par value of $1.00 per Class D share, which may be issued to and held by Class A members, Class B members and Class C members; and

(e) Class E shares with a par value of $0.01 per Class E share, which may only be issued to and held by Class A members or entities that are wholly-owned by the Filer.

11. A summary of certain rights attributable to the Shares is as follows:

(a) Unless the Filer's Rules otherwise provide, a Class A member shall be entitled to vote on any matter. Class B members and Class C members have limited voting rights. A Class B member shall be entitled to vote only with respect to matters specified in the Rules and with respect to those matters which the directors in their discretion determine relate to Class B members. The Class C members shall be entitled to vote only with respect to those matters which the directors in their discretion determine relate to Class C members. Except as required by applicable laws, there are no voting rights associated with Class D and E shares.

(b) Except as otherwise provided in the Rules, each delegate representing a Class A member shall be entitled to cast one vote for each Class A share held by that member. A delegate representing a Class B member may cast one vote for each Class B share held by that member on any matter on which a Class B member is entitled to vote. A delegate representing a Class C member may cast one vote for each Class C share held by that member on any matter on which a Class C member is entitled to vote. Notwithstanding the forgoing, if a matter to be voted on relates to the trade associational operations of the Filer, each Class A member shall be entitled

to cast one vote for each 100 members of the Class A member. Subject to the Rules, dues to be assessed in accordance with the Rules shall be determined by majority vote of those Class A members entitled to vote on the resolution the basis of one vote for each 100 members of the Class A member, in respect of certain dues resolutions, and on the base of one vote for each 1,000 members of the Class A member, in respect of certain dues resolutions.

(c) Directors are elected or appointed, in accordance with the Rules, only by Class A members. Certain directors may be nominated by certain large Class A members pursuant to the Rules. Certain matters (including the election of certain directors) are either on the basis of one vote per applicable member or on the basis of one vote per share held by the applicable members or both.

(d) Subject to certain restrictions contained in the CUIA and the Rules, all Shares of the Filer are redeemable by the Filer, at its option and on the approval of the Board of Directors. Class A, B, C, D and E shares may not be redeemed by the holder except with the consent of the Board of Directors.

(e) The holders of each class of Shares are entitled to receive dividends as declared from time to time.

(f) Shares are transferable only with the consent of the directors to entities that are permitted to hold such shares under the Rules (being members and/or entities that are wholly-owned by the Filer).

12. A member that holds Shares retains membership in the Filer so long as the membership of that holder is not terminated in accordance with the Rules.

13. If a person ceases to be a member of the Filer, that person may still continue to hold its Shares, but under the Rules and the provisions of the CUIA that person becomes an auxiliary member of the Filer. The Rules provide that until the Filer redeems all of the Shares of an auxiliary member, the auxiliary member retains the rights, privileges and obligations of membership of that class of members to which the auxiliary member belonged immediately prior to becoming an auxiliary member.

14. As of November 23, 2021, the Filer had a total of 294 members, of which approximately 210 were Class A members or Class B members (credit unions and cooperative associations or similar organizations), and 84 were Class C members (other types of incorporated organizations). As of November 23, 2021, the Filer did not have any auxiliary members.

Issuance of evidences of deposits

15. One of the Filer's primary functions is to take deposits from its members for various purposes, including to provide a vehicle through which members can deposit excess capital they may have from time to time, and in connection with various services provided by the Filer to its members. The Filer accepts deposits from members on a daily basis. Members are or may be located in any Canadian jurisdiction.

16. In British Columbia, evidences of deposit issued by the Filer are excluded from the definition of "security" under the *Securities Act* (British Columbia) as evidence of a deposit of a savings institution within the meaning of the *Securities Act* (British Columbia). Although the definition of "security" under the Legislation and applicable securities legislation in the Jurisdictions specifically excludes from its scope evidences of deposits issued by certain banks, credit unions and other financial institutions, evidences of deposit issued by the Filer generally do not qualify for these exclusions because the exclusions in relation to credit unions (or similar entities) in each local jurisdiction (other than Prince Edward Island, Nunavut, the Yukon and the Northwest Territories) generally apply only to credit unions subject to federal credit union legislation or incorporated under the laws of the applicable local jurisdiction, and are not available to a credit union such as the Filer that is incorporated under the laws of British Columbia.

17. Accordingly, except in British Columbia, any evidence of a deposit issued by the Filer is a "security" and, in the absence of the Exemption Sought, each issuance must comply with the prospectus requirements and dealer registration requirements under the Legislation and applicable securities legislation in each Jurisdiction where the issuance occurs.

Issuance of shares to members

18. Generally, the Filer may only accept deposits from its members. Each customer that wishes to deposit money with the Filer (or to become a member for any other reason) receives Shares in connection with becoming a member. As noted, members are or may be located in any Canadian jurisdiction.

19. In British Columbia, the issuance of Shares by the Filer to its members is exempt from the prospectus requirements and dealer registration requirements under the *Securities Act* (British Columbia) pursuant to a blanket exemption contained in BC Instrument 45-531 *Exemptions for shares or deposits of a credit union*, which provides a prospectus exemption and a dealer registration exemption for distributions of shares of a credit union authorized to carry on business under the FIA. Although similar exemptions from the prospectus requirements and dealer registration requirements under the

Legislation and applicable securities legislation in each of the Jurisdictions (other than Québec and the Yukon) are available for the issuance of securities of certain credit unions to their members, these exemptions are not available to the Filer because these exemptions are generally only available in a local jurisdiction to credit unions subject to federal credit union legislation or incorporated under the laws of the applicable local jurisdiction, and are not available to a credit union such as the Filer that is incorporated under the laws of another jurisdiction.

20. In the absence of the Exemption Sought, each distribution of a Share to a member must comply with the prospectus requirements and dealer registration requirements under the Legislation and applicable securities legislation in each Jurisdiction where members reside.

Over-the-counter derivatives activities

21. The Filer carries on certain over-the-counter (**OTC**) derivatives activities primarily as a service to its members to hedge their business risks (including balance sheet and mortgage exposures), and to hedge the Filer's exposure under outstanding derivatives transactions and its own business risk. The Filer's understanding is that its members enter into these OTC derivative transactions for the purposes of hedging their business risks and not for speculative purposes. The Filer also offers OTC derivative services to other entities (primarily financial institutions) who have a need for such OTC derivative services and wish to engage the Filer to provide these services.

22. All OTC derivatives activities that are conducted by the Filer in Ontario are with counterparties that qualify as "permitted clients" as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**).

23. The Filer participates in these transactions as counterparty and therefore earns profits and losses on these transactions at market levels; however, no separate compensation is received.

24. The OTC derivatives that the Filer enters into include interest rate swaps, interest rate options, FX forwards, FX spot, FX swaps, FX options, bond forwards, and repos (repurchase transactions), and index options.

25. Other than index options where the underlying interest is an equity index, the Filer does not enter into OTC derivatives transactions where the underlying interest or reference asset includes an equity security (i.e., an equity option).

26. As the derivatives entered into between the Filer and its members and other counterparties are OTC derivatives and not listed derivatives; the Legislation and applicable securities legislation in each of the other jurisdictions, including the *Derivatives Act* (Québec) and NI 31-103, are the applicable legislation.

27. The Filer has not pursued relief from the dealer registration requirement in connection with these activities for the following reasons:

    (a) The Filer believes there is a reasonable argument that, under the current requirements of Ontario securities law, its trading activities in relation to OTC derivatives should not be considered to constitute being in the business of trading in securities.

    (b) The Filer's trading activities in relation to OTC derivatives are generally limited to transactions where the underlying instruments are index options, interest rate swaps, interest rate options, FX forwards, FX spots, FX swaps, FX options, bond forwards and repos (repurchase transactions). The counterparties that are resident in Ontario all qualify as "permitted clients" as defined in NI 31-103.

    (c) The Filer does not enter into OTC derivatives transactions with members or other counterparties where the underlying interest or reference asset includes individual equity securities.

    (d) The guidance in OSC Staff Notice 91-702 *Offering of Contracts for Difference and Foreign Exchange Contracts to Investors in Ontario* (**OSC Staff Notice 91-702**) expressly states the following under the heading "1. Purpose": "This notice is not intended to address direct or intermediated trading between institutions. We note that Canadian financial institutions are exempt from registration requirements under the *Securities Act* (Ontario)." The Filer and the counterparties domiciled in Ontario are non-individual permitted clients and therefore could reasonably conclude that OSC Staff Notice 91-702 did not apply.

    (e) The Legislation provides for an exemption from registration for (i) an association to which the CCAA applies or a central cooperative credit society for which an order has been made under subsection 473 (1) of the CCAA (which, prior to the repeal of Part 16 in 2014, included provincial centrals); and (ii) a credit union that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario.

    (f) In each of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Québec, and Saskatchewan (collectively, the **OTC Exemption Jurisdictions**), persons and companies who engage in OTC derivative

transactions are generally exempt from registration and certain disclosure requirements, pursuant to applicable exemptions (the **OTC Derivative Exemptions**), when they are negotiated, bi-lateral contracts that are entered into between sophisticated non-retail parties referred to as "qualified parties" in Alberta, British Columbia, Manitoba, New Brunswick Nova Scotia and Saskatchewan, and as "accredited counterparties" in Québec.

(g) The corresponding OTC Derivative Exemptions are as follows:

British Columbia	Blanket Order 91-501 *Over-the-Counter Derivatives*
Alberta	Blanket Order 91-507 *Over-the-Counter Trades in Derivatives*
Saskatchewan	Exemption Order 91-908 *Over-the-Counter Derivatives*
Manitoba	Blanket Order 91-501 *Over-the-Counter Trades in Derivatives*
Québec	Section 7 of the *Derivatives Act* (Québec)
New Brunswick	Local Rule 91-501 *Over-the-Counter Trades in Derivatives*
Nova Scotia	Blanket Order 91-501 *Over-the-Counter Trades in Derivatives*

28. The Filer acknowledges that it may be required to comply with or seek relief from the dealer registration requirement in the Legislation in relation to trading in OTC derivatives upon the coming into force of certain amendments to the Legislation and similar requirements in the legislation of the other Jurisdictions. The Filer acknowledges that the exemption from the dealer registration requirement and adviser registration requirement set out in this decision do not apply to the Filer in connection with the Filer's activities in relation to trading or advising others in relation to OTC derivatives.

29. The Filer is not in default of its obligation to report derivatives data in respect of its transactions in OTC derivatives with a local counterparty under the following:

(a) in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan and Yukon, Multilateral Instrument 96-101 *Trade Repositories and Derivatives Data Reporting*;

(b) in Manitoba, MSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*;

(c) in Ontario, OSC Rule 91-507 *Trade Repositories and Derivatives Data Reporting*; and

(d) in Québec, *Regulation 91-507 respecting Trade Repositories and Derivatives Data Reporting.*

Application of dealer and adviser registration requirements

30. Although the Filer's principal business is that of a central credit union and the issuance of evidences of deposit and Shares is regarded as incidental to that business, the activities of the Filer in relation to the issuance of evidences of deposit and Shares together with certain of its other activities carried out in conjunction with its business as a credit union, may be sufficient to trigger the application of the dealer and the adviser registration requirements in relation to such activities.

31. In Ontario, the general exemption from the registration requirements that is available under the Legislation to certain credit unions is not available to the Filer because the Filer is not a credit union of the type contemplated by that exemption. Although exemptions from the dealer registration requirements under the Legislation and applicable securities legislation in each of the Jurisdictions (other than Québec and the Yukon) are available for the issuance of evidences of deposits and other securities of certain credit unions to their members, these exemptions are not available to the Filer because these exemptions are generally only available in a local jurisdiction to credit unions subject to federal credit union legislation or incorporated under the laws of the applicable local jurisdiction, and are not available to a credit union such as the Filer that is incorporated under the laws of another jurisdiction.

32. In the absence of the Exemption Sought, the Filer may be subject to the dealer and adviser registration requirements under the Legislation and applicable securities legislation in each Jurisdiction in relation to the issuance of evidences of deposit and Shares and be required to obtain registration as a dealer or to sell its evidences of deposits and Shares through registered dealers.

33. The Filer carries on a similar business to other central credit unions (or equivalent organizations) in the Jurisdictions, is subject to the same or more onerous controls (including capital, liquidity and investor protection measures) as central credit unions or equivalent organizations and other credit unions in the Jurisdictions, and as such, should be afforded the

same treatment as other central credit unions (or equivalent organizations) and credit unions in the Jurisdictions in relation to its issuance of evidences of deposits and Shares.

34. British Columbia laws applicable to the Filer do not prohibit it to carry on its business outside of British Columbia.

35. Other than as described in this decision or in compliance with securities laws, the Filer will not trade in any securities or derivatives other than issuances of evidences of deposits and Shares to its members and auxiliary members, and the derivatives transactions described above.

Books and Records

36. As a reporting issuer, the Filer is, and should the Exemption Sought be granted, as a person or company exempted from the requirement to be registered under the Legislation, the Filer will be a "market participant". For the purposes of the Legislation and as a market participant, the Filer is required to: (i) keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs, and the transactions that it executes on behalf of others; and (ii) keep such books, records and documents as may otherwise be required under the Legislation.

Decision

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

The decision of the principal regulator under the Legislation is that the Previous Decision is revoked, and the Exemption Sought is granted provided that:

(a) at the relevant time activities are engaged in:

  (i) the Filer continues to be a central credit union governed by the CUIA and the FIA;

  (ii) the Filer continues to be subject to regulation and supervision by the BCFSA;

  (iii) the Filer limits its activities to only those activities not prohibited by its governing legislation;

  (iv) the Filer's membership remains restricted to incorporated organizations and the Filer only issues evidences of deposits and shares in reliance on this decision to members and auxiliary members;

  (v) other than trades described in this decision or that are otherwise in compliance with securities laws, the Filer does not trade in any securities other than issuances of evidences of deposits and shares to its members and auxiliary members; and

(b) this decision shall terminate on the date that is five years after the date of this decision.

"M. Cecilia Williams"
Commissioner
Ontario Securities Commission

"Craig Hayman"
Commissioner
Ontario Securities Commission

OSC File #: 2021/0560

2.1.2 HSBC Global Asset Management (Canada) Limited

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-102 Investment Funds.

An issuer wants relief from the investment restrictions in National Instrument 81-102 Investment Funds that operate to restrict a mutual fund from investing in an index participation unit unless that index participation unit is traded on a Canadian or US exchange – The securities to be acquired by the fund meet the definition of index participation unit in NI 81-102 but for the fact that they trade on an exchange in the United Kingdom; the investment by the fund in securities of a UK IPU is in accordance with the fundamental investment objectives of the fund; the fund is not a money market fund.

An issuer wants relief from the investment restrictions in National Instrument 81-102 Investment Funds that restrict a mutual fund from investing in another mutual fund unless the other mutual fund is subject to National Instruments 81-102 and 81-101 and the securities of the other mutual fund are qualified for distribution in the local jurisdiction – The Foreign Funds are mutual funds distributed in accordance with UCITS regulations and are, and will continue to be, subject to regulatory requirements and concentration limits in their respective jurisdictions that are substantially similar to NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 Investment Funds, ss. 2.1(1), 2.2(1), 2.5(2)(a), (b) and (c), and 19.1.

December 20, 2021

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

AND

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

AND

IN THE MATTER OF
HSBC GLOBAL ASSET MANAGEMENT (CANADA) LIMITED
(the Filer)

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer on behalf of the mutual funds that are subject to National Instrument 81-102 *Investment Funds* (NI 81-102) that it currently manages (the Existing Funds) and the mutual funds that are subject to NI 81-102 that the Filer or an affiliate of the Filer may manage in the future (the Future Funds, and together with the Existing Funds, the Funds, and each, a Fund) for a decision under securities legislation of the Jurisdictions (the Legislation) exempting the Funds from the following provisions in NI 81-102:

(a) subsections 2.1(1), 2.2(1), 2.5(2)(a), 2.5(2)(b) and 2.5(2)(c) of NI 81-102 to permit the Funds to invest in securities of any mutual fund that is an exchange-traded fund (an ETF) that, but for the fact that they are listed on a stock exchange in the United Kingdom and not on a stock exchange in Canada or the United States, would otherwise qualify as "index participation units" (IPU) as defined in NI 81-102 (such ETF, a UK IPU);

(b) subsection 2.5(2)(b) of NI 81-102 to allow the Funds to invest in other Funds, which may invest more than 10% of the market value of their net assets in securities of UK IPUs (together with paragraph (a) above, the UK ETF Relief);

(c) subsection 2.5(2)(a) of NI 81-102 to permit the Funds to purchase and/or hold shares of investment funds authorized as Undertaking for Collective Investment in Transferable Securities (UCITS) under the UCITS Regulations (as defined below) by, and subject to the supervision of, a national competent authority in the United

Kingdom, the Republic of Ireland or Luxembourg (a Foreign Fund), even though the Foreign Fund is not subject to NI 81-102; and

(d) subsection 2.5(2)(c) of NI 81-102 to permit the Funds to purchase and/or hold shares of a Foreign Fund, even though the Foreign Fund is not a reporting issuer in a Canadian Jurisdiction (as defined below) (together with paragraph (c) above, the Foreign Funds Relief, and collectively with the UK ETF Relief, the Exemptions Sought).

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

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

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

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

Interpretation

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

Representations

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

The Filer and the Funds

1. the Filer is a corporation organized under the laws of Canada. The head office of the Filer is located in Vancouver, British Columbia;

2. the Filer is registered as an investment fund manager in British Columbia, Ontario, Quebec, and Newfoundland and Labrador, as a portfolio manager in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, and Newfoundland and Labrador, and as an exempt market dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, and the Northwest Territories;

3. the Filer is or will be the manager and principal portfolio advisor of each of the Funds;

4. each of the Funds is or will be a mutual fund that is formed as a trust or class of shares of a mutual fund corporation established under the laws of the Province of British Columbia or another province or territory of Canada, the securities of which are or will be in continuous distribution;

5. the securities of the Funds are or will be qualified for distribution pursuant to a simplified prospectus and annual information form prepared and filed in accordance with the securities legislation of each jurisdiction of Canada;

6. each of the Existing Funds is a reporting issuer in each of the provinces and territories of Canada and subject to NI 81-102, and each Future Fund will be a reporting issuer in some or all of the provinces and territories of Canada and subject to NI 81-102;

7. the Filer and the Existing Funds are not in default of securities legislation in any jurisdiction;

UK ETF Relief

8. each UK IPU is or will be an “investment fund” and a “mutual fund” within the meaning of applicable Canadian securities legislation;

9. each UK IPU is or will be an ETF traded on a stock exchange in the United Kingdom that is authorized in accordance with either (a) European Union Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions as amended and supplemented with further EU legislation and as implemented in the EU member state where the UCITS is domiciled or Ireland with regards to Irish-domiciled UCITS and Luxembourg with regards to Luxembourg-domiciled UCITS (the EU UCITS Regulations), or (b) the EU UCITS Regulations as retained in UK law in accordance with the EU (Withdrawal)

Act 2018 (the UK UCITS Regulations and, together with the EU UCITS Regulations, the UCITS Regulations). Each UK IPU therefore is, or will be, a UCITS and will comply with the UCITS Regulations;

10. the managers of the UK IPUs are subject to substantially equivalent regulatory oversight to the Filer, which is primarily regulated by the British Columbia Securities Commission;

11. the securities of each UK IPU are, or will be, offered in their primary market in a manner similar to the Funds pursuant to a prospectus for each investment company;

12. each UK IPU is listed on the London Stock Exchange (LSE) and, in addition, may be listed on one or more additional stock exchange;

13. securities of each UK IPU would be IPUs but for the fact that they are not traded on a stock exchange in Canada or the United States;

14. it is the Filer's understanding that the regulatory regime, administration, operation, investment objectives and restrictions applicable to UK IPUs are as rigorous as those applicable to similar ETFs listed on an exchange in Canada or the United States, the securities of which are IPUs;

15. the LSE is subject to a regulatory oversight by the Financial Conduct Authority of the United Kingdom. The LSE is subject to materially equivalent regulatory oversight to securities exchanges in Canada and the United States, and the listing requirements to be complied with by the UK IPUs are consistent with the listing requirements of the Toronto Stock Exchange;

16. each UK IPU is or will be managed by an associate or affiliate of the Filer or by an unrelated third party;

17. each UK IPU's only purpose is or will be to (a) hold the securities that are included in a specified index in substantially the same proportion as those securities are reflected in that index, or (b) invest in a manner that causes the UK IPU to replicate the performance of that index;

18. in replicating the performance of an index, a UK IPU may purchase securities of other mutual funds;

19. each UK IPU achieves, or will achieve, its investment objective by holding the component securities of the applicable index or otherwise investing in securities in a manner that will enable the UK IPU to track the performance of the applicable index in accordance with the rules on eligible assets prescribed by the UCITS Regulations;

20. the index tracked by each UK IPU is, or will be, transparent, in that the methodology for the selection and weighting of index components is, or will be, publicly available. Details of the components of the index tracked by a UK IPU, such as issuer name and weighting within the index, are, or will be, publicly available by the applicable index provider and updated from time to time or when requested of the applicable index provider;

21. each index tracked by each UK IPU includes sufficient component securities so as to be broad-based and is, or will be distributed and referenced sufficiently so as to be broadly utilized;

22. each UK IPU makes, or will make, the net asset value (NAV) of its holdings available to the public through at least one price information system associated with the stock exchange on which it is listed;

23. no UK IPU is a "synthetic ETF", meaning that no UK IPU will principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;

24. the UK IPUs are, or will be, subject to the following regulatory requirements:

    (a) each UK IPU is subject to a robust risk management framework through prescribed rules on governance, risk, regulation of service providers and safekeeping of assets;

    (b) each UK IPU is restricted to investments permitted by the UCITS Regulations (including any exemptive relief obtained by the UK IPUs therefrom) and/or authorized by the Financial Conduct Authority, Central Bank of Ireland, or the Commission de Surveillance du Secteur Financier in Luxembourg;

    (c) each UK IPU is subject to investment restrictions limiting its holdings of illiquid securities that are not listed on a stock exchange or regulated market to no more than 10% of the UK IPU's NAV;

    (d) each UK IPU is subject to investment restrictions limiting its holdings of other collective investment undertakings, including mutual funds, to no more than 10% of the UK IPU's NAV;

(e) each UK IPU is subject to restrictions regarding the use of derivatives, including the types of derivatives in which it may transact, limits on counterparty risk, and limits on increases to overall market risk resulting from the use of derivatives;

(f) each UK IPU is required to prepare a prospectus that discloses material facts, similar to the disclosure requirements under Form 41-101F2 *Information Required in an Investment Fund Prospectus* and Form 81-101F1 *Contents of a Simplified Prospectus*;

(g) each UK IPU is required to prepare key investor information documents that provide disclosure that is substantially similar to the disclosure required to be included in the ETF facts document required by Form 41-101F4 *Information Required in an ETF Facts Document*;

(h) each UK IPU is subject to continuous disclosure obligations that are similar to the disclosure obligations under National Instrument 81-106 *Investment Fund Continuous Disclosure*;

(i) each UK IPU is required to update information of material significance in the prospectus, to prepare management reports and an audited set of financial statements annually; and

(j) each UK IPU has a board of directors and a manager that are subject to a governance framework that sets out the duty of care and standard of care, which require the board of directors of both the manager and the UK IPU to act in the best interest of securityholders of the UK IPU;

25. the investment objectives and investment strategies of each Fund are, or will be, disclosed in each Fund's simplified prospectus and any Fund that invests in a UK IPU will be permitted to do so in accordance with its investment objectives and investment strategies;

26. the simplified prospectus of each Fund provides, or will provide, all disclosure mandated for investment funds investing in other investment funds;

27. there will be no duplication of management fees or incentive fees as a result of an investment by a Fund in a UK IPU;

28. the amount of loss that could result from an investment by a Fund in an UK IPU will be limited to the amount invested by the Fund in such UK IPU;

29. the Funds will purchase and sell securities of UK IPUs in the secondary market through the facilities of the LSE or by subscribing or redeeming such securities directly from the UK IPUs;

30. where a Fund purchases or sells securities of an UK IPU in the secondary market, it will pay commissions to brokers in connection with the purchase or sale of such securities;

31. the Filer will ensure that there are appropriate restrictions on sales fees and redemption charges for any purchase or sale of shares of a UK IPU;

Reasons for the UK ETF Relief

32. the Filer considers that investments by the Funds in UK IPUs provide an efficient and cost-effective means for the Funds to achieve diversification, obtain exposure to the markets and asset classes in which the UK IPUs invest and, in the case of certain UK IPUs, unique investment exposures. In particular, UK IPUs can provide a cost-effective way to achieve the Funds' desired allocations to various sectors, as well as desired exposure to certain countries, which in some cases may not be possible through reliance on ETFs listed on stock exchanges in Canada or the United States alone due to the relative size of the ETFs and/or the makeup of the available ETFs;

33. an investment by a Fund in an UK IPU will be made in accordance with the investment objectives and investment strategies of the Fund;

34. in the absence of the UK ETF Relief:

(a) the concentration restriction in subsection 2.1(1) of NI 81-102 would prohibit a Fund from purchasing or holding more than 10% of its net assets in securities of UK IPUs and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption set forth in subsection 2.1(2)(d) of NI 81-102;

(b) the control restriction in subsection 2.2(1) of NI 81-102 would prohibit a Fund from purchasing or holding securities representing more than 10% of the votes attaching to the outstanding voting

securities of a UK IPU or from purchasing securities of a UK IPU for the purpose of exercising control over or management of the UK IPU and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption set forth in subsection 2.2(1.1)(b) of NI 81-102;

(c) the investment restriction in subsection 2.5(2)(a) of NI 81-102 would prohibit a Fund from purchasing or holding securities of an UK IPU because UK IPUs are not subject to NI 81-102 and NI 81-101 and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption set forth in subsection 2.5(3)(a) of NI 81-102;

(d) the investment restriction in subsection 2.5(2)(b) of NI 81-102 would prohibit a Fund from purchasing or holding securities of a Fund that invests its assets in a UK IPU unless at the time of the purchase of that security, the Fund holds no more than 10% of the market value of its net assets in securities of other mutual funds and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption in subsection 2.5(4)(b)(ii) of NI 81-102; and

(e) the investment restriction in subsection 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing or holding securities of an UK IPU because UK IPUs are not reporting issuers in the local jurisdiction and, because IPUs are currently defined to be securities that are traded on a stock exchange in Canada or the United States only, the Fund would not be able to rely upon the IPU exemption in subsection 2.5(3)(a) of NI 81-102;

35. each investment by a Fund in securities of an UK IPU will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund;

Foreign Funds Relief

36. each of the Foreign Funds are, or will be, managed by the Filer or an affiliate or associate of the Filer;

37. each Foreign Fund (a) has, or will have, a primary purpose to invest money provided by its securityholders and (b) has, or will have, securities that entitle its securityholders to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the net assets of such Foreign Fund;

38. each of the Foreign Funds is considered to be an “investment fund” and a “mutual fund”, each within the meaning of applicable Canadian securities legislation;

39. no Foreign Fund is, or will be, subject to NI 81-102 and no Foreign Fund distributes, or will distribute, its securities in Canada under a simplified prospectus in accordance with NI 81-101;

40. the Foreign Funds are subject to investment restrictions and practices that are generally similar to those applicable to the Funds. The Foreign Funds are available for purchase by the public and are not considered to be hedge funds;

41. the Foreign Funds are distributed in certain European countries pursuant to MiFID II (the second Markets in Financial Instruments Directive together with Regulation (EU) No. 600/2014) and globally where permissible, pursuant to applicable local law (including private placement regimes);

42. the Foreign Funds are distributed in certain European countries pursuant to the UCITS Regulations;

43. each Foreign Fund is, or will be, subject to investment restrictions and practices under the laws of the United Kingdom, the Republic of Ireland or Luxembourg (the Foreign States) that are applicable to mutual funds that are sold to the general public. The Foreign Funds are, or will be, authorized as a UCITS by the applicable national competent authority of the relevant Foreign State;

44. the Foreign Funds qualify, or will qualify, as UCITS and the shares of the Foreign Funds are managed in accordance with the UCITS Regulations, as applicable;

45. each of the Foreign Funds is, or will be, governed by the laws of the United Kingdom, the Republic of Ireland or Luxembourg, and is subject to the following regulatory requirements and restrictions, which are generally similar to the requirements and restrictions set forth in NI 81-102:

    (a) each Foreign Fund is subject to a risk management framework through prescribed rules on governance, risk, regulation of service providers and safekeeping of assets;

    (b) each Foreign Fund is restricted to investing a maximum of 10% of its net assets in a single issuer;

    (c) each Foreign Fund is subject to investment restrictions designed to limit its holdings of illiquid securities to 10% or less of its NAV;

    (d) each Foreign Fund holds no more than 10% of its NAV in securities of other investment funds, including other collective investment undertakings;

    (e) each Foreign Fund is subject to investment restrictions designed to limit holdings of transferrable securities that are not listed on a stock exchange or regulated market to 10% or less of the Foreign Fund's NAV;

    (f) the rules governing the use of derivatives by the Foreign Funds are comparable to the rules regarding the use of derivatives under NI 81-102 with respect to the types of derivatives allowed to be used, issuer concentration, risk exposure in connection with mark to market value, the disclosure required in offering documents and the monitoring requirements, and with only a slight difference between the two regimes in connection with counterparty credit ratings (A-1 under NI 81-102 versus an effective rating requirement of A-2 for counterparties that are not regulated as credit institutions under the UCITS Regulations);

    (g) a Foreign Fund may engage in securities lending activities if provided for in its prospectus or prospectus supplement, as applicable of the Foreign Fund;

    (h) each Foreign Fund makes, or will make, the NAV of its holdings available to the public through at least one price information system (e.g. Bloomberg or Reuters) and all prices are published daily on the website of the Filer or an affiliate of the Filer, as applicable;

    (i) the Filer and each affiliate of the Filer, as applicable, is required to prepare a prospectus (and in the Filer's case, a prospectus supplement in respect of each sub-fund of the Filer) that discloses material facts pertaining to each Foreign Fund. The prospectus (together with, in the case of the Filer, the corresponding prospectus supplement) provides disclosure that is similar to the disclosure required to be included in a simplified prospectus under NI 81-101 and a prospectus under NI 41-101, although some information, such as annual returns, management expense ratios, trading expense ratios, and trading price and volume, is not included in the prospectus and/or prospectus supplement of a Foreign Fund, as applicable;

    (j) each Foreign Fund publishes a Key Investor Information Document (KIID) that contains disclosure similar to that required to be included in a fund facts document prepared under NI 81-101;

    (k) each Foreign Fund is subject to continuous disclosure obligations that are similar to the disclosure obligations of the Funds under National Instrument 81-106 I*nvestment Fund Continuous Disclosure*;

    (l) any material change in the investment objective or material change to the investment policy of a Foreign Fund will only be effected either following the written approval of all shareholders of the Foreign Fund or a resolution of a majority of the voting shareholders of that Foreign Fund at a general meeting, or after shareholders are given 30 days' notice of the change;

    (m) all investment management activities of the investment fund manager for each of the Foreign Funds must be conducted at all times in accordance with the UCITS Regulations, the UCITS Notices and the investment policy of the Foreign Fund; and

    (n) the auditor of each of the Foreign Funds is required to prepare an audited set of accounts for each Foreign Fund at least annually;

46. the investment objectives and investment strategies of each Fund are, or will be, disclosed in each Fund's simplified prospectus and any Fund that invests in a Foreign Fund will be permitted to do so in accordance with its investment objectives and investment strategies;

47. the simplified prospectus of each Fund provides, or will provide, all disclosure mandated for investment funds investing in other investment funds;

48. there will be no duplication of management fees or incentive fees as a result of an investment by a Fund in a Foreign Fund;

49. the amount of loss that could result from an investment by a Fund in a Foreign Fund will be limited to the amount invested by the Fund in such Foreign Fund;

50. the securities of the Foreign Funds are sold to the public by dealers registered pursuant to MiFID II and globally pursuant to applicable local law (including private placement regimes);

51. as is the case with the purchase or sale of conventional mutual funds in Canada, dealers may be paid a commission in connection with the purchase and sale of shares of the Foreign Funds;

52. the Filer will ensure that there are appropriate restrictions on sales fees and redemption charges for any purchase or sale of shares of a Foreign Fund;

Reasons for the Foreign Funds Relief

53. a Fund is not permitted to invest in shares of a Foreign Fund unless the requirements of section 2.5(2) of NI 81-102 are satisfied;

54. section 2.5 of NI 81-102 would permit the Funds to invest in the Foreign Funds but for the fact that each Foreign Fund is not subject to NI 81-102 and is not a reporting issuer in any of the Jurisdictions;

55. other than the paragraphs of section 2.5 of NI 81-102 from which the Funds seek relief, the Funds will otherwise comply fully with section 2.5 of NI 81-102 when investing in the Foreign Funds, and each Fund's simplified prospectus will provide all applicable disclosure mandated for investment funds investing in other investment funds;

56. an investment by a Fund in a Foreign Fund will be made in accordance with the investment objectives and investment strategies of the Fund;

57. a Fund will not invest in a Foreign Fund if the Foreign Fund holds more than 10% of its total assets in securities of other investment funds at the time of purchase;

58. the Filer considers that investments by the Funds in Foreign Funds provide an efficient and cost-effective means for the Funds to achieve diversification, obtain exposure to the markets and asset classes in which the Foreign Funds invest and, in the case of certain Foreign Funds, unique investment exposures. In particular, Foreign Funds can provide a cost-effective way to achieve the Funds' desired allocations to various sectors, as well as desired exposure to certain countries, which in some cases may not be possible through reliance on investments in mutual funds that would meet the requirements set out in section 2.5(2) of NI 81-102 due to the relative size of such funds and/or the makeup of the available funds;

59. a Fund's investment in shares of a Foreign Fund is not for the purpose of distributing the Foreign Fund to the Canadian public. The investments by a Fund in a Foreign Fund are proposed not to allow the Foreign Fund to be indirectly distributed in Canada, but to allow a Fund to achieve its investment objectives and investment strategies by investing, to a very limited extent, in professionally managed lower-cost Foreign Funds, where the investment style and approach of the Foreign Fund is known to the manager of the Fund;

60. in the absence of the Foreign Funds Relief the investment restriction in:

    (a) paragraph 2.5(2)(a) of NI 81-102 would prohibit a Fund from purchasing and/or holding shares of a Foreign Fund because the Foreign Fund is not subject to NI 81-102; and

    (b) paragraph 2.5(2)(c) of NI 81-102 would prohibit a Fund from purchasing and/or holding shares of a Foreign Fund because the Foreign Fund is not a reporting issuer in a Canadian Jurisdiction;

61. each investment by a Fund in shares of a Foreign Fund will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund;

Decision

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

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

(a) in the case of the UK ETF Relief:

(i) the investment by a Fund in securities of a UK IPU is made in accordance with the fundamental investment objectives of the Fund;

(ii) securities of the UK IPUs qualify as IPUs within the meaning of NI 81-102 but for the fact that they are trade on a stock exchange in the United Kingdom and not a stock exchange in Canada or the United States;

(iii) none of the UK IPUs are "synthetic ETFs", meaning that they will not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;

(iv) investments by a Fund in securities of one or more UK IPUs comply with NI 81-102 as if securities of the UK IPUs were IPUs within the meaning of NI 81-102;

(v) the relevant offering documents of each Fund discloses, or will disclose the next time it is renewed after the date of this decision, the fact that the Fund has obtained relief to invest in UK IPUs;

(vi) in the event there is a significant change to the regulatory regime applicable to the UK IPUs that results in a less restrictive regulatory regime compared to the current regime and that has a material impact on the management or operation of the UK IPUs in which the Funds are invested, the Funds do not acquire any additional securities of such UK IPUs, and dispose of any securities of such UK IPUs in an orderly and prudent manner; and

(vii) the UK ETF Relief will terminate six months after the coming into force of any amendments to NI 81-102 that restrict or regulate a Fund's ability to invest in UK IPUs;

(b) in the case of the Foreign Funds Relief:

(i) the Foreign Funds qualify as UCITS and are subject to investment restrictions and practices under the laws of the relevant Foreign State that are applicable to mutual funds that are sold to the general public and are regulated investment funds authorized as a UCITS by the applicable national competent authority of a Foreign State;

(ii) the investment by a Fund in a Foreign Fund otherwise complies with section 2.5 of NI 81-102, and the prospectus or a simplified prospectus, as applicable, of the Fund provides, or will provide, all applicable disclosure mandated for investment funds investing in other investment funds;

(iii) a Fund does not invest in a Foreign Fund if, immediately after the investment, more than 10% of its net assets, taken at market value at the time of the investment, would consist of investments in Foreign Funds;

(iv) in the event that there is a change to the regulatory regime applicable to the Foreign Funds that results in a less restrictive regulatory regime compared to the current regime and that has a material impact on the management or operation of the Foreign Funds in which the Funds are invested, the Funds do not acquire additional shares of such Foreign Funds, and dispose of any shares of such Foreign Funds in an orderly and prudent manner; and

(v) the Foreign Funds Relief will terminate six months after the coming into force of any amendments that would permit a fund to invest in the Foreign Funds subject to the provisions of such amendments.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

2.1.3 Workplace Technology Dividend Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the prospectus requirement to permit closed-end investment fund to resell its repurchased and/or redeemed securities in the market prior to conversion to a mutual fund without prospectus qualification, subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53(1), 74(1) and (1.1).

December 21, 2021

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

AND

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

AND

IN THE MATTER OF
WORKPLACE TECHNOLOGY DIVIDEND FUND
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting the Filer from the requirement to file a prospectus (the **Prospectus Requirement**) in connection with the distribution of units of the Filer (the **Units**) that have been repurchased by the Filer pursuant to the Purchase Programs (as defined below) or redeemed by the Filer pursuant to the Redemption Programs (as defined below) in the period prior to a Conversion (as defined below) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* or MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is an unincorporated closed-end investment trust established under the laws of Ontario.

2. The Filer is not considered to be a “mutual fund” as defined in the Legislation because the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer.

3. The Filer is a reporting issuer in each of the provinces of Canada and is not in default of securities legislation in any jurisdiction of Canada.

4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **TSX**). As of November 17, 2021 the Filer had 7,000,000 Units issued and outstanding.

5. Middlefield Limited (the **Manager**), which is incorporated under the *Business Corporations Act* (Alberta), is the manager and the trustee of the Filer.

6. Subject to applicable law, which may require approval from the holders of the Units (the **Unitholders**) or regulatory approval, the Manager may (a) merge or otherwise combine or consolidate the Filer with any one or more other funds managed by the Manager or an affiliate thereof or (b) where it determines that to do so would be in the best interest of Unitholders, merge or convert the Filer into a listed exchange-traded mutual fund, an open-end mutual fund, a split trust fund, an alternative mutual fund, or another type of non-redeemable investment fund (each a **Conversion**).

Mandatory Purchase Program

7. The constating document of the Filer provides that the Filer, subject to certain exceptions and compliance with any applicable regulatory requirements, is obligated to purchase (the **Mandatory Purchase Program**) any Units offered on the TSX or such other exchange or market on which the Units are then listed and primarily traded (the **Exchange**) if, at any time after the closing of the Filer's initial public offering, the price at which Units are then offered for sale on the Exchange is less than 95% of the net asset value of the Filer per Unit, provided that the maximum number of Units that the Filer is required to purchase pursuant to the Mandatory Purchase Program in any calendar quarter is 1.25% of the number of Units outstanding at the beginning of each such period.

Discretionary Purchase Program

8. The constating document of the Filer also provides that the Filer, subject to applicable regulatory requirements and limitations, has the right, but not the obligation, exercisable in its sole discretion at any time, to purchase outstanding Units in the market at prevailing market prices (the **Discretionary Purchase Program** and together with the Mandatory Purchase Program, the **Purchase Programs**).

Monthly Redemptions

9. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Monthly Redemption Program**) on the second last business day of each month in order to be redeemed at a redemption price per Unit equal to the Monthly Redemption Price per Unit (as defined in the Filer's long form prospectus dated October 13, 2021 (the **Prospectus**)).

Annual Redemption

10. Subject to the Filer's right to suspend redemptions, Units may be surrendered for redemption (the **Annual Redemption Program**) on the second last business day of November in each year commencing in 2023 at a redemption price per Unit equal to the Redemption Price per Unit (as defined in the Prospectus).

Additional Redemptions

11. At the sole discretion of the Manager and subject to the receipt of any necessary regulatory approvals, the Manager may from time to time allow additional redemptions of Units (**Additional Redemptions** and collectively with the Monthly Redemption Program and the Annual Redemption Program, the **Redemption Programs**), provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury securities of a new or existing fund promoted by the Manager or an affiliate thereof then being offered to the public by prospectus.

Resale of Repurchased Units or Redeemed Units

12. Purchases of Units made by the Filer under the Purchase Programs or Redemption Programs will be made pursuant to exemptions from the issuer bid requirements of applicable securities legislation.

13. The Filer wishes to resell, in its sole discretion and at its option, through one or more securities dealers and through the facilities of the Exchange, the Units repurchased by the Filer pursuant to the Purchase Programs (**Repurchased Units**), or redeemed pursuant to the Redemption Programs (**Redeemed Units**).

14. All Repurchased Units and Redeemed Units will be held by the Filer for a period of four months after the repurchase or redemption thereof by the Filer (the **Holding Period**), prior to any resale.

15. The resale of Repurchased Units and Redeemed Units will be effected in such a manner as not to have a significant impact on the market price of the Units.

16. Repurchased Units and Redeemed Units that the Filer does not resell within 12 months after the Holding Period (that is, within 16 months after the date of repurchase or redemption, as applicable) will be cancelled by the Filer.

17. During any calendar year, the Filer will not resell an aggregate number of Repurchased Units and Redeemed Units that is greater than 5% of the number of Units outstanding at the beginning of such calendar year.

18. Prospective purchasers of Repurchased Units or Redeemed Units will have access to the Filer's continuous disclosure, which will be filed on SEDAR.

19. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution and, as such, is subject to the Prospectus Requirement. In the absence of the Exemption Sought, any sale by the Filer of Repurchased Units or Redeemed Units would be a distribution that is subject to the Prospectus Requirement.

Decision

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

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

(a) the Repurchased Units and Redeemed Units are otherwise sold by the Filer in compliance with applicable securities legislation, and through the facilities of and in accordance with the regulations and policies of the Exchange;

(b) the Filer complies with paragraphs 1 through 5 of subsection 2.8(2) of National Instrument 45-102 *Resale of Securities* as if it were a selling security holder thereunder; and

(c) the Filer complies with the representations made in paragraphs 15, 16 and 17 above.

"Craig Hyman"
Commissioner
Ontario Securities Commission

"Cecilia Williams"
Commissioner
Ontario Securities Commission

Application File #: 2021/0677

2.1.4 Buzz Capital 2 Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – An issuer (a capital pool company) proposes to complete a reverse take-over transaction with a target company – The proposed transaction, if completed, will serve as the issuer's qualifying transaction under Policy 2.4 Capital Pool Companies of the TSX Venture Exchange (TSXV) – The issuer applied for relief from the requirements in section 4.10(2)(a)(ii) of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) and Item 5.2 of Form 51-102F3 Material Change Report to file, in respect of the proposed transaction, historical audited financial statements of certain predecessor entities that are not material to the issuer. Relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 4.10(2)(a)(ii).
Form 51-102F3 Material Change Report, Item 5.2.

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

AND

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

AND

IN THE MATTER OF
BUZZ CAPITAL 2 INC.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of Ontario (the "**Legislation"**) for an exemption from the requirements in subparagraph 4.10(2)(a)(ii) of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") and item 5.2 of Form 51-102F3 *Material Change Report* ("**51-102F3**") to file all of the financial statements of a reverse takeover acquirer that would be required to be included in the form of prospectus that the reverse takeover acquirer was eligible to use prior to the reverse takeover for a distribution of securities in the Jurisdictions (the "**Exemption Sought**"). Furthermore, the principal regulator in the Jurisdiction has received a request from the Filer for a decision (the "**Confidentiality Sought**") that the application and this decision document (the "**Confidential Material**") be kept confidential and not be made public until the earlier of: (i) the date on which the Filer advises the principal regulator that there is no need for the Confidential Material to remain confidential; (ii) the date on which the Filer publicly announces or files the Filing Statement; and (iii) the date that is 90 days from the date of this decision.

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

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

(b) The Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia and Alberta (collectively with Ontario, the "**Jurisdictions**").

Interpretation

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

Representations

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

1. The Filer was incorporated on May 8, 2018 under the laws of the *Canada Business Corporations Act.* The Filer is a capital pool company whose common shares ("**Common Shares**") are listed on the TSX Venture Exchange ("**TSXV**"). As a result, the principal business of the Filer to date has been to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction, as that term is defined in Policy 2.4 of the TSXV Corporate Finance Manual.

2. The Filer's head office is 116 Albert Street, Suite 300 Ottawa, Ontario, K1P 5G3.

3. The Filer is a reporting issuer in the Jurisdictions and is not in default of any securities legislation in any jurisdiction.

4. The Common Shares are listed and posted for trading on the TSXV under the trading symbol "BUZH.P".

5. The Filer's financial year end is December 31.

6. Heliene Inc. ("**Heliene**") is a private company that was incorporated on October 8, 2009 pursuant to the *Business Corporations Act* (Ontario). Helene's head office is 520 Allen's Side Road, Sault Ste. Marie, Ontario, P6A 5K8.

7. Heliene is not in default of securities legislation in any jurisdiction.

8. Heliene is a domestic module manufacturer of high performance solar modules for utility-scale, commercial, and residential markets.

9. The Filer and Heliene entered into a letter of intent dated October 1, 2021 pursuant to which the Filer will acquire all of the outstanding shares of Heliene by way of an amalgamation between Heliene and a wholly-owned subsidiary of the Filer (the "**Qualifying Transaction**").

10. The Qualifying Transaction will be a "reverse takeover" as defined in NI 51-102 and will serve as the Filer's "Qualifying Transaction" under TSXV Policy 2.4 - Capital Pool Companies. In connection with the Qualifying Transaction, the Filer will file a filing statement (the "**Filing Statement**") in the form of TSXV Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction* ("**Form 3B2**") pursuant to the policies of the TSXV. Form 3B2 requires disclosure of financial statements of the Filer and Heliene prescribed by National Instrument 41-101 *General Prospectus Requirements* ("**NI 41-101**") and Form 41-101F1 *Information Required in a Prospectus* ("**Form 41-101F1**"). In addition to applying to the principal regulator for the exemptive relief requested herein, the Filer has made application to the TSXV for a waiver from the equivalent financial statement requirements under TSXV Form 3B2.

11. The Filing Statement will include the annual audited financial statements for Heliene as at January 1, 2019, as at December 31, 2020 and 2019 and for the years then ended, and the reviewed interim financial statements for Heliene for the three and nine month periods ended September 30, 2021 and 2020 (collectively, the "**Financial Statements**").

12. In relation to the Financial Statements, the auditors were not appointed as auditors of Heliene (the "**Auditors**") until June 25, 2021, and thus were not able to satisfy themselves concerning the inventory quantities held at January 1, 2019, either by observing the counting of the physical inventory or through alternative means.

13. Since opening inventories enter into the determination of financial performance and cash flows, the Auditors were unable to determine whether any adjustments to the consolidated financial performance and consolidated cash flows might be necessary for the year ended December 31, 2019.

14. As a result, the Auditors expressed a modified opinion relating to inventory on Heliene's statement of financial position as at January 1, 2019 and on the financial performance and cash flows for the year ended December 31, 2019 (the "**Inventory Qualification**").

15. The only modification in the Auditor's report on the audited statement of financial position as at January 1, 2019 and the audited annual financial statements of Heliene for the year ended December 31, 2019 is the Inventory Qualification. The auditor's report for the audited annual financial statements for Heliene as at December 31, 2020 and for the year then ended contain an unmodified opinion.

16. With respect to reverse takeover transactions, Section 4.10(2)(a)(ii) of National Instrument 51-102 Continuous Disclosure Obligations ("**NI 51-102**") and item 5.2 of 51-102F3 Material Change Report ("**Form 51-102F3**") require that a reporting issuer file, within specified periods, the financial statements as prescribed by the appropriate prospectus form for the reverse takeover acquirer, being Form 41-101F1. The reverse takeover acquirer in respect of the Filer is Heliene.

17. Subsection 4.10(2)(a) of NI 51-102 provides that if a reporting issuer completes a reverse takeover, it must file the following financial statements for the reverse takeover acquirer, unless the financial statements have already been filed:

    i. financial statements for all annual and interim periods ending before the date of the reverse takeover and after the date of the financial statements included in an information circular or similar document, or under item 5.2 of the Form 51-102F3 Material Change Report, prepared in connection with the transaction; or

    ii. if the reporting issuer did not file a document referred to in subparagraph (i), or the document does not include the financial statements for the reverse takeover acquirer that would be required to be included in a prospectus, the financial statements prescribed under securities legislation and described in the form of prospectus that the reverse takeover acquirer was eligible to use prior to the reverse takeover for a distribution of securities in the jurisdiction.

18. Item 5.2 of Form 51-103F3 requires a material change report filed in respect of a closing of the Qualifying Transaction to include, for each entity that results from the Qualifying Transaction, disclosure (including financial statements) prescribed under securities legislation and described in the form of prospectus that the entity would be eligible to use.

19. The financial statement requirements for a prospectus are found in NI 41-101 and Form 41-101F1.

20. NI 41-101 requires that the Financial Statements be audited in accordance with National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* ("**NI 52-107**"). The Inventory Qualification is contrary to the subsection 3.3(1)(a)(i) of NI 52-107.

21. Item 32.1 of Form 41-101F1 includes the following requirements:

    The financial statements of an issuer required under this item to be included in a prospectus must include:

    iii. the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for 3 years,

    iv. the financial statements of a business or businesses acquired by the issuer within 3 years before the date of the prospectus or proposed to be acquired, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer, [emphasis added] and

    v. ...

22. Subsection 5.3(1) of the Companion Policy to NI 41-101 notes that both a reverse takeover and a qualifying transaction for a capital pool company are examples of when a reasonable investor might regard the primary business of the issuer to be the acquired business.

23. The Financial Statements, together with the other disclosure prescribed by Form 3B2 that will be included in the Filing Statement, will provide disclosure of all material facts relating to the Filer, Heliene and Heliene's business and will contain sufficient information to permit investors to make a reasoned assessment of the Filer's business following completion of the Qualifying Transaction.

24. Provided the Exemption Sought is granted, the Filing Statements will include the Inventory Modification and shall be filed following acceptance by the TSXV.

Decision

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

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

1. the Filing Statement includes the Financial Statements; and

2. the Filing Statement is filed on SEDAR forthwith following acceptance by the TSXV.

Furthermore, the decision of the principal regulator is that the Confidentiality Sought is granted.

DATED at Toronto this **14th** day of **December**, 2021.

"Lina Creta"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2021/0582

2.1.5 Brookfield Infrastructure Partners L.P. and Brookfield Infrastructure Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer wants to put in place an exchangeable security structure, but is unable to rely on the exemptions for designated exchangeable securities in applicable securities legislation – Relief granted from continuous disclosure requirements, certification requirements, insider reporting requirements, audit committee requirements and corporate governance requirements – Filer unable to rely on exemption for designated exchangeable securities in applicable securities legislation since the exchangeable securities are non-voting and its other outstanding securities are held by a different entity than the issuer of the underlying securities. Relief subject to conditions substantially similar to the conditions contained in section 13.3 of NI 51-102.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 107 and 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1 and 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 8.6.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), s. 6.1.
National Instrument 55-104 Insider Reporting Requirements and Exemptions, s. 10.1(2).
National Instrument 58-101 Disclosure of Corporate Governance Practices, ss. 1.3(c) and 3.1.

October 26, 2021

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

AND

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

AND

IN THE MATTER OF
BROOKFIELD INFRASTRUCTURE PARTNERS L.P. AND
BROOKFIELD INFRASTRUCTURE CORPORATION

DECISION

Background

The principal regulator in the Jurisdiction has received an application from Brookfield Infrastructure Partners L.P. (**BIP**) and Brookfield Infrastructure Corporation (**BIPC**, together with BIP, the **Filers**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting Brookfield Infrastructure Corporation Exchange Limited Partnership (the **Issuer**) and, in respect of (c), the insiders of the Issuer, from the following requirements:

(a) the requirements of National Instrument 51-102 — C*ontinuous Disclosure Obligations* (**NI 51-102**) (the **Continuous Disclosure Requirements**);

(b) the requirements of National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) (the **Certification Requirements**);

(c) the insider reporting requirement (as defined in National Instrument 14-101 — *Definitions* (**NI 14-101**)) (the **Insider Reporting Requirements**);

(d) the requirements of National Instrument 52-110 — *Audit Committees* (**NI 52-110**) (the **Audit Committee Requirements**); and

(e) the requirements of National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (**NI 58-101**) (the **Corporate Governance Requirements**),

(f) in each case to accommodate the issuance by the Issuer of class B exchangeable limited partnership units (the **Exchangeable Units**) (collectively, the **Exemption Sought**).

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

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

(b) BIP and BIPC have each provided notice that section 4.7(1) of Multilateral Instrument 11-102 — *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon and Nunavut.

Interpretation

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

Representations

This decision is based on the following facts represented by BIP and BIPC:

BIP

1. BIP is a Bermuda exempted limited partnership that was established on May 21, 2007.

2. The limited partnership units of BIP (the **BIP Units**) are listed on the New York Stock Exchange (**NYSE**) and the Toronto Stock Exchange (the **TSX**) under the symbols "BIP" and "BIP.UN", respectively. BIP's authorized capital also includes Class A preferred limited partnership units, issuable in series, and general partnership units.

3. Holders of BIP Units do not have voting rights except in limited circumstances.

4. BIP is a reporting issuer in all of the provinces and territories of Canada (collectively, the **Jurisdictions**) and is an SEC foreign issuer within the meaning of section 1.1 of National Instrument 71-102 — *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**) and satisfies its continuous disclosure obligations by complying with U.S. federal securities laws as is permitted under NI 71-102.

5. BIP's sole asset is its managing general partnership interest and preferred limited partnership interest in Brookfield Infrastructure L.P. (the **Holding LP**), a Bermuda exempted limited partnership that was established on August 17, 2007.

6. Brookfield Infrastructure Partners Limited, a Bermuda company, holds the general partner interest in BIP and is wholly-owned by Brookfield Asset Management Inc. (**Brookfield**).

7. BIP, the Holding LP and certain of their subsidiaries have retained Brookfield and its related entities to provide management, administrative and advisory services under a master services agreement.

8. BIP is not in default of any requirement of the Legislation or equivalent legislation in any of the Jurisdictions.

BIPC

9. BIPC was incorporated under the *Business Corporations Act* (British Columbia) on August 30, 2019 as an indirect subsidiary of BIP. The registered office of BIPC is located at 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The head office of BIPC is located at 250 Vesey Street, 15th Floor, New York NY 10281.

10. The class A exchangeable subordinate voting shares of BIPC (**BIPC Exchangeable Shares**) are listed on the NYSE and the TSX under the symbol "BIPC".

11. BIPC's principal investments consist of indirect interests in utilities businesses in Europe and South America.

12. BIPC is a reporting issuer in all of the Jurisdictions.

13. The authorized share capital of BIPC consists of an unlimited number of: (i) BIPC Exchangeable Shares; (ii) class B multiple voting shares (the **BIPC Class B Shares**); (iii) class C non-voting shares (the **BIPC Class C Shares**); (iv) class A senior preferred shares (issuable in series); and (v) class B junior preferred shares (issuable in series).

14. The holders of the BIPC Class B Shares are entitled to cast three times the number of votes attached to all of the BIPC Exchangeable Shares, for a total of 75% of the votes.

15. The BIPC Exchangeable Shares were provided with nominal voting rights in order to assist with index inclusion.

16. BIP, through Brookfield Infrastructure Holdings (Canada) Inc. (**CanHoldco**), currently indirectly owns all the BIPC Class B Shares and is therefore entitled to cast 75% of the votes.

17. The voting rights attached to the BIPC Exchangeable Shares do not allow holders of BIPC Exchangeable Shares to affect the control of BIPC regardless of how many BIPC Exchangeable Shares are outstanding.

18. BIP, through CanHoldco, currently indirectly owns all the BIPC Class C Shares, which represent the residual right to participate in the assets of BIPC upon liquidation or winding-up of BIPC.

19. The rights, privileges, restrictions and conditions attached to each BIPC Exchangeable Share (the **BIPC Exchangeable Share Provisions**) have been structured such that, by virtue of its rights, entitlements and otherwise, each BIPC Exchangeable Share is as nearly as practicable, functionally and economically, equivalent to a BIP Unit. In particular:

    (a) each BIPC Exchangeable Share is exchangeable at the option of a holder for one BIP Unit (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the election of BIPC);

    (b) the BIPC Exchangeable Shares are redeemable by BIPC for BIP Units (or its cash equivalent, at BIPC's election) on a one-for-one basis (subject to adjustment to reflect certain capital events);

    (c) upon a liquidation, dissolution or winding up of BIPC, holders of BIPC Exchangeable Shares will be entitled to receive BIP Units (or its cash equivalent, at BIPC's election) on a one-for-one basis (subject to adjustment to reflect certain capital events) and not any remaining property or assets of BIPC following such payment;

    (d) upon a liquidation, dissolution or winding up of BIP, including where substantially concurrent with a liquidation of BIPC described in paragraph (c) above, all of the BIPC Exchangeable Shares will be automatically redeemed for BIP Units (or its cash equivalent, at BIPC's election) on a one-for-one basis (subject to adjustment to reflect certain capital events); and

    (e) subject to applicable law and in accordance with the rights, privileges, restrictions and conditions attached to each BIPC Exchangeable Share, each BIPC Exchangeable Share entitles the holder to dividends from BIPC payable at the same time as, and equivalent to, each distribution on a BIP Unit. If a distribution is declared on the BIP Units and an equivalent dividend is not declared and paid concurrently on the BIPC Exchangeable Shares, then the undeclared or unpaid amount of such dividend accrues and accumulates and is to be paid upon the first to occur of any of the circumstances contemplated by paragraphs (a) to (d) above, if not yet paid.

20. BIPC is not in default of any requirement of the Legislation or equivalent legislation in any of the Jurisdictions.

21. To date, BIPC has paid dividends on the BIPC Exchangeable Shares at the same time as, and in an amount equivalent to, each distribution on a BIP Unit.

22. As a condition to the relief provided by the OSC to BIP and BIPC, *In the Matter of Brookfield Infrastructure Partners L.P. and Brookfield Infrastructure Corporation (2020)* 43 OSCB 2731, BIP is required to, directly or indirectly, hold all of the voting securities of BIPC (other than the BIPC Exchangeable Shares) and to make no material changes to the BIPC Exchangeable Share Provisions.

The Issuer and the Acquisition

23. The Issuer was formed under the laws of the Province of Alberta on April 21, 2021 as an indirect subsidiary of BIP. The registered and head office of the Issuer is located at Suite 1210 - 225 6th Ave SW, Calgary, Alberta T2P 1N2.

24. The Issuer was formed in connection with the bid by Bison Acquisition Corp. (the **Purchaser**) to acquire any or all of the common shares (the **IPL Common Shares**) of Inter Pipeline Ltd. (**IPL**) not already owned by BIP or its institutional partners (the **Bid**).

25. The Bid was made pursuant to a takeover bid circular dated February 22, 2021, as amended and extended.

26. The consideration offered to holders of IPL Common Shares in connection with the Bid consisted of: (i) cash; (ii) BIPC Exchangeable Shares; or (iii) Exchangeable Units (only in the case of eligible Canadian holders of IPL Common Shares), at the election of each holder of IPL Common Shares.

27. The Bid expired on September 3, 2021.

28. 286,254,231 IPL Common Shares were tendered and taken-up under the Bid.

29. An aggregate of approximately 17.9 million BIPC Exchangeable Shares and 4 million Exchangeable Units were issued to former holders of IPL Common Shares in connection with the Bid.

30. The Purchaser and IPL entered into an arrangement agreement dated September 3, 2021, as amended, pursuant to which the Purchaser and the Issuer proposed to acquire all of the issued and outstanding IPL Common Shares not otherwise owned by BIP or its institutional partners by way of a plan of arrangement under section 193 of the *Business Corporations Act* (Alberta) (the **Arrangement**). Pursuant to the Arrangement, holders of IPL Common Shares will be entitled to elect to receive the same consideration as set forth in the Bid for each IPL Common Share.

31. A special meeting of the holders of IPL Common Shares will be held on October 28, 2021 and it is expected that the Arrangement will be completed as soon as practicable thereafter, subject to satisfaction or waiver of all conditions precedent, including receipt of the final order of the Alberta Court of Queen's Bench.

32. BIPC is a mutual fund corporation for Canadian tax purposes and is therefore restricted from holding "taxable Canadian property", including the IPL Common Shares, exceeding a certain percentage of its total assets.

33. The BIPC Exchangeable Shares issued as consideration in connection with the acquisition of IPL are delivered to holders of IPL Common Shares by the Purchaser and not by BIPC.

34. A rollover for tax purposes involving the BIPC Exchangeable Shares could only be obtained by transferring the IPL Common Shares to BIPC directly in exchange for the BIPC Exchangeable Shares as consideration.

35. The Exchangeable Units were created in order to offer an exchangeable security that can be delivered to eligible Canadian holders of IPL Common Shares seeking a rollover for tax purposes, which was not available to those who elected to receive BIPC Exchangeable Shares.

36. The Exchangeable Units are not and will not be listed on a stock exchange nor are they transferrable.

37. The authorized capital of the Issuer consists of: (a) class A limited partnership units (the **LP Units**); (b) Exchangeable Units; and (c) general partner units (the **GP Units**).

38. BIP indirectly owns all the LP Units and the GP Units, and therefore indirectly controls 100% of the voting securities of the Issuer.

39. The Issuer distributed the Exchangeable Units to the public under the Bid in reliance upon section 2.16 of National Instrument 45-106 — *Prospectus Exemptions* (**NI 45-106**). The distribution of Exchangeable Units under the Arrangement will be made in reliance upon section 2.11 of NI 45-106.

40. The Issuer became a reporting issuer in certain of the Jurisdictions in connection with the issuance of Exchangeable Units to the public under the Bid and will become a reporting issuer in the remaining Jurisdictions in which IPL is a reporting issuer upon completion of the Arrangement, and the Issuer, accordingly, will be subject to the continuous disclosure and insider reporting requirements of the Legislation applicable to reporting issuers. Accordingly, the Exemption Sought relates to exemptions from the continuous disclosure and insider reporting requirements of the Legislation that will apply to the Issuer.

The Exchangeable Units and the Relationship between BIP, BIPC and the Issuer

41. The Exchangeable Units are intended to provide eligible Canadian holders of IPL Common Shares a rollover for tax purposes that is not otherwise available in connection with the receipt of the BIPC Exchangeable Shares. The rights, privileges, restrictions and conditions attached to each Exchangeable Unit (the **Exchangeable Unit Provisions**) have been structured such that, by virtue of its rights, entitlements and otherwise, each Exchangeable Unit provides the holder with economic rights which are, as nearly as possible except for tax implications, equivalent to a BIPC Exchangeable Share. In particular:

    (a) each Exchangeable Unit will be exchangeable at the option of a holder for one BIPC Exchangeable Share (subject to adjustment to reflect certain capital events) (an **Exchange**);

    (b) upon a liquidation, dissolution or winding up of the Issuer, holders of Exchangeable Units shall be entitled to receive from the assets of the Issuer a liquidation payment that will be satisfied by issuance of BIPC Exchangeable Shares on a one-for-one basis (subject to adjustment to reflect certain capital events) (a **Liquidation**);

    (c) commencing on the tenth anniversary of the take-up of the IPL Common Shares under the Bid (or earlier upon the occurrence of certain events), BIP has the right to purchase (directly or indirectly) all of the then

outstanding Exchangeable Units for BIPC Exchangeable Shares on a one-for-one basis (subject to adjustment to reflect certain capital events) (a **Final Exchange**);

(d) upon a liquidation, dissolution or winding up of the Issuer, BIP has an overriding right to purchase (directly or indirectly) all but not less than all of the then outstanding Exchangeable Units for BIPC Exchangeable Shares on a one-for-one basis (subject to adjustment to reflect certain capital events);

(e) upon a liquidation, dissolution or winding up of BIPC, all of the Exchangeable Units will be automatically purchased by BIP (directly or indirectly) for BIPC Exchangeable Shares on a one-for-one basis (subject to adjustment to reflect certain capital events) (a **BIPC Liquidation**); and

(f) subject to applicable law and in accordance with the Exchangeable Unit Provisions, each Exchangeable Unit will entitle the holder to distributions from BIPC payable at the same time as, and equivalent to, each dividend on a BIPC Exchangeable Share. The Exchangeable Unit Provisions also provide that if a dividend is declared on the BIPC Exchangeable Shares and an equivalent distribution is not declared and paid concurrently on the Exchangeable Units, then the undeclared or unpaid amount of such dividend accrues and accumulates and is to be paid upon the first to occur of any of the circumstances contemplated by paragraphs (a) to (e) above, if not yet paid.

42. BIP, BIPC and the Issuer, among others, entered into a support and exchange agreement, pursuant to which BIP and BIPC covenanted that, so long as Exchangeable Units not owned by BIP are outstanding, (i) BIP will take all actions reasonably necessary to enable the Issuer to pay the amount payable upon an Exchange, Final Exchange, Liquidation or BIPC Liquidation, and (ii) BIP shall ensure that the Issuer has sufficient money or other assets available to enable the due declaration and due and punctual payment of a distribution on the Exchangeable Units equivalent to the distribution on the BIPC Shares.

43. The Exchangeable Units do not have voting rights in respect of BIPC.

44. BIP controls, directly or indirectly, the Issuer and BIPC. As a result, BIP consolidates BIPC and the Issuer, in its financial statements.

45. The Exchangeable Units will be disclosed as a non-controlling interest in the financial statements of BIP.

46. The LP Units of the Issuer are owned by CanHoldco and the GP Unit is held by Brookfield Infrastructure Corporation Exchange GP Inc., an indirect subsidiary of BIP.

47. BIPC is the “parent issuer” (as defined in Part 13.3 of NI 51-102) in respect of the Exchangeable Units issued by the Issuer and the BIPC Exchangeable Shares are therefore the “underlying security” (as defined in Part 13.3 of NI 51-102).

48. The Issuer is an “exchangeable security issuer” (as defined in Part 13.3 of NI 51-102) in respect of the Exchangeable Units.

49. The Exchangeable Units would be a “designated exchangeable security” (as defined in Part 13.3 of NI 51-102) but for the fact that they do not have voting rights in respect of BIPC.

50. The Issuer satisfies the requirements of section 13.3(2) of NI 51-102 in all respects, other than the fact that (i) BIP, rather than BIPC (the parent issuer), is the beneficial owner of all the issued and outstanding voting securities of the exchangeable security issuer as required by section 13.3(2)(a) of NI 51-102, and (ii) the Exchangeable Units do not have voting rights in respect of BIPC.

51. The Exemption Sought is required in order for the provisions of sections 13.3(2) and 13.3(3) of NI 51-102 to apply to BIPC and the Issuer, and the relationship between BIPC and the Issuer.

Decision

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

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

1. in respect of the Continuous Disclosure Requirements, the Issuer and the Filers continue to satisfy the conditions set out in section 13.3(2) of NI 51-102, except as modified as follows:

   (a) any reference to designated exchangeable security in section 13.3 of NI 51-102 shall be deemed to include the Exchangeable Units notwithstanding that the Exchangeable Units do not provide their holders with voting rights which are, as nearly as possible except for tax implications, equivalent to BIPC Exchangeable Shares, and

(b) the Filers do not have to comply with the condition in section 13.3(2)(a) if:

(i) all of the voting securities of the Issuer are owned, directly or indirectly, by BIP; and

(ii) there are no material changes to the Exchangeable Unit Provisions and the BIPC Exchangeable Share Provisions, as described above,

2. in respect of the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements, the Filers and the Issuer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above,

3. in respect of the Insider Reporting Requirements, an insider of the Issuer (an **Issuer Insider**) can only rely on the Exemption Sought so long as:

(a) the Issuer Insider complies with the conditions in sections 13.3(3)(a) and (c) of NI 51-102, and

(b) the Filers and the Issuer continue to satisfy the conditions for relief from the Continuous Disclosure Requirements set forth above.

As to the Exemption Sought (other than from the Insider Reporting Requirements in the *Securities Act* (Ontario)).

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

As to the Exemption Sought from the Insider Reporting Requirements in the *Securities Act* (Ontario).

"Frances Kordyback"
Commissioner
Ontario Securities Commission

"Cathy Singer"
Commissioner
Ontario Securities Commission

OSC File #: 2021/0439

2.1.6 Shaw Communications Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted from the requirement to include prospectus-level disclosure, including pro forma financial statements, in an information circular in connection with the proposed acquisition of shares by way of plan of arrangement – the public shareholders will be receiving cash – prospectus-level disclosure of the acquiring entity will not be relevant to the shareholders receiving the information circular in making a reasoned and informed decision regarding the transaction.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.

Citation: *Re Shaw Communications Inc.*, 2021 ABASC 44

December 12, 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
SHAW COMMUNICATIONS 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**) exempting the Filer from the requirement in Item 14.2 of Form 51-102F5 *Information Circular* (**Form 51-102F5**) to include prospectus-level disclosure in respect of Rogers Communications Inc. (**Rogers**) in the information circular (the **Circular**) to be issued by the Filer (the **Exemption Sought**) in connection with the proposed acquisition of all of the issued and outstanding Class A Participating Shares (the **Class A Shares**) and Class B Non-Voting Participating Shares (the **Class B Shares**) of the Filer by Rogers pursuant to a plan of arrangement (the **Plan of Arrangement**) under Section 193 of the *Business Corporations Act* (Alberta) (the **Transaction**).

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

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless otherwise defined in this decision.

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Alberta). The Filer's principal head office is located in Calgary, Alberta.

2. As of the date hereof, the Filer's issued and outstanding share capital consists of: (a) 22,372,064 Class A Shares; (b) 476,326,106 Class B Shares; and (c) two series of Class 2 Preferred Shares, comprised of 10,012,393 Series A preferred shares (the **Series A Shares**) and 1,987,607 Series B preferred shares (the **Series B Shares**).

3. The Filer's Class B Shares are listed for trading on the Toronto Stock Exchange (the **TSX**) and the New York Stock Exchange (the **NYSE**). The Filer's Class A Shares are listed for trading on the TSX Venture Exchange. The Filer's Series A Shares and Series B Shares are listed for trading on the TSX. Other than the foregoing listings, no securities of the Filer are listed or posted for trading on any exchange or market in Canada or outside of Canada.

4. The Filer is a reporting issuer in each province of Canada and a "foreign private issuer" for purposes of United States securities laws.

5. Rogers is a corporation existing under the *Business Corporations Act* (British Columbia) and is a reporting issuer in each province of Canada. Rogers' principal head office is located in Toronto, Ontario.

6. Rogers' Class B Non-Voting Shares (the **Rogers Shares**) are listed for trading on the TSX and on the NYSE. Rogers' Class A Voting Shares are listed for trading on the TSX.

7. Pursuant to the Plan of Arrangement, among other things:

   (a) the 17,662,400 Class A Shares and 33,057,068 Class B Shares of which the Shaw Family Living Trust (the **Shaw Family Trust**) is the registered or beneficial owner or over which it exercises control or direction, and up to 120,200 Class A Shares and 5,826,409 Class B Shares held by other Shaw Family Shareholders (as defined below), either directly or through a Qualifying Holdco (as defined in the Plan of Arrangement), shall each be exchanged for $16.20 in cash and 0.417206775 of a Rogers Share; and

   (b) each Class A Share and Class B Share held by any shareholder not described in paragraph (a) above (the **Public Shareholders**) shall be exchanged for $40.50 in cash.

8. The exchange ratio for the Rogers Shares set out in paragraph 7(a) was determined using the volume-weighted average trading price for the Rogers Shares for the 10 trading days ending March 12, 2021, the last trading day prior to the announcement of the Transaction.

9. Public Shareholders will only receive cash, and not Rogers Shares, pursuant to the Plan of Arrangement.

10. The Plan of Arrangement constitutes a "business combination" for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**). The Filer is required to comply with the applicable obligations set out in MI 61-101, including the minority approval requirements. Accordingly, the arrangement agreement between the Filer and Rogers provides that the Transaction must be approved by the following votes cast at the meeting to approve the Transaction (present in person or by proxy):

    (a) two-thirds of the votes cast by holders of Class A Shares, voting separately as a class;

    (b) two-thirds of the votes cast by holders of Class B Shares, voting separately as a class;

    (c) a majority of the votes cast by holders of Class A Shares, voting separately as a class, excluding votes attached to the Class A Shares held by Persons described in items (a) through (d) of section 8.1(2) of MI 61-101 (including the Shaw Family Shareholders);

    (d) a majority of the votes cast by holders of Class B Shares, voting separately as a class, excluding votes attached to the Class B Shares held by Persons described in items (a) through (d) of section 8.1(2) of MI 61-101 (including the Shaw Family Shareholders); and

    (e) such other approval of securityholders of the Filer as may be required by the Court of Queen's Bench of Alberta.

11. The "Shaw Family Group" is defined under the Plan of Arrangement to mean: (a) the estate of JR Shaw, his spouse and issue (whether natural born or legally adopted) and spouses thereof, the estates of any such individuals, and corporations owned or controlled by any one or more of the foregoing or by trusts of which any one or more of the foregoing are the

principal beneficiaries (including the Shaw Family Trust); (b) the estate of James Robert Shaw; and (c) each of the charitable foundations listed in Schedule "B" to the Controlling Shareholder Agreement (as defined below).

12. A "Shaw Family Shareholder" is defined under the Plan of Arrangement to mean the Shaw Family Trust and any other member of the Shaw Family Group that is the registered holder of Class A Shares, Class B Shares or Qualifying Holdco Shares (as defined in the Plan of Arrangement) at the Effective Time (as defined in the Plan of Arrangement) and that has agreed, in a form reasonably acceptable to Rogers, to be a Shaw Family Shareholder.

13. The Shaw Family Trust beneficially owns, directly or indirectly, or exercises control or direction over, 17,662,400 Class A Shares and 33,057,068 Class B Shares. Approximately 120,200 additional Class A Shares and 5,826,409 additional Class B Shares are held by other members of the Shaw Family Group.

14. The Shaw Family Trust and each of the directors of the private corporation that acts as its trustee is an "accredited investor" (as such term is defined in Section 73.3(1) of the *Securities Act* (Ontario) and National Instrument 45-106 *Prospectus Exemptions*, as applicable). The Shaw Family Trust is operated under the supervision of such board of directors by a sophisticated family office that manages substantial investment assets on behalf of members of the Shaw Family Group. The Shaw Family Trust engaged its own professional advisors, including legal and tax advisors, in connection with the Transaction. The Shaw Family Trust negotiated directly with Rogers regarding their respective rights and obligations in connection with the Transaction, as set out in the Controlling Shareholder Agreement.

15. The Shaw Family Trust entered into the controlling shareholder voting support agreement with Rogers (the **Controlling Shareholder Agreement**) which provides, among other things, for certain rights and obligations of the parties thereto in connection with the Transaction, including an irrevocable election by the Shaw Family Trust to receive cash and Rogers Shares under the Plan of Arrangement and an obligation on the part of the Shaw Family Trust to vote in favour of the Transaction, until June 13, 2022, or until the Controlling Shareholder Agreement is terminated earlier in accordance with its terms. The Controlling Shareholder Agreement provides for certain representations and warranties of Rogers in favour of the Shaw Family Trust and any joinder parties. In addition, in connection with the Transaction, the Shaw Family Trust conducted due diligence in respect of Rogers.

16. The Shaw Family Trust has already made its investment decision in respect of the Transaction by negotiating and entering into the Controlling Shareholder Agreement. Furthermore, it has executed a certificate addressed to the Filer and Rogers pursuant to which it acknowledged and certified the following: (a) it is an "accredited investor"; (b) it does not need, nor does it wish to receive, prospectus-level disclosure in respect of Rogers (including *pro forma* financial statements of Rogers) in the Circular; and (c) it consents to the Filer making the application for the Exemption Sought (an **Eligibility Certificate**).

17. Any additional member of the Shaw Family Group (other than the Shaw Family Trust) that holds Class A Shares or Class B Shares and wishes to become a "Shaw Family Shareholder" under the Plan of Arrangement, and by doing so receive Rogers Shares as partial consideration under the Plan of Arrangement, may elect to do so by: (a) signing a joinder to the Controlling Shareholder Agreement, in a form reasonably acceptable to Rogers; and (b) delivering an Eligibility Certificate to the Filer and Rogers.

18. Subject to the satisfaction of certain conditions, including the receipt by the Filer of the Exemption Sought, it is anticipated that the Circular will be delivered for printing by April 12, 2021.

19. The Filer is not in default of any of its obligations under the securities legislation of any jurisdiction in Canada or the United Sates.

20. The Circular will, other than with respect to the prospectus-level disclosure in respect of Rogers required to be disclosed in accordance with Item 14.2 of Form 51-102F5, comply with the disclosure requirements of Form 51-102F5 and will disclose that the Filer was granted the Exemption Sought.

Decision

Each of the Decision Makers is satisfied that the decision meets the tests 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.

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

OSC File #: 2021/0166

2.1.7 Credential Qtrade Securities Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Securities Act ss. 53, 74 – Exemption from dealer registration and prospectus requirements for situation other than a corporate acquisition or reorganization; trades to business associates; debt settlements; or trades involving employee investment plans and consultants – An issuer wants to offer foreign exchange contracts without a prospectus – the issuer is a registered dealer that is a member of IIROC; the prospectus regime was not designed for an offer of over-the-counter foreign exchange contracts; investors will receive a plain language risk disclosure document and will be required to positively acknowledge that they have read and understood the risk disclosure document; investors are entering into foreign exchange contracts to hedge commercial risks.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 53, 74.

November 26, 2021

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

AND

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

AND

IN THE MATTER OF
CREDENTIAL QTRADE SECURITIES INC.
(the Filer)

DECISION

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that

(a) the Filer and its officers, directors and representatives be exempt from the prospectus requirement in respect of the distribution of over-the-counter (OTC) foreign exchange contracts to investors resident in Canada (the Requested Relief) subject to the terms and conditions below; and

(b) the order granted to the Filer on November 28, 2017 (Existing Relief) be revoked.

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

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

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

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

Representations

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

The Filer

1. the Filer is a corporation existing under the *Canada Business Corporations Act*, with offices in Vancouver, British Columbia;

2. the Filer is registered as a dealer in the category of investment dealer in each of the provinces and territories of Canada, a derivatives dealer in Quebec and is a member of the Investment Industry Regulatory Organization of Canada (IIROC);

3. the Filer does not have any securities listed or quoted on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* (NI 21-101);

4. the Filer is not in default of any requirements of securities legislation in Canada or IIROC Rules or IIROC Acceptable Practices (as defined below);

5. the Filer currently offers OTC derivatives in which the underlying interests consist entirely of currencies (OTC foreign exchange contracts or OTC FX) including Spot FX Contracts and FX Forwards (each as defined below) to "accredited investors" (as defined in National Instrument 45-106 *Prospectus Exemptions*) (NI 45-106) in certain of the Applicable Jurisdictions;

6. the Filer has previously been granted exemptive relief substantially identical to the Requested Relief, most recently by the Existing Relief dated November 28, 2017 which renewed the original exemptive relief dated December 4, 2013; the Filer has been offering OTC FX to investors, including retail investors, on the basis of the Existing Relief and in compliance with the terms and conditions of the Existing Relief and all applicable IIROC Rules and other IIROC Acceptable Practices; the Existing Relief expires on November 28, 2021; the effect of the Requested Relief is to extend the Existing Relief, on the same terms and conditions, for a further period of up to four years (as described below);

7. OTC FX includes the following types of instruments and contracts:

   (a) a contract or instrument for the purchase and sale of currency that:

      (i) except where all or part of the delivery of the currency referenced in the contract or instrument is rendered impossible or commercially unreasonable by an intervening event or occurrence not reasonably within the control of the parties, their affiliates or their agents, requires settlement by the delivery of the currency referenced in the contract or instrument (A) within two business days, or (B) after two business days provided that the contract or instrument was entered into contemporaneously with a related security trade and the contract or instrument requires settlement on or before the relevant security trade settlement deadline; and

      (ii) is intended by the counterparties, at the time of the execution of the transaction, to be settled by the delivery of the currency referenced in the contract within the time periods set out in (i) above; and

      (iii) does not allow for the contract or instrument to be rolled over (Spot FX Contract);

   (b) a contract or instrument for the purchase and sale of currency at a specified price for settlement at a predetermined future date, or within a predetermined window of time (which may allow for the contract to be rolled over, otherwise known as rolling spot) that permits the cash settlement or physical delivery of the currency (FX Forward); and

   (c) other similar types of OTC foreign exchange contracts;

8. the Filer wishes to offer OTC FX to clients in the Applicable Jurisdictions who are commercial hedgers or commercial users (Hedgers), on the terms and conditions described in this Decision; a Hedger is a person who, because of the person's activities;

   (a) is exposed to one or more risks attendant upon those activities, including supply, credit, exchange and environmental risks and the risk related to fluctuations in the price of an underlying interest (in the case of the Filer, the underlying interest being currency); and

(b) seeks to hedge that risk by engaging in a derivatives transaction, or a series of derivatives transactions, where the underlying interest is directly associated with that risk or a related underlying interest;

9. as a member of IIROC, the Filer is only permitted to enter into OTC FX upon approval of IIROC (IIROC Approval) and under the rules and regulations of IIROC (the IIROC Rules); the Filer received IIROC Approval for the Commercial FX Division on October 29, 2013; before granting the IIROC Approval, IIROC conducted a comprehensive review of the adequacy of the Filer's

(a) books and records;

(b) account opening process, know-your-client and suitability assessment;

(c) service providers, liquidity providers and counterparty risk management;

(d) clearing and settlement processes;

(e) client margining process;

(f) capital risk management; and

(g) compliance and supervisory structures;

10. in addition, IIROC has communicated to its members certain additional expectations as to acceptable business practices (IIROC Acceptable Practices) as articulated in IIROC's "Regulatory Analysis of Contracts for Differences (CFDs)" published by IIROC on June 6, 2007, as amended on September 12, 2007 (the IIROC CFD Paper), for any IIROC member proposing to offer OTC FX to investors; the Filer offers, and will continue to offer, OTC FX in accordance with IIROC Acceptable Practices as may be established from time to time;

11. the Filer is required by IIROC to maintain a certain level of capital to address the business risks associated with its activities and has strict segregation requirements for client monies; the capital reporting required by IIROC (as per the calculation in the Joint Regulatory Financial Questionnaire (the JRFQ) and the Monthly Financial Reports to IIROC) is based predominantly on the generation of financial statements and calculations so as to ensure capital adequacy; the Filer, as an IIROC member, is required to have a specified minimum capital which includes having any additional capital required with respect to margin requirements and other risks; this risk calculation is summarized as a risk adjusted capital calculation which is submitted in the firm's JRFQ and required to be kept positive at all times;

Commercial FX Division

12. in addition to its existing full service offering, the Filer has established a division (Commercial FX Division) serviced by registered representatives of the Filer which offers Spot FX and FX Forwards to Hedgers;

13. a Hedger enters into OTC FX contracts for the purpose of mitigating a risk related to the operation of its business; a Hedger client of the Filer may or may not qualify as an "accredited investor";

14. in connection with investors' self-directed trading activities, the Filer does not provide trading advice or recommendations regarding Spot FX and FX Forward transactions to its Hedger clients; however, as part of its full service offering, the Filer does offer all clients the ability to seek advice from the Filer's representatives, which is why the Filer's representatives are registered with IIROC as registered representatives rather than investment representatives;

15. the Commercial FX Division offers its services to clients in two ways:

(a) by way of telephone trading and manual processing (the Manual Trading Service); and

(b) by way of an online trading platform where certain clients can conduct self-directed trading activities;

16. for the Manual Trading Service, clients will phone in OTC FX orders to the Filer's registered trading desk, the client order will be voice recorded, buy and sell trade tickets will be immediately time-stamped; the Filer's representative will document the client instructions on a trade ticket with details of the trade, settlement terms and markup;

17. the online trading platforms utilized by both the Filer and the clients of the Commercial FX Division are similar to those developed for on-line brokerages in that the client trades without other communication with, or advice from, the dealer; the trading platforms are not "marketplaces" as defined in NI 21-101 since a marketplace is

any facility that brings together multiple buyers and sellers by matching orders in fungible contracts in a nondiscretionary manner;

18. the Filer will be the counterparty to its clients' OTC FX trades; it will not act as an intermediary, broker or trustee in respect of the OTC FX transactions;

19. the Filer may manage the risk in its client positions by placing an identical off-setting OTC FX transaction, on a back-to-back basis, with an "acceptable counterparty" or a "regulated entity" (as those terms are defined in the JRFQ);

20. the Filer does not have an inherent conflict of interest with its clients, since it does not profit on a position if the client has losses on that position, and vice versa; the Filer is compensated by the "spread" between the bid and ask prices it offers; any additional charges will be fully disclosed to the client prior to trading;

21. OTC FX contracts are not transferable;

22. the ability to gain leverage is one of the principal features of OTC FX contracts; leverage allows clients to magnify returns (or losses) by reducing the initial capital outlay required to achieve the same market exposure that would be obtained by trading directly in the underlying currency;

23. IIROC Rules and IIROC Acceptable Practices set out detailed requirements and expectations relating to leverage and margin for offerings of foreign exchange contracts; the degree of leverage may be amended in accordance with IIROC Rules and IIROC Acceptable Practices as may be established from time to time;

24. under section 13.12 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, only those firms that are registered as investment dealers (a condition of which is to be a member of IIROC) may lend money, extend credit or provide margin to a client;

OTC FX Distributed in the Applicable Jurisdictions

25. certain types of OTC FX may be considered to be "securities" or "OTC derivatives" under the securities legislation of the Applicable Jurisdictions;

26. investors wishing to enter into OTC FX transactions must open an account with the Filer;

27. prior to a client's first OTC FX transaction and as part of the account opening process, the Filer will provide the client with a separate risk disclosure document that clearly explains, in plain language, the transaction and the risks associated with the transaction (the risk disclosure document); the risk disclosure document includes the required risk disclosure set forth in Schedule A to the Regulations to the *Derivatives Act* (Quebec) (QDA) and leverage risk disclosure required under IIROC Rules; the risk disclosure document contains disclosure that is substantially similar to the risk disclosure statement required for recognized options in OSC Rule 91-502 *Trades in Recognized Options* (which provides both registration and prospectus exemptions) (OSC Rule 91-502) and the regime for OTC derivatives contemplated by OSC SN 91-702 (as defined below);

28. the Filer will ensure that, prior to a client's first trade in an OTC FX transaction, a complete copy of the risk disclosure document provided to that client has been delivered, or has previously been delivered, to the Principal Regulator;

29. prior to the client's first OTC FX transaction and as part of the account opening process, the Filer will obtain a written or electronic acknowledgement from the client confirming that the client has received, read and understood the risk disclosure document; such acknowledgement will be separate and prominent from other acknowledgements provided by the client as part of the account opening process;

30. as customary in the industry, and due to the fact that this information is subject to factors beyond the control of the Filer (such as changes in IIROC Rules), information such as the associated margin rates would not be disclosed in the risk disclosure document but will be available on the trading platforms; for those Commercial FX Division clients who use the Manual Trading Service, the margin required will be communicated to the client by a representative of the Filer prior to the execution of any Spot FX or FX Forwards transactions;

Satisfaction of the Registration Requirement

31. the role of the Filer as it relates to the OTC FX business line will be to act as counterparty and dealer on the transaction; in this role, the Filer will, among other things, be responsible for approving all marketing, holding clients funds and client approval (including the review of know-your-client (KYC) due diligence and account opening, and ongoing trade-by-trade, suitability assessments);

32. IIROC has exercised its discretion to impose additional requirements on members proposing to trade in OTC FX and requires, among other things, that:

    (a) applicable risk disclosure documents and client suitability waivers provided to clients be in a form acceptable to IIROC;

    (b) the firm's policies and procedures, among other things, require the Filer to assess whether OTC FX trading is appropriate for a client before an account is approved to be opened; this account opening suitability process includes an assessment of the client's investment knowledge and trading experience;

    (c) the Filer's registered salespeople who will conduct the KYC and initial product suitability analysis, as well as their supervisory trading officer will meet proficiency requirements for futures trading, and will be registered with IIROC as either Registered Representatives (Retail) or Investment Representative (Retail) depending on the services being provided; and

    (d) stated risk capital limits for each client's account be established, and cumulative profit and losses be monitored (this is a measure normally used by IIROC in connection with futures trading accounts);

33. the OTC FX offered in Canada are offered in compliance with applicable IIROC Rules and other IIROC Acceptable Practices;

34. the Requested Relief, if granted, would (and the Existing Relief does) substantially harmonize the position of the regulators in the Applicable Jurisdictions (together, the Commissions) on the offering of OTC FX to investors in the Applicable Jurisdictions with how those products are offered to investors in Quebec; the QDA provides a legislative framework to govern derivatives activities in Quebec; among other things, the QDA requires such products to be offered to investors through an IIROC member and the distribution of a standardized risk disclosure document rather than a prospectus;

35. in British Columbia, BC Instrument 91-501 *Over-The-Counter Derivatives* provides a prospectus exemption for trading in OTC derivatives between "Qualified Parties", which includes persons who enter into OTC derivatives for commercial hedging purposes;

36. the Requested Relief, if granted, would be (and the Existing Relief is) consistent with the guidelines articulated in Ontario Securities Commission Staff Notice 91-702 *Offerings of Contracts for Difference and Foreign Exchange Contracts to Investors* (OSC SN 91-702) in Ontario; OSC SN 91-702 provides guidance on the distributions of foreign exchange contracts and similar OTC derivative products to investors in Ontario;

37. the Filer submits that requiring compliance with the prospectus requirement in order to enter into OTC FX with clients would not be appropriate since the disclosure of a great deal of the information required under a prospectus and under the reporting issuer regime is not material to a client seeking to enter into an OTC FX transaction; the information to be given to such a client should principally focus on enhancing the client's appreciation of product risk including counterparty risk; in addition, most OTC FX transactions are of short duration (positions are generally opened and closed on the same day and are in any event marked to market and cash settled daily);

38. the Filer is regulated by IIROC, which has a robust compliance regime including specific requirements to address market, capital and operational risks;

39. the Filer submits that the regulatory regime developed by IIROC for OTC FX adequately addresses issues relating to the potential risk to the clients of the Filer acting as counterparty; in view of this regulatory regime, clients would receive little or no additional benefit from requiring the Filer to also comply with the prospectus requirement; and

40. the Requested Relief in respect of each Applicable Jurisdiction is conditional on the Filer being registered as an investment dealer with the Commission in such Applicable Jurisdiction and maintaining its membership with IIROC.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

(a) all OTC FX traded with residents in the Applicable Jurisdictions are traded with persons entering into OTC FX for commercial hedging purposes and executed through the Filer;

(b) with respect to residents of an Applicable Jurisdiction, the Filer remains registered as a dealer in the category of investment dealer with the Principal Regulator and the Commission in such Applicable Jurisdiction and a member of IIROC;

(c) all OTC FX transactions with clients resident in the Applicable Jurisdictions will be conducted under IIROC Rules imposed on members seeking to trade in OTC FX and in accordance with IIROC Acceptable Practices, as amended from time to time;

(d) all OTC FX transactions with clients resident in the Applicable Jurisdictions will be conducted under the requirements of the securities laws of the Applicable Jurisdictions;

(e) prior to a client first entering into an OTC FX transaction, the Filer has provided to the client the risk disclosure document described in paragraph 27 and has delivered, or has previously delivered, a copy of the risk disclosure document provided to that client to the Principal Regulator;

(f) prior to the client's first OTC FX transaction and as part of the account opening process, the Filer has obtained a written or electronic acknowledgement from the client, as described in paragraph 29, confirming that the client has received, read and understood the risk disclosure document;

(g) the Filer has furnished to the Principal Regulator the name and principal occupation of its officers or directors, together with either the personal information form and authorization of indirect collection, use and disclosure of personal information provided for in National Instrument 41-101 *General Prospectus Requirements* or the registration information form for an individual provided for in Form 33-109F4 *Registration Information for an Individual* under National Instrument 33-109 *Registration Information* completed by any officer or director;

(h) the Filer will promptly inform the Principal Regulator in writing of any material change affecting the Filer, being any change in the business, activities, operations or financial results or condition of the Filer that may reasonably be perceived by a counterparty or the client to an OTC FX transaction to be material;

(i) the Filer will promptly inform the Principal Regulator in writing if a self-regulatory organization or any other regulatory authority or organization initiates proceedings or renders a judgment related to disciplinary matters against the Filer concerning the conduct of activities with respect to OTC FX;

(j) within 90 days following the end of its financial year, the Filer will submit to the Principal Regulator or IIROC the audited annual financial statements of the Filer; and

(k) the Requested Relief will immediately expire upon the earliest of:

(i) four years from the date that this Decision is issued;

(ii) in respect of a subject Applicable Jurisdiction, the issuance of an order or decision by a court, the Commission in such Applicable Jurisdiction or other similar regulatory body that suspends or terminates the ability of the Filer to offer OTC FX to clients in such Applicable Jurisdiction; and

(iii) with respect to an Applicable Jurisdiction, the coming into force of legislation or a rule by its Commission regarding the distribution of OTC derivatives to investors in such Applicable Jurisdiction.

It is also the Decision of the Decision Makers that the Existing Relief is revoked.

"John Hinze"
Director, Corporate Finance
British Columbia Securities Commission

OSC File #: 2021/0529

2.1.8 Saskatchewan Pension Plan

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by the Saskatchewan Pension Plan (SPP) for relief from the registration and prospectus requirements of the Securities Act (Ontario) in connection with the distributions of units of the SPP Fund to SPP Members – SPP created and governed by The Saskatchewan Pension Plan Act and The Saskatchewan Pension Plan Regulations – SPP intended to be a low-cost provider of pension plans to provide supplementary income to individuals with little or no access to employer-sponsored plans – SPP receives moneys from, or on behalf of, SPP Members and from earnings accruing from the investment of moneys (collectively, the SPP Fund) – Moneys paid by, or on behalf of SPP Members into the SPP Fund and related accrued earnings are invested in a balanced fund or a short-term fund (the diversified income fund) (together, the Funds) – SPP administered by a Board of Trustees appointed by the Lieutenant Governor in Council for Saskatchewan – The Board administers the SPP Fund and acts as the trustee of the SPP Fund – Funds are managed by registered portfolio managers that follow the statement of investment policy and goals as adopted by the Board SPP does not have a conventional sales force and no commission is paid to brokers, SPP staff, or any other person – SPP does not solicit members or employers outside of Saskatchewan, and does not actively advertise outside Saskatchewan – While the majority of SPP Members who reside outside Saskatchewan joined the SPP while they were resident in Saskatchewan, a small number of them may not have been resident in Saskatchewan when they joined the SPP – Relief granted subject to terms and conditions.

Applicable Legislative Provisions

The Securities Act, 1988 (Saskatchewan).
General Order 45-913 Exemption for Capital Accumulation Plans (Saskatchewan).
Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 25(1), 53(1) and 74(1).
National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, s. 8.28.
National Instrument 45-102 Resale of Securities.
Proposed amendments to National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106) related to Capital Accumulation Plans as published by the Canadian Securities Administrators on October 21, 2005 (not adopted).
National Instrument 81-101 Mutual Fund Prospectus Disclosure.
National Instrument 81-102 Investment Funds.

December 24, 2021

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

AND

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

AND

IN THE MATTER OF
THE SASKATCHEWAN PENSION PLAN
(SPP or the Filer)

DECISION

Background

The securities regulatory authority or regulator (the **Decision Maker**) in the Jurisdictions has received an application from the Filer:

(a) for a decision under the securities legislation of the Jurisdictions (the **Legislation**), pursuant to clause 83(1)(a) of *The Securities Act, 1988* (Saskatchewan) (the **Saskatchewan Act**) and section 74 of the S*ecurities Act* (Ontario) (the **Ontario Act**), granting the Filer an exemption from:

(i) the dealer registration requirement (clause 27(2)(a) of the Saskatchewan Act and subsections 25(1) and 25(2) of the Ontario Act) with respect to its trades in SPP securities, and

(ii) the prospectus requirement (section 58 of the Saskatchewan Act and section 53 of the Ontario Act);

(collectively, the **Dealer and Prospectus Request**); and

(b) for a decision by the Decision Maker of Saskatchewan pursuant to section 158(4) of the Saskatchewan Act revoking the Order dated September 30, 2020 entitled *In the Matter of the Saskatchewan Pension Plan* (the **Prior Order**)

(the **Revocation Request**).

The Dealer and Prospectus Request and the Revocation Request are collectively referred to as the **Exemption Sought**.

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

(a) the Financial and Consumer Affairs Authority of Saskatchewan is the principal regulator for this application;

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

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

Interpretation

Terms defined in the Saskatchewan Act and accompanying Regulations, the Ontario Act and accompanying Regulations, National Instrument 14-101 *Definitions*, National Instrument 45-106 *Prospectus Exemptions*, National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. SPP was created and is governed by *The Saskatchewan Pension Plan Act* (the **SPP Act**) and *The Saskatchewan Pension Plan Regulations* (the **SPP Regulations**).

2. SPP is not subject to the provisions of *The Pension Benefits Act, 1992* (Saskatchewan), the *Pension Benefits Act* (Ontario), the *Employment Pension Plans Act* (Alberta), the *Pension Benefits Standards Act* (British Columbia), *The Pension Benefits Act* (Manitoba), the *Pension Benefits Act* (Newfoundland and Labrador), the *Pension Benefits Act* (Nova Scotia), the *Pension Benefits Act* (New Brunswick), the *Act respecting the Québec Pension Plan* (Quebec), the *Supplemental Pension Plans Act* (Quebec), the *Pension Benefits Standards Act* (Canada) (applicable in Nunavut, Northwest Territories, and Yukon), or the regulations under any of them. There is no similar legislation in force at this time in Prince Edward Island.

3. SPP is intended to be a low cost provider of pension plans to provide supplementary income to individuals with little or no access to employer-sponsored plans.

4. SPP receives moneys from, or on behalf of participants (**SPP Members**) and from earnings accruing from the investment of moneys (collectively, the **SPP Fund**).

5. Moneys paid by, or on behalf of SPP Members into the SPP Fund and related accrued earnings are invested in a balanced fund or a diversified income fund (together, the **Funds**). Notwithstanding paragraph 2 above, the SPP Act requires such investments be in such securities as those authorized pursuant to *The Pension Benefits Act, 1992* (Saskatchewan). Section 44 of *The Pension Benefits Act, 1992* requires such investments comply with *The Pension Benefits Regulations, 1993* (Saskatchewan). Section 38 of those regulations requires investments be made in accordance with the *Pension Benefits Standards Act, 1985* (Canada).

6. SPP is administered by a Board of Trustees (the **Board**) appointed by the Lieutenant Governor in Council for Saskatchewan.

7. The Board administers the SPP Fund and acts as the trustee of the SPP Fund.

8. The Board oversees the functions of SPP including the employees of SPP.

9. Questions that arise regarding SPP, the SPP Fund and the Funds are determined by the Board and its decision is final.

10. The Board has adopted a governance manual which includes a code of conduct and conflict of interest rules and has also adopted a statement of investment policy and goals.

11. The Board is subject to the Government of Saskatchewan's financial administration manual which includes a dual signature requirement for the control of and access to SPP bank accounts.

12. SPP employees are bonded under the policy of the Government of Saskatchewan. The coverage for each position is a maximum of $1,000,000 with a $100,000 deductible.

13. SPP annually has its internal controls tested by an independent auditor. This includes a review of SPP financial statements, SPP accounts, the SPP Fund, the Funds and the report of the Board on its business. These are also reviewed by the Provincial Auditor of Saskatchewan.

14. SPP is required to have audited financial statements, a report of the Board on its business and an annual report which must all be submitted annually to the Minister responsible for SPP and then presented to the Legislative Assembly of Saskatchewan.

15. The Funds are managed by registered portfolio managers that follow the statement of investment policy and goals as adopted by the Board.

16. All SPP Fund assets are held by a custodian who is appointed by, and reports directly to the Board.

17. SPP is self-funded which means its operating expenses and costs of administration are paid from the SPP Fund and are allocated on a monthly basis to SPP Members.

18. SPP does not have a conventional sales force and no commission is paid to brokers, SPP staff, or any other person.

19. SPP does speak with employers within Saskatchewan, advertises within Saskatchewan and maintains a website.

20. SPP does not solicit members or employers outside of Saskatchewan, and does not actively advertise outside Saskatchewan.

21. The SPP Act does not limit membership in SPP to Saskatchewan residents. Under the SPP Act, membership is open to all individuals regardless of residency who are between the ages of 18 and 71.

22. While the majority of SPP Members who reside outside Saskatchewan joined the SPP while they were resident in Saskatchewan, a small number of them may not have been resident in Saskatchewan when they joined the SPP.

23. The SPP discovered that it may have inadvertently become in default of securities law requirements outside Saskatchewan in relation to prospectus requirements and dealer registration requirements.

24. The SPP promptly and voluntarily alerted the Decision Maker. The SPP requests the Exemption Sought, in part, to address such defaults.

25. SPP maintains records, called participant's accounts, of the amount standing to the credit of a SPP Member in the SPP Fund.

26. As of June 30, 2021, there are over 24,000 SPP Members that are not yet retired and remain eligible to contribute to the Funds (**Active SPP Member**), and when retired annuity SPP Members are included, the total is over 32,000 SPP Members. The majority of SPP Members reside in Saskatchewan.

27. As of December 31, 2020, the total value of the SPP Fund for Active SPP Members was approximately $529 million and the average Active SPP Member account size was $21,750. In 2020, the average Active SPP Member account contribution was $2,417.

28. Active SPP Member contributions to SPP are voluntary and an Active SPP Member's employer can contribute on behalf of an Active SPP Member, at the employer's option. Regardless of the origin of the contribution, SPP Members own their Active SPP Member account and receive tax deductible receipts in accordance with the *Income Tax Act* (Canada) (the **ITA**) for all contributions. An employer who voluntarily contributes to SPP on behalf of a SPP Member cannot acquire any rights or interest in that Active SPP Member account: the contribution is simply a monetary contribution made on behalf of that SPP Member.

29. The maximum allowable annual contribution to an Active SPP Member account (comprising a combination of a SPP Member's contribution and their employer's optional contribution on their behalf, if applicable) was $6,000 in 2018 and has been automatically increasing, starting in 2019, by the rate of growth of the Year's Maximum Pensionable Earnings as defined in the *Canada Pension Plan*, rounded to the nearest $100. The limit as of January 1, 2021 is $6,600. This is

subject to an Active SPP Member's available Registered Retirement Savings Plan (**RRSP**) contribution room and the maximum allowable RRSP transfer into an Active SPP Member account per calendar year is $10,000.

30. Active SPP Members are offered a choice between the Funds. Currently, the default is the balanced fund; however, Active SPP Members can allocate their contributions between the Funds.

31. SPP does not provide any investment or retirement planning advice.

32. SPP Members sign a SPP Membership Application Form and as part of the form SPP Members also sign an investment instruction declaration that states SPP Members are responsible for their investment choices.

33. Under the SPP Act, as recently amended, a SPP Member may elect to withdraw from SPP within sixty (60) days from the later of the date the SPP Member's application is made or the date on which a SPP Member makes their first contribution, and the SPP Member will receive a refund of the amount standing to the SPP Member's credit together with interest.

34. Active SPP Members receive documentation including:

    (a) a welcome letter upon enrolment;

    (b) account statements, provided twice a year as of June 30 and December 31; and

    (c) tax receipts for their contributions and confirmation for inter-Funds transfers or transfers from a RRSP into an Active SPP Member account if applicable.

35. Active SPP Members can transfer existing contributions between the Funds on a monthly basis. SPP provides for two (2) free inter-Funds transfers per calendar year. All other inter-Funds transfers are subject to a fee.

36. The Active SPP Member accounts are locked-in until age 55 at SPP and are governed by the SPP Act and the SPP Regulations and cannot be withdrawn from SPP except to provide a pension benefit at retirement.

37. Section 19(1) of the SPP Act generally prohibits a SPP Member's interest from being transferred or assigned (subject to narrow exceptions relating to division of family property and maintenance orders).

38. SPP provides retirement options for SPP Members between ages 55 and 71. A SPP Member has the option of accessing the balance in their participant account by selecting a SPP annuity option or by transferring their participant account to a Locked-In Registered Retirement Account (**LIRA**), prescribed Registered Retirement Income Fund (**RRIF**), outside life annuity or combination of these options. The ITA dictates it is mandatory that by age 71 a SPP Member must decide on their retirement option(s).

39. In Saskatchewan only, SPP offers Active SPP Members between ages 55 and 71 a variable pension benefit (**VB**) retirement option (**VB Option**). The VB Option is a retirement income option with no maximum withdrawal restriction and the option to withdraw part or all of the balance at any time.

40. Active SPP Members who choose the VB Option (**VB SPP Member**) will be offered the choice to invest in the balanced fund, the diversified income fund, or a combination of both.

41. The VB Option is restricted to Saskatchewan Residents.

42. VB SPP Members will not be able to make any further contributions to their Active SPP Member account. However, they may transfer up to $10,000 per calendar year from their RRSP, unlocked registered pension plan, or RRIF into their VB SPP Member account.

43. The VB SPP Member account will continue to grow on a tax-sheltered basis. All payments to a VB SPP Member from its VB SPP Member account will be taxable at source.

44. Active SPP Members anticipating retirement will receive the SPP Retirement Guide, the SPP VB Guide, the SPP Investment Choice Guide, a SPP Retirement Application Form and a SPP VB Application Form.

45. In order participate in the VB Option (if applicable), the Active SPP Member will be required to submit a SPP Retirement Application Form, a SPP VB Application Form, the Active SPP Member's TD1 Personal Tax Credit Return, a spousal waiver (if applicable), a void cheque, and an initial payment schedule. Once all documentation is returned to SPP, the Active SPP Member's application is processed for the VB Option.

46. In addition to the documentation provided to all SPP Members, VB SPP Members will receive, on an annual basis, an account statement, T4A Statement of Pension, Retirement, Annuity, and Other Income, and a letter to elect whether to change withdrawal rates for the following year.

47. At any time after retirement, a VB SPP Member may transfer to a SPP annuity, a LIRA (if under the age of 72), a RRIF, or an outside life annuity. The transfer is permanent. There is no charge for a VB SPP Member to transfer to a SPP annuity.

48. Upon death of a VB SPP Member:

    (a) if the VB SPP Member's beneficiary is not the VB SPP Member's spouse, upon receipt of all required documentation, payment is made in a single lump sum (less withholding tax);

    (b) if the VB SPP Member's beneficiary is the VB SPP Member's spouse, the spouse will have the option of transferring the death benefit to the spouse's Active SPP Member account, maintain VB benefit payments (if not a SPP Member), transferring to another RRSP or RRIF, or receiving a single lump sum payment (less withholding tax).

49. Once a VB SPP Member's account is depleted, the VB SPP Member account will be closed and SPP sends the VB SPP Member a closing statement.

50. SPP has information available for SPP Members on its website and in print including: the SPP Membership Guide, SPP annual reports (including previous reports for up to a 10-year period), statement of investment policy and goals, information on the rate of return on the Funds for previous years, a SPP Retirement Guide, a SPP Business Guide, and SPP newsletters.

51. SPP's website includes the SPP VB Guide and SPP Investment Choice Guide.

52. SPP has a system that addresses SPP Members' complaints which includes a complaint log and documented escalation procedures.

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. That is, the decision to grant the Exemption Sought would not be prejudicial to the public interest.

The decision of each Decision Maker under the Legislation is that the Dealer and Prospectus Requirement is granted provided that:

    (a) SPP provides the Executive Director with an undertaking to provide any information or produce specified records upon the Executive Director's request;

    (b) SPP annually delivers to the Executive Director its audited financial statements, report of the Board on its business and annual report at the same time as submitting such documents to the minister responsible for the SPP Act;

    (c) SPP does not solicit members or employers outside of Saskatchewan, and does not actively advertise outside Saskatchewan;

    (d) SPP staff answering SPP Member inquiries on the specifics of the Funds, the VB Option, or presenting on the specifics of the Funds or VB Option have passed at least one of the following: the Canadian Investment Funds Course, the Canadian Securities Course or the Investment Funds In Canada Course or such other course approved by the Executive Director;

    (e) SPP staff do not provide any investment or retirement planning advice;

    (f) The SPP Membership Application Form, the SPP Transfer and Investment Instruction Form, and the SPP VB Application Form include an investment instruction declaration containing information substantially the same as that set out in Schedule A to this decision;

    (g) SPP Members sign and date the applicable investment instruction declaration included in the SPP Membership Application Form, the SPP Transfer and Investment Instruction Form, or the SPP VB Application Form;

    (h) SPP:

(i) includes in the SPP Membership Guide, the SPP Business Guide, the SPP Retirement Guide and the SPP VB Guide:

(A) the specific differences between SPP and RRSPs,

(B) the specific differences between the VB Option, a RRSP and a RRIF,

(C) a clear statement that VB Option is restricted to Saskatchewan Residents, and

(D) the SPP complaint process,

(ii) prepares a fund facts document using Form 81-101F3 *Contents of Fund Facts Document* (as amended from time to time) excepting Part I subsections 1(c.1), 1(e), 2(0.1), 2(5), 2(6), 3(2), and clause 4(2)(d); Part II subsections 1.1, 1.2(1), 1.2(2), 1.3(4), 1.3(5), 1.3(6), 1.3(7), 3(1), 3(3); and Part II Item 2 for each of the Funds,

(iii) for each of the Funds that invests in a pooled fund, prepares a pooled funds table that includes:

(A) a title which is the name of that Fund, and

(B) for each pooled fund the:

(I) pooled fund name,

(II) investment fund manager name,

(III) investment objectives, and

(IV) investment approach;

(i) At the time of providing the SPP Membership Application Form, SPP provides the following disclosure:

(i) the SPP Membership Guide,

(ii) the fund facts document for each of the Funds, and

(iii) the pooled funds table for the Funds, if applicable;

(j) At the time of providing the SPP Retirement Application Form, the SPP VB Application Form, SPP provides the following disclosure:

(i) the SPP Retirement Guide,

(ii) the SPP VB Guide,

(iii) the fund facts document for each of the Funds, and

(iv) pooled funds table for the Funds, if applicable;

(k) At the time of providing the SPP Transfer and Investment Instruction Form, SPP provides the following disclosure:

(i) the fund facts document for each of the Funds, and

(ii) the pooled funds table for the Funds, if applicable;

(l) SPP maintains on its website the current:

(i) SPP Membership Guide,

(ii) SPP Membership Application Form,

(iii) SPP Retirement Guide,

(iv) SPP VB Guide,

(v) SPP Investment Choice Guide,

(vi) fund facts document for each of the Funds,

(vii) pooled funds table for the Funds, if applicable, and

(viii) notice informing SPP Members and potential members that the fund facts document or pooled funds table for the Funds have been amended, in the case of an amendment;

(m) SPP maintains on its website:

(i) on each link, a statement that the VB Option is restricted to Saskatchewan Residents,

(ii) the SPP statement of investment policy and goals,

(iii) information on the rate of return on the Funds for previous years, and

(iv) SPP annual reports (including previous reports for up to a 10-year period); and

(n) SPP informs its members of the Funds that members will be able to invest in.

(o) SPP establishes a policy, and provides members with a copy of the policy and any amendments to it, describing what happens if a member does not make an investment decision.

(p) In addition to any other information that the SPP believes is reasonably necessary for a member to make an investment decision within the SPP, and unless that information has previously been provided, the SPP provides the member with the following information about each Fund the member may invest in:

(i) the name of the Fund,

(ii) the name of the manager of the Fund,

(iii) the fundamental investment objective of the Fund,

(iv) the investment strategies of the Fund or the types of investments the Fund may hold,

(v) a description of the risks associated with investing in the Fund,

(vi) upon request by a member, more information about each Fund's portfolio holdings,

(vii) where a member can obtain more information generally about each Fund, and

(viii) whether the Fund is considered foreign property for income tax purposes, and if so, a summary of the implications of that status for a member who invested in that Fund,

(q) SPP provides members with a description and amount of any fees, expenses and penalties relating to the SPP that are borne by the members, including:

(i) any costs that must be paid when the Fund is bought or sold,

(ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the SPP,

(iii) Fund management fees,

(iv) Fund operating expenses,

(v) record keeping fees,

(vi) any costs for transferring among investment options, including penalties, book and market value adjustments and tax consequences,

(vii) account fees, and

(viii) fees for services provided by service providers,

provided that the SPP may disclose the fees, penalties and expenses on an aggregate basis, if the SPP discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular member.

(r) SPP has within the past year, provided the members with performance information about each Fund the members may invest in, including,

(i) the name of the Fund for which the performance is being reported,

(ii) the performance of the Fund, including historical performance for one, five and 10 years, if available,

(iii) a performance calculation that is net of investment management fees and Fund expenses,

(iv) upon request by a member, the method used to calculate the Fund's performance return calculation, and information about where a member could obtain a more detailed explanation of that method,

(v) the name and description of a broad-based securities market index for the Fund and corresponding performance information for that index, and

(vi) a statement that past performance of the Fund is not necessarily an indication of future performance.

(s) SPP has, within the past year, informed members if there were any changes in the choice of Funds that members could invest in and where there was a change, provided information about what members needed to do to change their investment decision, or make a new investment.

(t) SPP provides members with investment decision-making tools that the SPP reasonably believes are sufficient to assist them in making an investment decision within the SPP.

(u) SPP must provide the information required by paragraphs (o), (p), (q) and (t) prior to the member making an investment decision in SPP.

(v) The first trade of SPP securities issued in reliance on the Requested Relief will be subject to section 2.6 of National Instrument 45-102 *Resale of Securities*.

(w) SPP immediately advises the Executive Director of any material changes to its operations and this exemption terminates 30 days following any material change to SPP operations unless the Executive Director indicates otherwise.

The decision of the Decision Maker in Saskatchewan under the Saskatchewan Act is that the Revocation Request is granted as the Prior Order is hereby replaced by this decision.

"Dean Murrison"
Executive Director, Securities Division
Financial and Consumer Affairs
Authority of Saskatchewan

OSC File #: 2021/0062

Schedule A

1. SPP does not provide any investment or retirement planning advice.

2. SPP does not take responsibility as to the suitability of a SPP Member's Funds choice.

3. SPP does not consider a SPP Members' financial situation, investment knowledge, investment objectives or risk tolerance.

4. A SPP Member may elect to withdraw from SPP within sixty (60) days from the later of the date the SPP Member's application is made or the date on which a SPP Member makes their first contribution, and the SPP Member will receive a refund of the amount standing to the SPP Member's credit together with interest.

5. SPP Member accounts are locked-in until age 55 at SPP, governed by the SPP Act and the SPP Regulations and cannot be withdrawn from SPP except to provide a pension benefit at retirement.

6. Between ages 55 and 71, a SPP Member has the option of accessing the balance in their participant account by selecting a SPP annuity option, the VB Option, or by transferring their participant account to a LIRA, RRIF, outside life annuity or combination of these options.

7. The VB Option is restricted to Saskatchewan Residents;

8. The ITA dictates it is mandatory that by age 71 a SPP Member must decide on their retirement option(s).

9. SPP Members acknowledge that:

    (a) they are responsible for:

        (i) their choice of Funds,

        (ii) their choice of options (SPP annuity option or VB Option), and

        (iii) obtaining their own financial advice for making investment decisions;

    (b) they understand the:

        (i) differences between SPP and RRSPs,

        (ii) differences between the VB Option, a RRSP and a RRIF,

        (iii) VB Option is restricted to Saskatchewan Residents, and

        (iv) SPP complaint process; and

    (c) they have received the:

        (i) SPP Membership Guide, the SPP Business Guide, the SPP Retirement Guide and the SPP VB Guide (as applicable),

        (ii) fund facts document for each of the Funds,

        (iii) pooled funds table for the Funds, if applicable, and

        (iv) if applicable, a notice informing SPP Members and potential members that the fund facts document or pooled funds table for the Funds have been amended, in the case of an amendment.

2.1.9 RBC Dominion Securities Inc.

Headnote

Application for a ruling pursuant to section 74 of the Securities Act granting relief from the dealer registration requirement in section 25 of the OSA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of certain Designated Foreign Affiliates for "after-hours trading" in securities on the Bourse de Montréal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 74(1) and 144(1).

Instruments Cited

Multilateral Instrument 11-102 Passport System, s. 4.7.

December 24, 2021

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

AND

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) exempting Designated Foreign Affiliate Employees (as defined below) of the Filer, when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), from the dealer registration requirement in the Legislation (the **Dealer Registration Requirement**), subject to the terms and conditions set out below (the **Exemption Sought**).

The principal regulator granted exemptive relief to the Filer in a decision dated November 30, 2018 (the **Original Decision**) in respect of the Dealer Registration Requirement when conducting after-hours trading for the period from 2:00 a.m. to 6:00 a.m. Eastern time (ET) each day on the MX. The Filer has applied for an order pursuant to the Legislation to revoke the Original Decision as of the date hereof.

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

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

(b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11102 Passport System (**MI 11-102**) is intended to be relied upon by the Filer in each of the remaining provinces and territories of Canada, other than Québec.

Interpretation

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

Representations

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

The Filer

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

2. The Filer is registered as an investment dealer under the securities legislation of all the provinces and territories of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and an approved participant of the MX.

4. The Filer is not in default of securities, derivatives or commodity futures legislation in any jurisdiction of Canada.

5. RBC Capital Markets LLC (**RBCCM**) is a limited liability company formed under the laws of the State of Minnesota. The head office of RBCCM is located in New York, New York, United States.

6. RBC Europe Limited (**RBCEL,** and together with RBCCM, the **Designated Foreign Affiliates**) is a limited company formed under the laws of England and Wales. The head office of RBCEL is located in London, England.

7. The Filer and the Designated Foreign Affiliates are each a wholly-owned indirect subsidiary of The Royal Bank of Canada.

8. RBCCM is registered as a broker-dealer with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority. RBCCM is a registered futures commission merchant with the U.S. Commodity Futures Trading Commission and approved as a swap firm and a member of the National Futures Association.

9. RBCEL is a United Kingdom-based broker dealer in securities and dealer in derivatives. RBCEL is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

10. The Designated Foreign Affiliates together hold memberships and/or have third-party clearing relationships with commodity and financial futures exchanges and clearing associations, including the CME Group. The Designated Foreign Affiliates may also carry positions reflecting trades executed on other exchanges through affiliates and/or third-party clearing brokers.

11. The Filer wishes to make use of certain designated employees of the Designated Foreign Affiliates (the **Designated Foreign Affiliate Employees**) certified under applicable laws of the United States (**US**) or the United Kingdom (**UK**), as applicable, in a category that permits trading the types of products which they would be trading on the MX to handle trading requests on the MX from the Filer's clients and clients of the Filer's affiliated corporations or subsidiaries during the MX's extended trading hours, including from 4:30 p.m. (T-1) to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).

The MX Extended Trading Hours Amendments

12. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.

13. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours (the **Initial Extended Hours Initiative).** As a result of these amendments, starting October 9, 2018, trading of certain products on the MX commenced at 2:00 a.m. ET rather than the previous 6:00 a.m. ET.

14. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. In furtherance of the Initial Extended Hours Initiative, the Filer sought and obtained the Original Decision.

15. On March 17, 2020, the MX announced that the MX had approved non-material amendments to its rules and procedures in order to accommodate the further extension of the MX's trading hours (the **Asian Trading Hours Initiative**). As a result of these amendments, trading of certain products on the MX now commences at 8:00 p.m. ET (T-1) rather than 2:00 a.m. ET. These amendments are considered non-material insofar as the framework put in place in connection with the Initial Extended Hours Initiative applies to the Asian Trading Hours Initiative, allowing participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and

thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. See MX Circulars 135-20, 024-21 and 063-21.

16. The IIROC Relief (as defined below) allows for trading to commence at 4:30 p.m. ET (T1) rather than 8:00 p.m. ET (T-1) as contemplated by the Asian Trading Hours Initiative, subject to the MX trading rules being modified. The Exemption Sought accordingly conforms to the IIROC Relief with respect to Extended Hours Activities.

Application of the Dealer Registration Requirement to Designated Foreign Affiliate Employees

17. The Filer is an MX approved participant and each of the Designated Foreign Affiliates is an affiliate of the Filer. The Filer wishes to make use of the Designated Foreign Affiliate Employees to conduct the Extended Hours Activities.

18. The Dealer Registration Requirement under the Legislation requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the Designated Foreign Affiliate Employees who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.

19. The Filer seeks an exemption from the Dealer Registration Requirement because, in the absence of such exemption, each Designated Foreign Affiliate Employee who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this is duplicative since the Designated Foreign Affiliate Employees are certified under applicable US or UK law, as applicable, and will be supervised by the Filer's Designated Supervisors (as defined below) and are otherwise subject to the conditions set forth below. The Filer believes the Dealer Registration Requirement is unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees will be conducting on behalf of the Filer, namely only handling client orders, and only during the period from 4:30 p.m. ET (T-1) to 6:00 a.m. ET.

20. The Filer has also applied to, and obtained from, IIROC an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2, 18.3 and 500 and the requirement to enter into an employee or agent relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 (the **IIROC Relief**).

21. The IIROC Relief obtained by the Filer is subject to certain conditions, including:

    (a) The Designated Foreign Affiliate Employees must be registered, licensed, certified or authorized and subject to equivalent regulatory supervision in the US or UK in a category that permits trading the types of products which they will be trading on the MX;

    (b) The Designated Foreign Affiliate Employees may only accept and enter orders from clients of the Filer or the Filer on a proprietary basis during the period from 4:30 p.m. ET (T-1) to 6:00 a.m. ET, subject to the MX trading rules being modified to allow for trading to commence at 4:30 p.m. ET (T-1) rather than 8:00 p.m. ET (T1) as contemplated by the Asian Trading Hours Initiative, and are not permitted to give advice;

    (c) The actions of the Designated Foreign Affiliate Employees must be supervised by Canadian based registered supervisors qualified to supervise trading in futures contracts, futures contract options and options (the **Designated Supervisors**);

    (d) The Filer must establish and maintain written policies and procedures that address the performance and supervision requirements relating to this extended trading hours arrangement;

    (e) The Filer and each Designated Foreign Affiliate must jointly and severally undertake to ensure IIROC has, upon request, prompt access to the audit trail of all trades, wherever located, that relate to Extended Hours Activities at each Designated Foreign Affiliate, and records evidencing the supervision of such activities.

    (f) The Filer retains all responsibilities for its client accounts;

    (g) The Filer and each Designated Foreign Affiliate Employee must enter into an agency agreement pursuant to which the Filer would assume all responsibility for the actions of the Designated Foreign Affiliate Employees and of the Designated Foreign Affiliates that relate to the Filer's clients, and the Filer would be liable under IIROC rules for such actions;

    (h) All MX trading rules will apply to orders entered by the Designated Foreign Affiliate Employees;

    (i) All other existing Canadian regulatory requirements continue to apply, including:

        (i) the Filer's client accounts would continue to be carried on the books of the Filer;

(ii) all communications with the Filer's clients will continue to be in the name of the Filer; and

(iii) the Filer's client account monies, security and property will continue to be held by the Filer.

(j) The Filer must disclose the extended trading hours arrangement to its clients and provide specific instructions concerning the placement of orders relating to the extended trading hours arrangement;

(k) The Filer must provide, in writing to IIROC, the names of the foreign affiliate(s) and all Designated Foreign Affiliate Employees authorized to accept and enter orders from the Filer's clients on behalf of the Filer under the extended trading hours arrangement. Such individuals are subject to IIROC s "fit and proper" review and IIROC Registration staff may refuse their participation in this extended trading hours arrangement; and

(l) The Filer must provide, in writing to IIROC, timely updates to the list of Designated Foreign Affiliate Employees, and confirm any changes, on at least an annual basis.

Decision

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

The decision of the principal regulator under the Legislation is that:

1. the Original Decision is revoked, and

2. the Exemption Sought is granted so long as:

(a) the Designated Foreign Affiliates and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of the Designated Foreign Affiliate is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;

(b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 4:30 p.m. ET (T-1) to 6:00 a.m. ET, and will not be permitted to give advice;

(c) the Filer retains all responsibilities for its client accounts;

(d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;

(e) the Filer and the Designated Foreign Affiliate Employees enter into an agency agreement substantially as described in paragraph 22(g), and such agreement remains in effect; and

(f) the Filer remains in compliance with the terms and conditions of the IIROC Relief.

"Craig Hayman"
Commissioner
Ontario Securities Commission

"Cathy Singer"
Commissioner
Ontario Securities Commission

OSC File #: 2021/0644

2.2 Orders

2.2.1 Miner Edge Inc. et al. – ss. 127(1), 127.1

File No. 2019-44

IN THE MATTER OF
MINER EDGE INC.,
MINER EDGE CORP. AND
RAKESH HANDA

Wendy Berman, Vice-Chair and Chair of the Panel

December 22, 2021

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

WHEREAS on October 18 and November 15, 2021, the Ontario Securities Commission held a combined merits and sanctions hearing to consider whether to make findings against, and impose sanctions on, Miner Edge Inc., Miner Edge Corp. and Rakesh Handa (collectively, the **Respondents**) pursuant to subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5 (the **Act**);

AND WHEREAS the Commission made findings against the Respondents in its Reasons and Decision issued on December 22, 2021;

ON READING the materials filed by Staff of the Commission and by the Respondents, and on hearing the submissions of the representatives for Staff and for the Respondents;

IT IS ORDERED THAT:

1. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act:

   a. trading in any securities or derivatives by the Respondents shall cease permanently; and

   b. the acquisition of any securities by the Respondents shall cease permanently;

2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

3. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Handa shall resign any positions that he holds as a director or officer of an issuer or registrant;

4. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Handa is prohibited permanently from acting as a director or officer of an issuer or registrant;

5. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondents are prohibited permanently from becoming or acting as a registrant or as a promoter;

6. pursuant to paragraph 9 of subsection 127(1) of the Act, the Respondents, jointly and severally, shall pay an administrative penalty in the amount of $500,000, which amount shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b) of the Act;

7. pursuant to paragraph 10 of subsection 127(1) of the Act, the Respondents, jointly and severally, shall disgorge to the Commission $170,600, which amount shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b) of the Act; and

8. pursuant to section 127.1 of the Act, the Respondents, jointly and severally, shall pay $100,000 for the costs of the investigation and hearing.

"Wendy Berman"

2.2.2 Citizen Stash Cannabis Corp.

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).

December 23, 2021

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

AND

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

AND

IN THE MATTER OF
CITIZEN STASH CANNABIS CORP.
(the Filer)

ORDER

Background

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

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

(a) the British Columbia Securities Commission is the principal regulator for this application,

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* 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 security holders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

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

Order

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

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

"Victoria Steeves"
Acting Chief, Corporate Finance Legal Services
British Columbia Securities Commission

OSC File #: 2021/0691

2.2.3 Trillium Therapeutics ULC

Headnote

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

Applicable Legislative Provisions

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

December 22, 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
TRILLIUM THERAPEUTICS ULC
(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 Alberta, British Columbia, Manitoba, and Nova Scotia,

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:

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

b) 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;

c) 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;

d) the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

e) 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 #: 2021/0692

2.2.4 Alliance Pipeline Limited Partnership

Headnote

National Policy 11-206 Process for Cease to be a Reporting Issuer – issuer deemed to be no longer a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act, R.S.A., 2000, c.S-4, s. 153.

Citation: *Re Alliance Pipeline Limited Partnership*, 2021 ABASC 191

December 29, 2021

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

AND

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

AND

IN THE MATTER OF
ALLIANCE PIPELINE LIMITED PARTNERSHIP
(the Filer)

ORDER

Background

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

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

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

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the Provinces of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

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

Representations

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

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

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

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

Order

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

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

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

OSC File #: 2021/0751

2.2.5 PFB Corporation

Headnote

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

Applicable Legislative Provisions

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

Citation: *Re PFB Corporation*, 2021 ABASC 192

December 30, 2021

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

AND

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

AND

IN THE MATTER OF
PFB CORPORATION
(the Filer)

ORDER

Background

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

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

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

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

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

Interpretation

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

Representations

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

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

2. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;

3. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

4. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and

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

Order

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

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

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

OSC File #: 2021/0755

2.2.6 Mughal Asset Management Corporation and Usman Asif – ss. 127(8), 127(1)

File No. 2021-36

MUGHAL ASSET MANAGEMENT CORPORATION AND USMAN ASIF

Lawrence P. Haber, Commissioner and Chair of the Panel

December 31, 2021

ORDER
(Subsection 127(8) and 127(1) of the *Securities Act,* RSO 1990, c S.5)

WHEREAS on December 31, 2021, the Ontario Securities Commission held a hearing by videoconference to consider an application by Staff of the Commission to extend a temporary order dated December 17, 2021 against Mughal Asset Management Corporation (**Mughal**) and Usman Asif (**Asif**) (together, the **Respondents**);

ON READING the materials filed by Staff, and on hearing the submissions of the representative for Staff, no one appearing on behalf of the Respondents, and on considering the consent of the parties to extend the temporary order;

IT IS ORDERED THAT

1. pursuant to subsection 127(8) and paragraph 2 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), all trading in securities of Mughal shall cease until January 21, 2022;

2. pursuant to subsection 127(8) and paragraph 2 of subsection 127(1) of the Act, trading in any securities by Asif and Mughal, or by any person on their behalf, including but not limited to any act, advertisement, solicitation, conduct, or negotiation, directly or indirectly in furtherance of a trade, shall cease until January 21, 2022; and

3. pursuant to subsection 127(8) and paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Asif or Mughal until January 21, 2022.

“Lawrence P. Haber”

2.3 Orders with Related Settlement Agreements

2.3.1 Syed Saad Aziz – ss. 127(1), 127(10)

File No. 2021-35

IN THE MATTER OF
SYED SAAD AZIZ

Lawrence Haber, Commissioner and Chair of the Panel

December 31, 2021

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

WHEREAS the Ontario Securities Commission (the **Commission**) held a hearing in writing to consider the approval of a settlement agreement dated December 21, 2021 (**Settlement Agreement**) between Syed Saad Aziz (**Aziz**) and Staff of the Commission;

AND WHEREAS Aziz has given an undertaking to the Commission, in the form attached as Schedule "A" to this Order (the **Undertaking**);

ON READING the Joint Application for a Settlement Hearing, including the Statement of Allegations dated November 25, 2021 and the Settlement Agreement, and on receiving the submissions of the representatives of each of the parties, and on considering the Undertaking;

IT IS ORDERED THAT:

1. the Settlement Agreement is approved;

2. pursuant to paragraph 2 of subsection 127(1) of the *Securities Act,* RSO 1990, c S.5 (the **Act**), trading in any securities or derivatives by Aziz cease for a period of 10 years, with the following exception, that Aziz can trade in any securities or derivatives in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the *Income Tax Act*, RSC, 1985, c 1 (5th Supp)) in which he has sole legal and beneficial ownership and interest and provided that the trading in any securities or derivatives is not for the benefit of or on behalf of any third party;

3. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Aziz be prohibited for a period of 10 years, with the following exception, that Aziz can acquire securities in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the *Income Tax Act,* RSC, 1985, c 1 (5th Supp)) in which he has sole legal and beneficial ownership and interest and provided that the acquisition of securities is not for the benefit or on behalf of any third party;

4. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Aziz for a period of 10 years;

5. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Aziz resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;

6. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

7. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a registrant or promoter;

8. pursuant to paragraph 10 of subsection 127(1) of the Act, Aziz disgorge to the Commission $60,000 payable at a rate of no less than $6000 per year, commencing 30 days from the date of this Order and thereafter every year payment of no less than $6000 per year to be made in accordance with the schedule set out in paragraph 9 of this Order, with the final payment of $6000 payable by December 31, 2030, or until the amount equivalent to the disgorgement amount set out above has been repaid in full, to be allocated in accordance with subsection 3.4(2)(b) of the Act;

9. with respect to the payments to be ordered in paragraph 8 of this Order, Aziz agrees to personally make payments as follows:

    a. $6000 by certified cheque or bank draft within 30 days from when the Commission makes this Order; and

    b. a further $6000 by certified cheque or bank draft by December 31, 2022 and thereafter in each successive year until payment in full is made by not later than December 31, 2030.

10. with respect to the disgorgement amount set out in paragraph 8 of this Order, they are due and owing in accordance with this Order; however, the Commission will not take steps to collect the full disgorgement amount outstanding, or add the Respondent to the list of "Respondents Delinquent in Payment of Commission Orders" published on the Commission's website, as long as Aziz complies with the schedule set out above and the undertaking attached as Schedule "A" to this Order;

11. in the event that the payments set out in paragraphs 8 and 9 of this Order are not made in full, the provisions of paragraphs 2 to 7 of this Order shall continue in force until such payment are made in full without any limitation as to time period.

"Lawrence Haber"

SCHEDULE "A"

IN THE MATTER OF
THE SYED SAAD AZIZ

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated December 21, 2021 (the **Settlement Agreement**) between Syed Saad Aziz (**Aziz** or the **Respondent**) and Staff of the Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. The Respondent undertakes to make payment of the disgorgement amount as set out in the terms of the Order as part of the Settlement Agreement: and

3. The Respondent undertakes to provide full cooperation to Staff, including, if required, testifying as a witness for Staff in any proceeding, including quasi-criminal proceedings before the Ontario Court of Justice, commenced by Staff relating to 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 Markham, Ontario this 21st day of December, 2021.

"Nazeema Zaki"	"Syed Saad Aziz"
Witness (print name): Nazeema Zaki	SYED SAAD AZIZ

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

- and -

IN THE MATTER OF
SYED SAAD AZIZ

File No. 2021-35

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The registration requirement is a cornerstone of the securities regulatory framework. Registration is an important gate-keeping mechanism that protects investors and the capital markets by imposing obligations of proficiency, integrity and solvency on those who seek to be engaged in the business of trading in securities with or on behalf of the public.

2. Syed Saad Aziz (**Aziz** or the **Respondent**), a principal of Yonge Street Capital LLC (**YSC**), engaged in unregistered trading in the securities of YSC during the period of October 27, 2016 and August 30, 2019 (the **Material Time**).

3. 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 proceed as a written hearing, to consider whether, pursuant to section 127(1) and 127(10) 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 Aziz in respect of the conduct described herein.

PART II – JOINT SETTLEMENT RECOMMENDATION

4. Staff of the Commission (**Staff**) and Aziz jointly 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 V of this Settlement Agreement. The Respondent consents to the making of an order (the **Order**) in the form attached as Schedule "A" to this Settlement Agreement based on the facts set out herein.

5. 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

A. OVERVIEW

6. On July 29, 2021, Aziz was found guilty, as a result of a guilty plea, to contravening Ontario securities law by engaging in, or holding himself out as engaging in, the business of trading in securities, without being registered to trade in securities, as required by section 25(1) of the Act, before the Honourable Justice Louise Botham on the Ontario Court of Justice.

B. BACKGROUND

7. Aziz is a resident of Markham, Ontario.

8. Aziz has never been registered to trade in securities under the Act.

9. YSC, Yonge Street Capital Management LLC, 2618573 Ontario Inc., Yonge Street Capital Crypto Inc., Nathanael Aikman Inc., and Aikman Capital Inc. have never been registered with the Commission and none have filed a prospectus in relation to the distribution of their shares.

C. DETAILED FACTS

10. Yonge Street Capital LLC (**YSC**) was formed by three individuals: Nathanael Anthony Aikman (**Aikman**), Jazib Ali Khan (**Khan**), and Aziz. YSC was promoted as a hedge fund. During the Material Time it accepted investments from Canadian residents.

11. Aziz met Aikman when he was 20 years old. Aikman acted as a mentor to Aziz and advised him that he could show Aziz how to earn money through investments. Ultimately, Aikman asked Aziz if Aziz would be able to get him funds that Aikman could use to trade with.

12. In or about August 2016, Aikman and Aziz decided to start a fund. A couple of months later, Khan joined this venture as well. The division of labour was that Aziz and Khan would secure funds, mostly through friends and family, and Aikman would be responsible for managing funds and investments. Aikman also developed the payout structure for the fund, which was to guarantee a 25% return on investment. Only Aikman had access to YSC's brokerage account. Aziz and Khan could only monitor the performance of YSC by reviewing a spreadsheet based on information that Aikman provided that tracked the performance of every investor's investment. The spreadsheet consistently showed that YSC was performing well.

13. YSC purported to provide high monthly returns by aggregating investors' funds and subsequently investing those funds in various securities and cryptocurrencies.

14. After making their investments, investors opened on-line YSC accounts, which enabled them to login each month and see the rate of return their account earned, as posted by YSC.

15. During the Material Time, investigators traced investments of $6.1 million from 71 individuals to bank accounts related to YSC. Given the level of his involvement in the business, Aziz cannot confirm these figures, but has no reason to dispute them. Further, Aziz is aware that some monies were paid to investors as a return on investment. Several of the investors of YSC are family members and acquaintances of either Khan or Aziz.

16. During the Material Time, Aziz held himself out as engaging in the business of trading in the securities of YSC to several of the investors, who ultimately decided to transfer investment funds to YSC-related bank accounts in either Canada or the US.

17. In early August 2019, investors received an email from YSC announcing a structural change at YSC that reportedly resulted in the liquidation of the 72 client accounts totalling over $10 million. Investors were told that they would receive the full balance in their respective accounts.

18. Subsequent to the email to investors about structural changes, in August 2019, Aziz learned that Aikman had duped him about the nature of YSC's business, that Aikman had falsified information about YSC's monthly returns and that Aikman had lost all the investors' money.

19. On August 22, 2019, Khan and Aziz made a complaint to York Regional Police that Aikman had provided false information about YSC's monthly returns and had lost all the investors' money. On August 30, 2019 Khan and Aziz also sent an email to YSC investors stating that Aikman had "manipulated, lost, and/or stolen most (if not all) of the funds of YSC" and that "Aikman admitted to both of us that for over two years he had been falsifying information in relation to your accounts".

20. At all times when Aziz was engaged in the business of trading in the securities of YSC he operated under the understanding that YSC was a legitimate business. Aziz understood that YSC was a fund that would invest the monies that investors provided to it and then provide returns to those investors. Aikman was responsible for all trading of YSC and controlled access to, and information about, the assets that YSC had under management. Aikman advised Aziz that YSC's business was operating well. Aziz believed him.

21. Aziz benefited approximately $94,994.15 as a result of his involvement with YSC.

22. To Aziz's knowledge and understanding, since May 2019, investors have not received any funds back from YSC.

D. MITIGATING FACTORS

23. The Respondent submits, and Staff agree, that the Settlement Hearing Panel consider the following circumstances as mitigating factors:

    (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;

    (c) The Respondent's age and financial circumstances;

    (d) 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, including the quasi-criminal trial of Messrs. Khan and Aikman before the Ontario Court of Justice, and to meet with Staff in advance of any such proceeding, as set out in Schedule "B" to this Settlement Agreement.

24. The Respondent has been granted substantial credit for his early guilty plea in the quasi-criminal proceedings before the Ontario Court of Justice, his agreement to disgorge to the Commission $60,000, as per the terms of this Settlement Agreement, and his undertaking to cooperate with Staff attached as Schedule "B" to this Settlement Agreement.

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

25. By engaging in the conduct described above, the Respondent acknowledges and admits that he contravened section 25(1) of the Act and that his conduct was contrary to the public interest.

PART V – RESPONDENTS' POSITION

26. The Respondent consents to the Order being sought by Staff.

PART VI – TERMS OF SETTLEMENT

27. The Respondent and Staff agree to the terms of settlement set forth below.

28. The Respondent and Staff consent to the Order substantially in the form attached as Schedule "A", pursuant to which it is ordered that:

(a) this Settlement Agreement be approved;

(b) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Aziz cease for a period of 10 years, with the following exception, that Aziz can trade in any securities or derivatives in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the trading in any securities or derivatives is not for the benefit of or on behalf of any third party;

(c) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Aziz be prohibited for a period of 10 years, with the following exception, that Aziz can acquire securities in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the acquisition of securities is not for the benefit or on behalf of any third party;

(d) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Aziz for a period of 10 years;

(e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Aziz resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;

(f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

(g) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a registrant or promoter;

(h) pursuant to paragraph 10 of subsection 127(1) of the Act, Aziz disgorge to the Commission $60,000 payable at a rate of no less than $6000 per year, commencing 30 days from the date of this order and thereafter every year payment of no less than $6000 per year to be made in accordance with the schedule set out in (i) below, with the final payment of $6000 payable by December 31, 2030, or until the amount equivalent to the disgorgement amount set out above has been repaid in full, to be allocated in accordance with subsection 3.4(2)(b) of the Act;

(i) with respect to the payments to be ordered in paragraph (h) above, Aziz agrees to personally make payments as follows:

(i) $6000 by certified cheque or bank draft within 30 days from when the Commission makes this Order; and

(ii) A further $6000 by certified cheque or bank draft by December 31, 2022 and thereafter in each successive year until payment in full is made by not later than December 31, 2030.

(j) with respect to the disgorgement amount set out in (h) above, they are due and owing in accordance with this order; however, the Commission will not take steps to collect the full disgorgement amount outstanding, or add the Respondent to the list of "Respondents Delinquent in Payment of Commission Orders" published on the Commission's website, as long as Aziz complies with the schedule set out in (i) above and with the undertaking attached as Schedule "A" to this order:

(k) in the event that the payments set out in paragraph (h) and (i) above, are not made in full, the provisions of paragraphs (b) to (g) above, shall continue in force until such payment are made in full without any limitation as to time period.

29. The Respondent acknowledges that failure to pay in full any monetary sanctions ordered will result in the Respondents' name being added to the list of "Respondents Delinquent in Payment of Commission Orders" published on the Commission's website.

30. 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.

31. The Respondent has given an undertaking (the **Undertaking**) to the Commission in the form attached as Schedule "B" to this Settlement Agreement, which includes an undertaking to cooperate with Staff by testifying as a witness in the quasi-criminal trial of Messrs. Khan and Aikman before the Ontario Court of Justice and to meet with Staff in advance of the trial to prepare for that testimony.

PART VII – FURTHER PROCEEDINGS

32. If the Commission approves this Settlement Agreement, Staff will not commence a proceeding against the Respondent under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement, 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 as well as the breach of this Settlement Agreement or the Undertaking.

33. 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-paragraph 27(h) and 27(i) above.

34. The Respondent acknowledges that, if the Commission approves this Settlement Agreement, Staff and the Respondent will conclude the Respondents' quasi-criminal matter before Justice Botham of the Ontario Court of Justice by jointly requesting the Justice Botham sentence the Respondent as per the joint resolution position of both parties and as agreed upon by Justice Botham.

35. The Respondent waives any defences to a proceeding referenced in paragraph 32 or 33 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

36. The parties will seek approval of this Settlement Agreement at the Settlement Hearing, to proceed as a written 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.

37. The Settlement Hearing will proceed as a written hearing.

38. 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.

39. If the Commission approves this Settlement Agreement:

(a) the Respondent irrevocably waive 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.

40. 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

41. 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 in respect of the Proceeding. 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.

42. 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

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

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

DATED at the City of Toronto, in the Province of Ontario, this 21st day of December, 2021.

"Nazeema Zaki"	"Syed Saad Aziz"
Witness (print name): Nazeema Zaki	SYED SAAD AZIZ

DATED at Toronto, Ontario, this 21st day of December, 2021.

ONTARIO SECURITIES COMMISSION

"Jeff Kehoe"
Director, Enforcement Branch

SCHEDULE "A"
FORM OF ORDER

IN THE MATTER OF
SYED SAAD AZIZ

File No. 2021-35

(Names of panelists comprising the panel)

(Day and date order made)

ORDER
([Sections 127(1) and 127(10)] of the *Securities Act*, RSO 1990 c S.5)

WHEREAS on **[date]**, the Ontario Securities Commission (the **Commission**) issued a Notice of Hearing (the "Notice of Hearing") in relation to the Statement of Allegations filed by Staff of the Commission (**Staff**) on November 25, 2021 with respect to **Syed Saad Aziz** (**Aziz** or the **Respondent**);

AND WHEREAS the Notice of Hearing gave notice that on **[date]**, the Commission would hold a hearing, in writing, to consider whether it is in the public interest to approve a settlement agreement between the Respondent and Staff dated December 21, 2021 (the **Settlement Agreement**);

AND WHEREAS on **[date]**, the Commission held a hearing, in writing, to consider the request made jointly by Aziz and Staff for approval of a Settlement Agreement;

AND WHEREAS pursuant to the Settlement Agreement, Aziz has given an undertaking in the form attached as Schedule "A" to this Order (the **Undertaking**);

ON READING the Statement of Allegations dated November 25, 2021, the Settlement Agreement and the Undertaking dated December 21, 2021 and the Written Submissions of Staff;

IT IS ORDERED THAT:

(a) the Settlement Agreement be approved;

(b) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Aziz cease for a period of 10 years, with the following exception, that Aziz can trade in any securities or derivatives in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the trading in any securities or derivatives is not for the benefit of or on behalf of any third party;

(c) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Aziz be prohibited for a period of 10 years, with the following exception, that Aziz can acquire securities in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the acquisition of securities is not for the benefit or on behalf of any third party;

(d) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Aziz for a period of 10 years;

(e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Aziz resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;

(f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

(g) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a registrant or promoter;

(h) pursuant to paragraph 10 of subsection 127(1) of the Act, Aziz disgorge to the Commission $60,000 payable at a rate of no less than $6000 per year, commencing 30 days from the date of this order and thereafter every year payment of no less than $6000 per year to be made in accordance with the schedule set out in (i) below, with the final payment of $6000 payable by December 31, 2030, or until the amount equivalent to the disgorgement amount set out above has been repaid in full, to be allocated in accordance with subsection 3.4(2)(b) of the Act;

(i) with respect to the payments to be ordered in paragraph (h) above, Aziz agrees to personally make payments as follows:

(i) $6000 by certified cheque or bank draft within 30 days from when the Commission makes this Order; and

(ii) A further $6000 by certified cheque or bank draft by December 31, 2022 and thereafter in each successive year until payment in full is made by not later than December 31, 2030.

(j) with respect to the disgorgement amount set out in (h) above, they are due and owing in accordance with this order; however, the Commission will not take steps to collect the full disgorgement amount outstanding, or add the Respondent to the list of "Respondents Delinquent in Payment of Commission Orders" published on the Commission's website, as long as Aziz complies with the schedule set out in (i) above and the undertaking attached as Schedule "A" to this order:

(k) in the event that the payments set out in paragraph (h) and (i) above, are not made in full, the provisions of paragraphs (b) to (g) shall continue in force until such payment are made in full without any limitation as to time period.

_____

[Commissioner]

SCHEDULE "A"

UNDERTAKING

[NOTE: To be inserted from Schedule "B" to the Settlement Agreement.]

SCHEDULE "B"

IN THE MATTER OF
THE SYED SAAD AZIZ

File No. 2021-35

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated December 21, 2021 (the **Settlement Agreement**) between Syed Saad Aziz (**Aziz** or the **Respondent**) and Staff of the Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.

2. The Respondent undertakes to make payment of the disgorgement amount as set out in the terms of the Order as part of the Settlement Agreement: and

3. The Respondent undertakes to provide full cooperation to Staff, including, if required, testifying as a witness for Staff in any proceeding, including quasi-criminal proceedings before the Ontario Court of Justice, commenced by Staff relating to 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 Markham, Ontario this 21st day of December, 2021.

"Nazeema Zaki" "Syed Saad Aziz"

Witness (print name): Nazeema Zaki **SYED SAAD AZIZ**

2.4 Rulings

2.4.1 RBC Dominion Securities Inc. – ss. 38(1), 78(1) of the CFA

Headnote

Application for a ruling pursuant to section 38 of the Commodity Futures Act granting relief from the dealer registration requirement in section 22 of the CFA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of certain Designated Foreign Affiliates for "after-hours trading" in commodity futures contracts and commodity futures options on the Bourse de Montréal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1), 38(1) and 78(1).

December 24, 2021

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC.
(the Filer)

RULING
(Subsection 38(1) and 78(1) of the CFA)

UPON the application (the **Application**) of the Filer to the Ontario Securities Commission (the **Commission**) for a ruling of the Commission, pursuant to subsection 38(1) of the CFA, that Designated Foreign Affiliate Employees (as defined below) of the Filer are not subject to the dealer registration requirement in the CFA when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), subject to the terms and conditions set out below (the **Exemption Sought**);

AND WHEREAS the Commission granted exemptive relief to the Filer in a decision dated November 30, 2018 (the **Original Decision**), pursuant to subsection 38(1) of the CFA, in respect of the dealer registration requirement in the CFA when conducting after hours trading for the period from 2:00 a.m. to 6:00 a.m. Eastern Time (**ET**) each day on the MX, and the Filer has also applied for an order pursuant to subsection 78(1) of the CFA to revoke the Original Decision as of the date hereof;

AND WHEREAS for the purposes of this ruling (the **Decision**):

(i) "**dealer registration requirement in the CFA**" means the provisions of section 22 of the CFA that prohibit a person or company from trading in commodity futures contracts or commodity futures options (as those terms are defined in subsection 1(1) of the CFA) unless the person or company satisfies the applicable provisions of subsection 22(1)(a) of the CFA; and

(ii) terms used in this Decision that are defined in the *Securities Act* (Ontario) (**OSA**), and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

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

AND UPON the Filer having represented to the Commission and the Director as follows:

The Filer

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

2. The Filer is registered as an investment dealer under the securities legislation of all the provinces and territories of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a derivatives dealer under the derivatives legislation of Québec.

3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and an approved participant of the MX.

4. The Filer is not in default of securities, derivatives or commodity futures legislation in any jurisdiction of Canada.

5. RBC Capital Markets LLC (**RBCCM**) is a limited liability company formed under the laws of the State of Minnesota. The head office of RBCCM is located in New York, New York, United States.

6. RBC Europe Limited (**RBCEL**, and together with RBCEL, the **Designated Foreign Affiliates**) is a limited company formed under the laws of England and Wales. The head office of RBCEL is located in London, England.

7. The Filer and the Designated Foreign Affiliates are each a wholly-owned indirect subsidiary of The Royal Bank of Canada.

8. RBCCM is registered as a broker-dealer with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority. RBCCM is a registered futures commission merchant with the U.S. Commodity Futures Trading Commission and approved as a swap firm and a member of the National Futures Association.

9. RBCEL is a United Kingdom-based broker dealer in securities and dealer in derivatives. RBCEL is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

10. The Designated Foreign Affiliates together hold memberships and/or have third-party clearing relationships with commodity and financial futures exchanges and clearing associations, including the CME Group. The Designated Foreign Affiliates may also carry positions reflecting trades executed on other exchanges through affiliates and/or third-party clearing brokers.

11. The Filer wishes to make use of certain designated employees of the Designated Foreign Affiliates (the **Designated Foreign Affiliate Employees**) certified under applicable laws of the United States (**US**) or the United Kingdom (**UK**), as applicable, in a category that permits trading the types of products which they would be trading on the MX to handle trading requests on the MX from the Filer's clients and clients of the Filer's affiliated corporations or subsidiaries during the MX's extended trading hours, including from 4:30 p.m. (T-1) to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).

The MX Extended Trading Hours Amendments

12. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.

13. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours (the **Initial Extended Hours Initiative**). As a result of these amendments, starting October 9, 2018, trading of certain products on the MX commenced at 2:00 a.m. ET rather than the previous 6:00 a.m. ET.

14. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. In furtherance of the Initial Extended Hours Initiative, the Filer sought and obtained the Original Decision.

15. On March 17, 2020, the MX announced that the MX had approved non-material amendments to its rules and procedures in order to accommodate the further extension of the MX's trading hours (the Asian Trading Hours Initiative). As a result of these amendments, trading of certain products on the MX now commences at 8:00 p.m. ET (T-1) rather than 2:00 a.m. ET. These amendments are considered non-material insofar as the framework put in place in connection with the Initial Extended Hours Initiative applies to the Asian Trading Hours Initiative, allowing participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or the MX participant on a proprietary basis. See MX Circular 135-20, 024-21 and 063-21.

16. The IIROC Relief (as defined below) allows for trading to commence at 4:30 p.m. ET(t-1) rather than 8 p.m. ET(t-1) as contemplated by the Asian Trading Hours Initiative, subject to the MX trading rules being modified. The Exemption Sought accordingly conforms to the IIROC Relief with respect to Extended Hours Activities.

Application of the dealer registration requirement in the CFA to Designated Foreign Affiliate Employees

17. The Filer is an MX approved participant and each of the Designated Foreign Affiliates is an affiliate of the Filer. The Filer wishes to make use of the Designated Foreign Affiliate Employees to conduct the Extended Hours Activities.

18. The dealer registration requirement in the CFA requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the

requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the Designated Foreign Affiliate Employees who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.

19. The Filer seeks an exemption from the dealer registration requirement in the CFA because, in the absence of such exemption, each Designated Foreign Affiliate Employee who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this is duplicative since the Designated Foreign Affiliate Employees are certified under applicable US or UK law, will be supervised by the Filer's Designated Supervisors (as defined below) and are otherwise subject to the conditions set forth below. The Filer believes the dealer registration requirement in the CFA is unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees will be conducting on behalf of the Filer, namely only handling client orders, and only during the period from 4:30 p.m. ET (T-1) to 6:00 a.m. ET.

20. The Filer has also applied to, and obtained from, IIROC an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2, 18.3 and 500 and the requirement to enter into an employee or agent relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 (the **IIROC Relief**).

21. The IIROC Relief obtained by the Filer is subject to certain conditions, including:

(a) The Designated Foreign Affiliate Employees must be registered, licensed, certified or authorized and subject to equivalent regulatory supervision in the US or UK in a category that permits trading the types of products which they will be trading on the MX.

(b) The Designated Foreign Affiliate Employees may only accept and enter orders from clients of the Filer or the Filer on a proprietary basis during the period from 4:30 p.m. ET (T-1) to 6:00 a.m. ET, subject to the MX trading rules being modified to allow for trading to commence at 4:30 p.m. ET (T-1) rather than 8:00 p.m. ET (T1) as contemplated by the Asian Trading Hours Initiative, and are not permitted to give advice.

(c) The actions of the Designated Foreign Affiliate Employees must be supervised by Canadian based registered supervisors qualified to supervise trading in futures contracts, futures contract options and options (the **Designated Supervisors**).

(d) The Filer must establish and maintain written policies and procedures that address the performance and supervision requirements relating to this extended trading hours arrangement.

(e) The Filer and each Designated Foreign Affiliate must jointly and severally undertake to ensure IIROC has, upon request, prompt access to the audit trail of all trades, wherever located, that relate to Extended Hours Activities at each Designated Foreign Affiliate, and records evidencing the supervision of such activities.

(f) The Filer retains all responsibilities for its client accounts.

(g) The Filer and each Designated Foreign Affiliate Employee must enter into an agency agreement pursuant to which the Filer would assume all responsibility for the actions of the Designated Foreign Affiliate Employees and of the Designated Foreign Affiliates that relate to the Filer's clients, and the Filer would be liable under IIROC rules for such actions.

(h) All MX trading rules will apply to orders entered by the Designated Foreign Affiliate Employees.

(i) All other existing Canadian regulatory requirements continue to apply, including:

i) the Filer's client accounts would continue to be carried on the books of the Filer;

ii) all communications with the Filer's clients will continue to be in the name of the Filer; and

iii) the Filer's client account monies, security and property will continue to be held by the Filer.

(j) The Filer must disclose the extended trading hours arrangement to its clients and provide specific instructions concerning the placement of orders relating to the extended trading hours arrangement.

(k) The Filer must provide, in writing to IIROC, the names of the foreign affiliate(s) and all Designated Foreign Affiliate Employees authorized to accept and enter orders from the Filer's clients on behalf of the Filer under the extended trading hours arrangement. Such individuals are subject to IIROC s "fit and proper" review and IIROC Registration staff may refuse their participation in this extended trading hours arrangement.

(l) The Filer must provide, in writing to IIROC, timely updates to the list of Designated Foreign Affiliate Employees, and confirm any changes, on at least an annual basis.

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

IT IS RULED pursuant to subsection 78(1) of the CFA that the Original Decision is revoked;

AND IT IS RULED pursuant to subsection 38(1) of the CFA that the Exemption Sought is granted, so long as:

(a) the Designated Foreign Affiliates and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of the Designated Foreign Affiliate is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;

(b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or orders from the Filer on a proprietary basis during the period from 4:30 p.m. ET (T-1) to 6:00 a.m. ET and will not be permitted to give advice;

(c) the Filer retains all responsibilities for its client accounts;

(d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;

(e) the Filer and the Designated Foreign Affiliate Employees enter into an agency agreement substantially as described in paragraph 21(g) and such agreement remains in effect; and

(f) the Filer remains in compliance with the terms and conditions of the IIROC Relief.

“Craig Hayman”	“Cathy Singer”
Commissioner	Commissioner
Ontario Securities Commission	Ontario Securities Commission

OSC File #: 2021/0644

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Miner Edge Inc. et al. – ss 127(1), 127.1

Citation: *Miner Edge Inc (Re)*, 2021 ONSEC 31

Date: 2021-12-22

File No.: 2019-44

IN THE MATTER OF
MINER EDGE INC.,
MINER EDGE CORP. AND
RAKESH HANDA

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

Hearing:	October 18 and November 15, 2021	
Decision:	December 22, 2021	
Panel:	Wendy Berman	Vice-Chair and Chair of the Panel
Appearances:	Rikin Morzaria Christina Galbraith	For Staff of the Commission
	Simon Bieber Jordan Katz	For Miner Edge Inc., Miner Edge Corp. and Rakesh Handa

REASONS AND DECISION

I. OVERVIEW

[1] Staff alleges that the respondents, Miner Edge Inc., Miner Edge Corp. (collectively **Miner Edge**) and Rakesh Handa raised approximately $170,600 from 90 investors through a fraudulent scheme to sell investments in a purported cryptocurrency mining company and misappropriated these funds for personal use.

[2] This proceeding is a combined merits and sanctions hearing pursuant to the order of the Commission dated October 18, 2021.[1]

[3] On October 12, 2021, an agreed statement of facts was filed jointly by Staff and the respondents. No other evidence was presented by Staff or by the respondents with respect to the allegations brought by Staff. My findings on the merits are based solely on the agreed statement of facts and on oral submissions made by Staff and counsel for the respondents.

[4] For the reasons set out below, I find that the respondents contravened Ontario securities laws by perpetrating a fraud on investors, engaging in the business of trading securities without registration and illegally distributing securities. The respondents actively promoted and solicited investments in Miner Edge and made false and misleading statements to investors about the business and operations of Miner Edge, the intended use of investors' funds and anticipated investment returns. The respondents raised approximately $170,600 and misappropriated most of the invested funds for personal use. As a result of the respondents' fraudulent misconduct, investors lost all their invested funds. I also find that Mr. Handa misled Staff during its investigation and breached the confidentiality of Staff's investigation.

[5] I also find that as a result of their contraventions of Ontario securities laws, it is in the public interest for the respondents to be permanently prohibited from participating in Ontario's capital markets, to disgorge to the Commission $170,600, pay an administrative penalty of $500,000 and pay costs in the amount of $100,000.

[1] (2021) 44 OSCB 8745

II. BACKGROUND

[6] From January 2018 to May 2019, Miner Edge and Mr. Handa promoted an opportunity to invest in Miner Edge's cryptocurrency mining operations and solicited investors through direct solicitations and an online campaign through a website and various social media platforms. Mr. Handa was the sole director, shareholder, chief executive officer and directing mind of Miner Edge.

[7] The respondents raised approximately $170,600 from 90 investors by making false representations related to:

a. the business and operations of Miner Edge (that it was a cryptocurrency mining enterprise and was finalizing two mining locations in Canada);

b. the nature of the investment (that it was a right to participate in the profits of Miner Edge in the form of a share, token or an initial coin offering);

c. the use of the investment proceeds (that the invested funds would be used to set up mining facilities, software development, licensing and research and development and administrative expenses); and

d. the expected returns on the invested funds (that investors would earn annual returns in excess of 100%).

[8] Miner Edge never engaged in any cryptocurrency mining activities, had no operations, generated no revenue, and took no meaningful steps to engage in any revenue generating activity. Investors' funds were not invested in Miner Edge and instead most of the investors' funds were diverted for the personal benefit of Mr. Handa. The investors never received any return on their investment and lost all their invested funds.

III. ANALYSIS OF THE MERITS

A. Introduction

[9] I turn now to my analysis of the principal issues raised by Staff's allegations:

a. Were the investments "securities"?

b. Did the respondents engage in the business of trading in securities without being registered contrary to subsection 25(1) of the *Securities Act*[2] (the **Act**)?

c. Did the respondents distribute securities without a prospectus, and without any available exemptions from the prospectus requirement contrary to subsection 53(1) of the Act?

d. Did the respondents commit fraud contrary to section 126.1(b) of the Act and make false and misleading statements to investors about the purported cryptocurrency mining activities, the use of investor funds and expected returns on invested funds contrary to subsection 44(2) of the Act?

e. Did Mr. Handa authorize, permit or acquiesce in Miner Edge's breaches of the Act, such that he is deemed pursuant to section 129.2 of the Act, to have also not complied with Ontario securities law?

f. Did Mr. Handa mislead Staff contrary to subsections 122(1)(a) of the Act?

g. Did Mr. Handa improperly disclose the name of an individual to be examined by Staff contrary to subsection 16(1) of the Act?

h. Did the respondents engage in conduct contrary to the public interest?

B. Were the investments in Miner Edge "securities"?

[10] As a preliminary issue, I must determine whether the investments in Miner Edge sold to investors were "securities", as that term is defined in s. 1(1) of the Act. I conclude that they were.

[11] The term "security" is broadly defined by a non-exhaustive list of 16 enumerated categories of instruments, which includes "investment contract". Staff alleges that each investment distributed by Miner Edge and Mr. Handa was an "investment contract".

[2] RSO 1990, c S.5

[12] As articulated by the Supreme Court of Canada[3] and adopted by the Commission in numerous cases,[4] an investment contract comprises four elements:

a. an investment of money;

b. with a view to a profit;

c. in a common enterprise where the success or failure of the enterprise is interwoven with, and dependent on, the efforts of persons other than the investors; and

d. where the efforts by those other than the investor are undeniably significant ones, those managerial efforts which affect the success or failure of the enterprise.

[13] Miner Edge and Mr. Handa solicited and sold to investors an interest or right to participate in the profits from Miner Edge's purported cryptocurrency mining operation. The respondents represented that the invested funds would be used to establish and operate mining centres in Canada to mine cryptocurrencies and that investors would receive substantial returns from the cryptocurrency mining operation.

[14] Some investors were told that they would receive a "Miner Edge token" or Miner Edge initial coin offering" or a "Miner Edge share" or other "interest" in Miner Edge and that such instrument would be delivered to the investor. No instrument for the investment, whether a share, token or otherwise was delivered to investors.

[15] Miner Edge and Mr. Handa admit this right to participate in the profits of Miner Edge was an investment contract and that they solicited and sold securities to investors.

[16] The investors invested money with a view to profit in a common enterprise, being a cryptocurrency mining operation. The investors were entirely dependent on the efforts of Miner Edge and Mr. Handa for the success or failure of the cryptocurrency mining operation and the generation of any profits from this enterprise.

[17] Based on the above, I am satisfied that the four-part test for an investment contract is met. I conclude that the arrangement to participate in Miner Edge's profits was an investment contract and a security within the meaning of the Act. I will refer to this security as a profit participation right.

[18] Although the respondents used different terminologies for the investment with various investors, including referring to it as "Miner Edge token", an "initial coin offering", a "share" or other "interest", the true nature of the investment was an investment contract. Accordingly, the references to token or coin offering in the agreed statement of facts did not impact my determination.

C. Did the respondents engage in the business of trading securities?

[19] A person or company must be registered under Ontario securities law to engage in the business of trading in securities unless an exemption applies.[5]

[20] The registration requirement is a cornerstone of the securities regulatory regime designed to ensure that those who engage in trading related to securities are proficient and solvent, and that they act with integrity. Unregistered trading or advising defeats some of these necessary legal protections and undermines investor protection and the integrity of the capital markets.[6]

[21] Neither Miner Edge nor Mr. Handa were ever registered in any capacity under the Act, and they admit that no exemptions from the registration requirements applied to their activities.

[22] Therefore, the only question I must determine is whether the respondents engaged in the business of trading securities. To do so, I am required to determine whether their conduct constituted "trading", and if so, whether that conduct was carried out for a business purpose.

[23] As outlined above, I have concluded that the respondents' actions in distributing the profit participation rights constituted "trading" in securities of Miner Edge within the meaning of the Act.

[24] In determining whether the conduct was carried out for a business purpose, the Commission has previously relied on various factors including whether the respondent undertook activities similar to a registrant, directly or indirectly solicited

3 Pacific Coast Coin Exchange v Ontario (Securities Commission), [1978] 2 SCR 112 at 127
4 For example, see *Meharchand (Re),* 2018 ONSEC 51, (2018) 41 OSCB 8434 (***Meharchand***) at para 91
5 Act, s 25(1)
6 *Al-Tar Energy Corp (Re),* 2010 ONSEC 11, (2010) 33 OSCB 5535 (***Al-Tar Energy Corp***) at para 81

securities transactions, received or expected to receive compensation for the activity and carried on these activities with repetition or regularity.[7]

[25] The respondents admit that they engaged in the following activities:

a. ongoing and regular efforts to promote investment in Miner Edge and to solicit investors to purchase profit participation rights over a period of more than one-year;

b. developing promotional materials to solicit investments in Miner Edge which made exaggerated claims about its cryptocurrency mining business and operations and potential returns from investing in Miner Edge;

c. formulating content for and maintaining a publicly accessible website with promotional materials relating to the Miner Edge investment opportunity;

d. maintaining an online presence on various social media platforms to connect with potential investors and market investment opportunities in Miner Edge;

e. meeting with numerous potential investors to promote investment opportunities in Miner Edge and to solicit purchases of profit participation rights;

f. selling profit participation rights in Miner Edge to investors and representing that investors would receive Miner Edge tokens, fiat currency, shares or another form of interest in Miner Edge; and

g. directing investors to wire funds to various bank accounts controlled by or associated with Mr. Handa and accepting those funds for the purchase of profit participation rights.

[26] By carrying out these activities, the respondents regularly and continuously engaged in extensive efforts over an extended period to solicit investment in Miner Edge. The respondents succeeded in selling profit participation rights to 90 investors for total proceeds of $170,600. By so doing, the respondents engaged in activities that were similar to those of a registrant.

[27] By distributing and accepting investor funds for the purchase of profit participation rights, the respondents engaged in soliciting and trading securities and expected to and did receive financial compensation, being the funds from investors.

[28] The respondents engaged in activities that were similar to those of a registrant continuously for a lengthy period with the expectation of significant compensation from such activity.

[29] I find that the respondents were engaged in the business of trading in securities within the meaning of the Act without being registered to do so. Accordingly, the respondents contravened s. 25(1) of the Act.

D. Did the respondents engage in an illegal distribution of securities?

[30] A person or company must not distribute a security without a prospectus, unless an exemption applies.[8] The prospectus requirement is a cornerstone of Ontario's securities regulatory regime designed to ensure that investors receive the necessary information to make an informed investment decision.[9]

[31] The profit participation rights in Miner Edge were investment contracts and securities as defined in the Act. Miner Edge sold $170,600 in profit participation rights to 90 investors. The profit participation rights were previously unissued securities and accordingly the issuance of these rights was a "distribution" as defined in the Act.[10]

[32] The respondents admit that they distributed the profit participation rights without filing a preliminary prospectus or prospectus and without an applicable exemption from the prospectus requirement.

[33] I find that the respondents engaged in a distribution of securities without filing a preliminary prospectus or prospectus, and without an applicable exemption from the prospectus requirement, and therefore contravened s. 53(1) of the Act.

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7 *Meharchand* at para 111
8 Act, s 53(1)
9 *Money Gate Mortgage Investment Corporation (Re)*, 2019 ONSEC 40, (2019) 43 OSCB 35 at para 168
10 Act, s 1(1), "distribution" definition at para (a); *Bradon Technologies Ltd (Re),* 2015 ONSEC 26, (2015) 38 OSCB 6763 (***Bradon Technologies Ltd***) at paras 131 and 139; *Al-Tar Energy Corp* at paras 139-141

E. Did the respondents perpetrate a fraud on investors relating to securities and make false or misleading material statements to investors?

[34] The Act makes it an offence for a person or company to perpetrate a fraud on investors pursuant to s. 126.1(1)(b). The elements of fraud under the Act are:

a. the prohibited act (often called "actus reus"), which is established by proof of an act of deceit, falsehood or some other fraudulent means and deprivation caused by the prohibited act; and

b. the required guilty mind or wrongful intention (often called "mens rea"), which is established by direct evidence of subjective awareness of the prohibited act and its consequential deprivation. Subjective awareness can also be inferred from the dishonest act itself or established by showing the respondent was reckless.[11]

[35] A corporation may be found to have committed fraud under the Act if the corporation's directing mind knew or ought reasonably to have known that the actions of the corporation were fraudulent.[12]

[36] A person or company is prohibited from making a false or misleading statement pursuant to s. 44(2). To find a contravention of s. 44(2), I must be satisfied that the respondents made an untrue statement about the investment in Miner Edge, or omitted information to prevent the statement from being false or misleading, that a reasonable investor would consider relevant in deciding whether to enter or maintain a trading relationship with the respondents.[13]

[37] In the agreed statement of facts, the respondents admit that they raised $170,600 from investors by making false representations related to the business activities of Miner Edge, the nature of the investment and the use of, and expected returns on, the invested funds. Specifically, the respondents made false statements to investors that:

a. Miner Edge was a cryptocurrency mining enterprise, was finalizing two mining locations in Manitoba and Quebec and had negotiated a power supply with Quebec Hydro;

b. Miner Edge had a chief technology officer, a chief investment officer and a chief management officer;

c. the investment proceeds would be used to set up mining facilities, software development, licensing and research and development and administrative expenses;

d. investors would earn annual returns in excess of 100% on their investment; and

e. in the case of one investor that the Miner Edge investment would assist his application to immigrate to Canada.

[38] The respondents admit that they made such statements both directly to investors and through promotional materials disseminated by the respondents through an online website and various social media platforms.

[39] The respondents admit that:

a. Miner Edge never engaged in any cryptocurrency mining activities, had no operations, generated no revenue, and took no meaningful steps to engage in any revenue generating activity;

b. Miner Edge did not have any individuals holding or performing the above officer positions;

c. no steps were taken by Mr. Handa to submit any immigration application for the investor, who was also a client of Mr. Handa's immigration consulting business;

d. investors' funds were not invested in Miner Edge and instead most of the investors' funds were diverted for the personal benefit of Mr. Handa; and

e. the investors lost all their invested funds.

[40] The respondents also admit that by engaging in these activities they perpetrated a fraud on investors contrary to s. 126.1(1)(b) of the Act and Mr. Handa admits that he made false statements to investors about matters that a reasonable investor would consider relevant in deciding to purchase securities of Miner Edge contrary to s. 44(2) of the Act.

[41] Mr. Handa was fully aware of the false information provided to investors and that the investors' funds were misappropriated for his personal use. He orchestrated the investment scheme, created website and social media

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11 *R v Théroux,* [1993] 2 SCR 5 at para 24; *Black Panther Trading Corp (Re),* 2017 ONSEC 8, (2017) 40 OSCB 3727 (***Black Panther Trading Corp***) at paras 115-116

12 Al-Tar Energy Corp at para 221

13 *Winick (Re)*, 2013 ONSEC 31, (2013) 36 OSCB 8202 at para 156

promotional material, and raised funds from investors with full knowledge that there was no legitimate underlying cryptocurrency mining business and that investors would be deprived of their funds.

[42] All the statements to investors about the business and operations of Miner Edge, the intended use of the invested funds and the anticipated returns were outright fabrications. By diverting the invested funds for improper purposes, the respondents also knowingly misused investors' funds, thereby causing a deprivation to the investors.

[43] As Mr. Handa was the directing mind of Miner Edge, his knowledge of these fraudulent acts is attributable to Miner Edge.

[44] I find that Miner Edge and Mr. Handa knowingly committed numerous acts of deceit, falsehoods and other fraudulent means that deprived investors of their funds and perpetrated a fraud on investors contrary to s. 126.1(b) of the Act.

[45] I also find that Miner Edge and Mr. Handa made numerous false or misleading statements to investors through direct discussions with investors and information and promotional materials disseminated on the website and various social media platforms. These statements went to the core of the proposed investment in Miner Edge, being the anticipated returns and the nature of Miner Edge's business, operations, and revenue generation, and would unquestionably be relevant to any reasonable investor. The respondents therefore contravened s. 44(2) of the Act.

F. Did Mr. Handa authorize, permit or acquiesce in Miner Edge's misconduct?

[46] Pursuant to s. 129.2 of the Act, a director or officer is liable for a breach of Ontario securities law by the issuer where the director or officer authorized, permitted or acquiesced in the issuer's non-compliance with the Act. The threshold for liability under s. 129.2 of the Act is low.[14]

[47] Mr. Handa was the sole director and directing mind of Miner Edge. He orchestrated the profit participation right investment scheme, interacted directly with all investors, and directed all the activities of Miner Edge related to this scheme. Finally, Mr. Handa admits that he authorized the non-compliance with Ontario securities law by Miner Edge related to the investment scheme.

[48] Accordingly, I find that Mr. Handa contravened s. 129.2 of the Act.

G. Did Mr. Handa mislead Staff?

[49] A person is prohibited from making a statement to Staff during an investigation that is materially false or misleading or that omits necessary facts pursuant to s. 122(1)(a) of the Act.

[50] Mr. Handa admits that during two examinations of him by Staff he made various false and misleading statements, while under oath, about the profit participation investment scheme, the status of Miner Edge's business operations, the nature and extent of communications with investors and the role of various investors in the business of Miner Edge. Mr. Handa also admits that he concealed information from Staff relating to three investors and their payments into bank accounts related to Mr. Handa.

[51] Mr. Handa admits that he failed to disclose and concealed important information and documents from Staff that he was compelled to provide pursuant to s. 13 of the Act, including bank documentation, records of funds from investors and funds paid to him and Miner Edge and email communications between him and investors.

[52] I find that Mr. Handa was not truthful to Staff during his examinations and that his false statements and omissions, including the concealment of information and documents, were material to the Miner Edge investment scheme.

[53] Accordingly, Mr. Handa contravened s. 122(1)(a) of the Act. In my view, his attempts to mislead Staff while he was under oath demonstrate a serious disregard for the Commission's investigative process.

H. Did Mr. Handa improperly disclose the name of an individual to be examined by Staff?

[54] Disclosure of the name of any person examined or sought to be examined by Staff under a summons is prohibited pursuant to s. 16(1) of the Act. This prohibition is designed to preserve the confidentiality and integrity of Staff's investigations.[15]

[55] Mr. Handa admits that he telephoned an investor and told that investor that Staff was investigating Mr. Handa's conduct and that he was scheduled to meet with Staff. Mr. Handa also admits that he told the investor not to provide any information or documents and not to answer any telephone calls from Staff.

[14] *Momentas Corporation (Re)*, 2006 ONSEC 15, (2006) 29 OSCB 7408 at para 118
[15] *Katanga Mining Limited (Re)*, 2019 ONSEC 4, (2019) 42 OSCB 803 at para 14

[56] The attempt by Mr. Handa to prevent an individual from cooperating with Staff during an investigation demonstrates a serious disregard for the Commission's investigative process. I find that Mr. Handa improperly communicated with a potential witness and disclosed information in contravention of s. 16(1) of the Act.

I. Did the respondents engage in conduct contrary to the public interest?

[57] Finally, I address Staff's allegations that the respondents' breaches of the specific provisions of the Act outlined above were contrary to the public interest. Staff seeks a finding to that effect.

[58] The phrase "conduct contrary to the public interest" is not contained anywhere in the Act. It is an expression based on the opening words of s. 127 of the Act, which authorizes the Commission to make certain orders if to do so would be in the public interest.

[59] Given my findings that Miner Edge and Mr. Handa breached the various provisions of the Act as outlined above, a finding that the same conduct was contrary to the public interest would be superfluous. I decline Staff's request.

IV. SANCTIONS

[60] I will now address the applicable sanctions against Miner Edge and Mr. Handa, considering the above findings.

A. Overview

[61] Staff seeks the following sanctions against Miner Edge and Mr. Handa as a result of their breaches of Ontario securities law:

a. an order that trading in any securities or derivatives by Miner Edge or by Mr. Handa cease permanently;

b. an order that Miner Edge and Mr. Handa be prohibited from acquiring any securities permanently;

c. an order that the exemptions contained in Ontario securities law do not apply to Miner Edge and Mr. Handa permanently;

d. an order permanently prohibiting Miner Edge and Mr. Handa from becoming or acting as a registrant or as a promoter;

e. an order that Miner Edge and Mr. Handa jointly and severally pay an administrative penalty in the amount of $500,000;

f. an order that Miner Edge and Mr. Handa jointly and severally disgorge to the Commission the amount of $170,600; and

g. an order that Miner Edge and Mr. Handa jointly and severally pay costs in the amount of $200,000.

[62] Staff seeks the following additional sanctions against Mr. Handa alone:

a. an order that Mr. Handa resign any positions he holds as a director or officer of an issuer or registrant; and

b. an order permanently prohibiting Mr. Handa from becoming or acting as a director or officer of an issuer or registrant.

[63] The respondents acknowledge that the market participation bans sought by Staff as well as the disgorgement order are appropriate. The respondents submit that the administrative penalty and costs orders sought by Staff are excessive and propose a reduced administrative penalty of $150,000 and a costs order in the range of $75,000 to $100,000.

B. Legal Framework for Sanctions

[64] The Commission may impose sanctions pursuant to s. 127(1) of the Act where it finds that it is in the public interest to do so. The Commission must exercise its jurisdiction in a manner that is consistent with the Act's purposes, which includes protection of investors from unfair, improper and fraudulent practices, and the fostering of fair and efficient capital markets and confidence in the capital markets.[16]

[65] The sanctions available under s. 127(1) of the Act are protective and preventative and are intended to prevent future harm to investors and the capital markets.[17]

[16] Act, s 1.1
[17] Mithras Management Ltd (Re), (1990) 13 OSCB 1600 at para 43; Bradon Technologies Ltd at para 26

[66] The Commission has identified a non-exhaustive list of factors to be considered with respect to sanctions generally, including the seriousness of the misconduct, whether the misconduct was isolated or recurrent, the size of the profit from the misconduct, whether there has been recognition of the seriousness of the misconduct, any mitigating factors including the respondent's remorse, and the likely effect that any sanction would have on the respondent as well as on others. Sanctions must be proportionate to the respondent's conduct in the circumstances.[18]

[67] The Commission has also held that a respondent's ability to pay, while not a predominate or determining factor, is relevant in the total mix of factors considered in determining the appropriate financial sanctions.[19]

C. Appropriate Sanctions

[68] The misconduct in this case was very serious. The respondents engaged in an extensive fraudulent scheme to solicit investments in a sham cryptocurrency mining operation. The respondents' actions were not isolated; rather they recurred over more than a one-year period, affected a significant number of individual investors, and raised significant funds.

[69] Fraud is one of the most egregious securities regulatory violations. It causes direct and immediate harm to investors, and it significantly undermines confidence in the capital markets.[20]

[70] The respondents also violated the registration and prospectus requirements, which are core elements of the securities regulatory regime designed to protect investors and ensure fair and efficient capital markets.

[71] By their misconduct, the respondents caused investors to suffer significant financial harm and compromised the integrity of Ontario's capital markets.

[72] An aggravating factor for Mr. Handa is his subsequent serious misconduct in making false and misleading statements to, and concealing information from, Staff and in breaching confidentiality obligations during Staff's investigation. This conduct undermined Staff's investigation and demonstrated disregard for the Commission, which ultimately undermines the securities regulatory regime and is abusive of the capital markets.

[73] There are also several mitigating factors in this case, including that:

a. the respondents made extensive factual admissions and admitted each of the alleged contraventions of Ontario securities law through the agreed statement of facts which substantially reduced the substance and length of this hearing;

b. at the hearing, Mr. Handa expressed remorse for the conduct of the respondents and apologized "unreservedly" for his misconduct;[21] and

c. the respondents had limited financial and capital market experience, have never been registered with the Commission and have not been the subject of any prior Commission proceedings.

[74] Overall, I must impose sanctions in this matter that will protect Ontario investors and the integrity of the capital markets by specifically deterring Miner Edge and Mr. Handa from engaging in similar or other misconduct in Ontario, and by acting as a general deterrent to other like-minded persons.

1. Market Participation Bans

[75] Staff seeks permanent market bans against the respondents and a permanent director and officer ban against Mr. Handa. The respondents acknowledge that permanent market bans and director and officer bans are appropriate.

[76] Participation in the capital markets is a privilege, not a right.[22] A permanent ban is a severe sanction and accordingly I must be satisfied that such a ban is necessary as protective and preventative.

[77] I have considered the serious nature of the respondents' misconduct, including their recurring manipulative and fraudulent actions and their unauthorized diversion of investor funds causing significant financial harm to investors.

[78] I find that it is in the public interest to permanently bar the respondents from participating in the Ontario capital markets and to impose a permanent director and officer ban on Mr. Handa. In my view, permanent bans are necessary to protect

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18 MCJC Holdings Inc (Re), (2002), 25 OSCB 1133 at 1134-1135; Cartaway Resources Corp (Re), 2004 SCC 26 at para 60; Money Gate Mortgage Investment Corporation (Re), 2021 ONSEC 10, (2021) 44 OSCB 2983 at para 9; Beltco Holdings Inc (Re), (1998) 21 OSCB 1622 at 7746

19 *Goldpoint Resources Corp (Re),* 2013 ONSEC 4, (2013) 36 OSCB 1464 (***Goldpoint Resources Corp***) at para 43; *Sabourin (Re),* 2010 ONSEC 10, (2010) 33 OSCB 5299 at para 60

20 Al-Tar Energy Corp at para 214; Black Panther Trading Corp at para 48

21 Exhibit 3, Affidavit of Rakesh Handa sworn November 11, 2021 at para 5

22 Erikson v Ontario (Securities Commission), (2003) 26 OSCB 1622 at para 55

investors, are proportionate to the respondents' misconduct and would act as a necessary deterrent to other like-minded persons.

[79] This determination for Mr. Handa is reinforced by his conduct in misleading Staff, attempting to interfere with a potential investor witness and breaching confidentiality during the Commission's investigation.

2. Disgorgement

[80] The Commission may order disgorgement of any amounts obtained because of non-compliance with Ontario securities law pursuant to s. 127(1) of the Act. The purpose of a disgorgement order is not to provide restitution; rather, it is a remedy that seeks to prevent wrongdoers from benefiting from their breaches of Ontario securities law, and to deter those wrongdoers and others from engaging in similar misconduct.[23]

[81] Staff seeks an order for disgorgement of the amount of $170,600, being the amount obtained by the respondents as result of their fraudulent conduct and other breaches of Ontario securities law. The respondents acknowledge that a disgorgement order in this amount is appropriate.

[82] In my view, ordering disgorgement of the full amount obtained by the respondents as a result of their fraudulent conduct is necessary for the protection of investors, the promotion of confidence in the capital markets and to deter the respondents and others from engaging in such misconduct in the future. I find that it is in the public interest to require the respondents to disgorge, jointly and severally, the sum of $170,600.

3. Administrative Penalty

[83] As the Commission has previously held, the purpose of an administrative penalty is to deter the respondents from engaging in the same or similar conduct and to send a clear deterrent message to other market participants that such conduct will not be tolerated in Ontario's capital markets.[24]

[84] Staff seeks an order for an administrative penalty in the amount of $500,000 against the respondents, to be paid jointly and severally. Staff submits that this sum is appropriate due to the seriousness of the misconduct and the strong need for a clear deterrent message in the rapidly evolving cryptocurrency and crypto asset sector. Staff submits that the respondents' inability to pay is not a mitigating factor to reduce any monetary sanctions.

[85] The respondents submit that an administrative penalty in the amount requested by Staff is excessive and that an appropriate administrative penalty is $150,000. The respondents submit that the total amount of the financial sanctions sought by Staff are disproportionate as compared to other Commission decisions, and that the following factors support a lower administrative penalty:

a. the activities of the respondents were relatively narrow in duration and scope;

b. Mr. Handa had limited knowledge and experience in the financial market and has never been a registrant;

c. Mr. Handa expressed remorse for his actions and made good faith efforts to settle this proceeding in its entirety but was unable to secure the necessary funds to pay the financial sanctions sought by Staff; and

d. Mr. Handa is financially unable to pay the higher amount.

[86] For context regarding administrative penalties imposed by the Commission, I have considered the prior Commission decisions relied on by Staff and the respondents for the range of administrative penalties that have been ordered by the Commission for similar misconduct.

[87] An administrative penalty of $500,000 appears to be at the high end of the range compared to the prior Commission decisions provided by Staff and the respondents. I note that in the following two recent decisions involving fraud of a similar nature, extent and scope, the Commission ordered administrative penalties of the same magnitude:

a. *Natural Bee Works Apiaries Inc (Re)* – Approximately $300,000 was raised over nine months from 69 investors. Most of the investors' fund were diverted to the personal use of the individual respondents or uses that were not related to the business described to the investors. All investors lost their funds. The Commission ordered that the corporate respondent and one of its principals be jointly liable for an administrative penalty of $500,000;[25]

b. *Black Panther Trading Corp* – Approximately $425,000 was raised from 16 investors over almost four years. The investors' funds were misappropriated and mostly used to pay other investors or for the personal use of

[23] *Pro-Financial Asset Management (Re)*, 2018 ONSEC 18, (2018) 41 OSCB 3512 at para 48
[24] *Limelight Entertainment Inc (Re)*, 2008 ONSEC 28, (2008) 31 OSCB 12030 at para 67
[25] *Natural Bee Works Apiaries Inc (Re),* 2019 ONSEC 31, (2019) 42 OSCB 7961 at paras 2, 37 and 40

one of the respondents. Most of the investors' funds were lost. The Commission ordered that the respondents be jointly liable for an administrative penalty of $300,000.[26]

[88] Two prior Commission decisions relied on by the respondents involved lower administrative penalties in the range of $150,000 to $300,000 against individual respondents for fraudulent schemes which raised funds of more than $1 million. In one decision, *Goldpoint Resources Corp*, the Commission considered the remorse expressed by the individual respondent as a mitigating factor but ultimately ordered the $300,000 administrative penalty requested by Staff.[27] In *2196768 Ontario Ltd (Re)*[28], Staff requested administrative penalties in the total amount of $600,000 for two respondents and the Commission ordered total administrative penalties of $400,000 ($250,000 against one respondent and $150,000 against another respondent). The Commission considered cases with administrative penalties ranging from $100,000 to $500,000, some of which involved schemes that raised more funds and others with schemes that involved more investors.[29]

[89] There is no formulaic approach to determining the quantum of an administrative penalty. Prior decisions provide some context to the consideration of proportionality, however, the sanctions in each proceeding must be determined based on the specific factual context and circumstances.

[90] In the circumstances of this matter, I am of the view that a significant administrative penalty against the respondents is necessary to achieve the goals of specific and general deterrence.

[91] The respondents fraudulent misconduct involved numerous serious failures to comply with Ontario securities law over a period of more than one-year which deprived 90 investors of all their invested funds.

[92] Mr. Handa, the directing mind of Miner Edge, orchestrated this fraudulent investment scheme and was responsible for the dissemination of false and misleading information, both in his direct interactions with investors and through Miner Edge's website and use of social media platforms. Mr. Handa personally benefited from the misappropriation of almost all of the investor funds and misled Staff and interfered with the Commission's investigation.

[93] Finally, the respondents exploited the vulnerability of at least two investors that were clients of Mr. Handa's immigration consulting business and falsely promised one of these investors that his Miner Edge investment would form part of his immigration application, which Mr. Handa promised to submit but did not.

[94] I have considered the remorse expressed by Mr. Handa at the hearing for his conduct and the respondents' admissions by way of the agreed statement of facts as mitigating factors.

[95] In my view these actions demonstrate a recognition by the respondents of the seriousness of their misconduct. However, the mitigating impact of these actions is tempered by the respondents' failure to make any efforts to reimburse funds to investors, wholly or partially, and the conduct of Mr. Handa which interfered with and undermined the Commission's investigation.

[96] Finally, I have also considered the respondents ability to pay as a factor. Mr. Handa submits that he has limited income and his only asset is his family home (which has a value of $1.8 million and an outstanding mortgage of $950,000). Mr. Handa states that he has been unable to re-finance or increase the existing mortgage on his home without significantly increasing his monthly expenses which would lead to his personal bankruptcy. Mr. Handa has made no efforts to sell the family home.

[97] While this evidence demonstrates that Mr. Handa currently has limited income and has been unable to obtain additional financing of the almost $800,000 of equity in the family home, it falls short of establishing an inability to pay.

[98] The administrative penalty should reflect the sanctioning factors even where the Commission may not be able to currently recover the amount ordered. The order will remain in place and the respondents may have the ability to pay in the future.

[99] Considering all of the above, I find that an administrative penalty of $500,000 against the respondents, to be paid jointly and severally, is appropriate and proportionate to the respondents' conduct.

V. COSTS

[100] I turn now to consider Staff's request that the respondents pay some of the costs associated with this matter.

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[26] Black Panther Trading Corp at paras 1, 47 and 97
[27] Goldpoint Resources Corp at paras 56 and 80
[28] *2196768 Ontario Ltd (Re),* 2015 ONSEC 9, (2015) 38 OSCB 2374 (***Ontario Ltd***) at paras 55 and 59
[29] *Ontario Ltd* at para 56

[101] Given my finding that the respondents did not comply with Ontario securities law, I have discretion to order that the respondents pay the costs of the investigation and the hearing in this matter.[30] Such an order is not a sanction; instead, it allows the Commission to recover some of the costs associated with investigations and hearings.

[102] Staff submitted evidence showing that the total costs of the investigation and hearing was $353,826.20.[31] That sum includes Staff time of $332,262.50 and disbursements for cryptocurrency intelligence and forensics services, an interpreter and court reporter of $21,563.70. The amount of Staff time is based on hourly rates previously approved by the Commission.

[103] Staff seeks total costs of $200,000 from the respondents which includes Staff time of $178,436.30 and disbursements of $21,563.70. Overall Staff's claimed amount represents a discount of approximately 43% on Staff time.

[104] Staff limited its request regarding time to the work of only two individuals, one investigator and one litigator. Staff excluded the time of all other investigators and litigators involved and also excluded the time for the work of all law clerks, articling students, assistant investigators and any other enforcement staff.

[105] Staff submits that the seriousness of the respondents' misconduct necessitated the costs associated with the investigation and the proceeding. Staff also submits that Mr. Handa's conduct in misleading Staff and concealing information increased the costs of the investigation phase. Staff did not provide any information or evidence as to the quantum of such increases in costs.

[106] The respondents acknowledge that their misconduct necessitated the investigation and hearing in this matter but submit that a costs award between $75,000 and $100,000 is appropriate given the respondents' efforts to settle this proceeding and the respondents' admissions by way of the agreed statement of facts which eliminated the need for a contested merits hearing.

[107] I acknowledge the significant reduction that Staff has applied to its costs of the investigation and proceeding. As with an administrative penalty, determining the amount of a costs award is not formulaic. I must adopt a balanced approach that considers all the applicable factors.

[108] In my view a costs order in the amount requested by Staff would be excessive in the circumstances of this case. The respondents admitted all the alleged contraventions of Ontario securities law and the related necessary facts to support my findings of these contraventions. The respondents acknowledged their misconduct and substantially reduced the length of this hearing to less than one full hearing day.

[109] I find that it is appropriate to order that the respondents, jointly and severally, pay costs of $100,000 to the Commission.

VI. CONCLUSION

[110] For the above reasons, I find that the respondents:

a. engaged in the business of trading securities without registration, and without any applicable exemptions from the registration requirement, contrary to subsection 25(1) of the Act;

b. distributed securities without a prospectus, and without any applicable exemptions from the prospectus requirement, contrary to subsection 53(1) of the Act;

c. perpetrated a fraud on investors contrary to subsection 126.1(1)(b) of the Act; and

d. made misleading statements to investors contrary to subsection 44(2) of the Act.

[111] I also find that Mr. Handa:

a. authorized, permitted or acquiesced in Miner Edge's breaches of the Act, contrary to section 129.2 of the Act;

b. made false and misleading statements to Staff contrary to subsection 122(1)(a) of the Act; and

c. improperly communicated with a potential witness and disclosed confidential information contrary to subsection 16(1) of the Act.

[30] Act, s 127(1)
[31] Exhibit 2, Affidavit of Rita Pascuzzi sworn October 29, 2021 at 5

[112] As a result of the above, I shall issue an order that provides that:

a. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act:

   i. trading in any securities or derivatives by Miner Edge and Mr. Handa shall cease permanently; and

   ii. the acquisition of any securities by Miner Edge and Mr. Handa shall cease permanently;

b. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Miner Edge and Mr. Handa permanently;

c. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Handa shall resign any positions that he holds as a director or officer of an issuer or registrant;

d. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Handa is prohibited permanently from acting as a director or officer of an issuer or registrant;

e. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Miner Edge and Mr. Handa are prohibited permanently from becoming or acting as a registrant or as a promoter;

f. pursuant to paragraph 9 of subsection 127(1) of the Act, Miner Edge and Mr. Handa, jointly and severally, shall pay an administrative penalty in the amount of $500,000, which amount shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b) of the Act;

g. pursuant to paragraph 10 of subsection 127(1) of the Act, Miner Edge and Mr. Handa, jointly and severally, shall disgorge to the Commission $170,600, which amount shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b) of the Act; and

h. pursuant to section 127.1 of the Act, Miner Edge and Mr. Handa, jointly and severally, shall pay $100,000 for the costs of the investigation and hearing.

Dated at Toronto this 22nd day of December, 2021.

“Wendy Berman”

3.1.2 Syed Saad Aziz – ss. 127(1), 127(10)

Citation: *Syed Saad Aziz (Re)*, 2021 ONSEC 32

Date: 2021-12-31

File No.: 2021-35

IN THE MATTER OF
SYED SAAD AZIZ

REASONS AND DECISION FOR APPROVAL OF A SETTLEMENT
(Sections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5)

Hearing:	In writing	
Decision:	December 31, 2021	
Panel:	Lawrence Haber	Commissioner and Chair of the Panel
Appearances:	Dihim Emami	For Staff of the Commission
	Carlo Di Carlo	For Syed Saad Aziz

REASONS AND DECISION

I. OVERVIEW

[1] Staff of the Ontario Securities Commission (**Staff**) and Syed Saad Aziz (the **Respondent**) have jointly submitted that it would be in the public interest to approve a settlement agreement among the parties dated December 21, 2021 (the **Settlement Agreement**) and to issue the requested order.

[2] This matter concerns an inter-jurisdictional enforcement proceeding brought by Staff against the Respondent arising from an unregistered trading conviction against the Respondent by the Honourable Justice Louise Botham (**Justice Botham**) of the Ontario Court of Justice (**Ontario Court**) on July 29, 2021.

[3] After considering the Settlement Agreement and the submissions of the parties, I have 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 the specific breaches of Ontario securities law are set out in the Settlement Agreement, which has been filed with the Commission and is publicly available. Accordingly, I need not repeat them in detail here.

[5] In summary, the Respondent formed a company, Yonge Street Capital LLC (**YSC**), with two individuals, Nathanael Anthony Aikman (**Aikman**) and Jazib Ali Khan (**Khan**). YSC was promoted as a hedge fund which purported to provide high monthly returns by aggregating investors' funds and subsequently investing those funds in various securities and cryptocurrencies. The Respondent and Khan would secure funds, mostly through friends and family, and Aikman would be responsible for managing the funds and investments. Only Aikman had access to YSC's brokerage account.

[6] In early August 2019, investors received an email from YSC announcing a structural change at YSC that reportedly resulted in the liquidation of 72 client accounts totalling over $10 million. Subsequent to this email, the Respondent and Khan learned that Aikman had falsified information about YSC's monthly returns and that Aikman had lost all the investors' money.

[7] On August 22, 2019, the Respondent and Khan made a complaint to York Regional Police about Aikman. The Respondent and Khan also sent an email to YSC investors advising them that Aikman had lost and/or stolen most of the funds of YSC. The investors have not received any funds back from YSC.

[8] The Respondent admits that between August 2016 and August 2019, he held himself out as engaging in the business of trading in the securities of YSC to several investors without first obtaining registration, in breach of s. 25(1) of the *Securities Act* (the **Act**), and thereby committing an offence contrary to s. 122(1)(c) of the Act.[1] At all times when the

[1] RSO 1990, c S.5

Respondent was engaged in the business of trading in the securities of YSC, he operated under the understanding that YSC was a legitimate business.

[9] On July 29, 2021, the Respondent pled guilty before the Ontario Court to contravening s. 25(1) of the Act. The Respondent has not yet been sentenced in the Ontario Court as Justice Botham requested that the issue of disgorgement be dealt with in this proceeding before a sentence is imposed by her Honour.

[10] Staff commenced an interjurisdictional enforcement proceeding against the Respondent pursuant to s. 127(10) by issuing a Statement of Allegations on November 25, 2021.

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

a. the Respondent will disgorge to the Commission $60,000 payable at a rate of no less than $6000 per year, commencing 30 days from the date of the order, with the final payment of $6000 payable by December 31, 2030, or until the amount equivalent to the disgorgement amount has been repaid in full;

b. the Respondent will cease trading or acquiring any securities or derivatives for a period of 10 years, except that the Respondent can trade or acquire securities or derivatives in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account in which he has sole legal and beneficial ownership and interest;

c. any exemptions contained in Ontario securities law will not apply to the Respondent for a period of 10 years;

d. the Respondent will resign any position he holds as a director or officer of any issuer, registrant or investment fund manager, and is prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager for a period of 10 years; and

e. the Respondent will comply with the terms of an undertaking, set out in Schedule "B" to the Settlement Agreement, to make payment of the disgorgement amount and cooperate with Staff by testifying as a witness in any proceedings commenced by Staff with respect to these matters, including the quasi-criminal trials of Khan and Aikman before the Ontario Court.

[12] The Commission agreed in the Settlement Agreement not to take steps to collect the full disgorgement amount outstanding or add the Respondent to the list of "Respondents Delinquent in Payment of Commission Orders" published on the Commission's website, as long as the Respondent makes yearly payments on time and complies with the undertaking. In the event a payment from the Respondent is not made in full, the non-monetary provisions will continue in force until payment is made in full without any limitation as to time period.

III. LAW AND ANALYSIS

[13] 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.[2]

[14] The Settlement Agreement is the result of lengthy negotiations between Staff and the Respondent, who was ably represented by counsel. The Commission respects the negotiation process and accords significant deference to the resolution reached by the parties.[3]

[15] 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 market participants.

[16] I have reviewed the Settlement Agreement in detail and considered the submissions of counsel for the parties. I 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.

[17] The breach of securities law in this matter is serious. Registration is a cornerstone of securities law designed to ensure that those who sell or promote securities are proficient, solvent and act with integrity.[4] Unregistered trading undermines investor protection and the integrity of the capital markets.[5]

[18] I believe the requested order agreed to by the parties is proportionate to the conduct at issue. The Commission may make a protective order in the public interest under s. 127(1) of the Act, pursuant to paragraph 1 of s. 127(10) where a

2 *Research in Motion Limited (Re)*, 2009 ONSEC 19, (2009) 32 OSCB 4434 (***Research in Motion***) at paras 44-46
3 *Katanga Mining Limited (Re)*, 2018 ONSEC 59, (2018) 41 OSCB 9987 at para 18; *Research in Motion* at para 45
4 *MRS Sciences Incorporated (Re)*, 2014 ONSEC 14, (2014) 37 OSCB 5611 at para 88
5 *Fauth (Re)*, 2021 ONSEC 4, (2021) 44 OSCB 739 at para 24

person has been convicted in any jurisdiction of an offence arising from a course of conduct related to securities. Of note, the sanctions reflect existing principles in jurisprudence for an inter-jurisdictional enforcement order.[6]

[19] The circumstances of this s. 127(10) proceeding are slightly unusual in that the proceeding is being brought prior to the Respondent being sentenced by the Ontario Court. Staff submits that this is because the Respondent requires 10 years to repay the disgorgement order, which is substantially longer than the maximum period of Probation a Court can impose under the *Provincial Offences Act* (the **POA**).[7] Additionally, the restitution provisions of the POA make disgorgement by the Court impractical, as Staff do not have a full accounting of all YSC investors, and are not able to direct that restitution be made individually to investors. I am satisfied that the lack of sentencing at this time does not prevent the Commission from making an order under s. 127(10), which only requires a "conviction". I am satisfied that the unusual factual situation adequately explains why Staff has proceeded in this manner.

[20] In assessing whether it is in the public interest to approve the settlement, I considered various mitigating factors as set out in the Settlement Agreement and determined that the sanctions were within a range of reasonable outcomes. The following mitigating factors, which Staff has granted the Respondent substantial credit for, are particularly relevant:

a. the Respondent pleaded guilty early in the quasi-criminal proceedings before the Ontario Court;

b. the Respondent will fully cooperate with Staff as this matter progresses, including testifying as a witness for Staff in any proceeding relating to this matter;

c. the Respondent is remorseful for his conduct, and, in particular for failing to safeguard and protect the integrity of the capital markets;

d. the Respondent accepts full responsibility for his conduct;

e. the Respondent's financial circumstances; and

f. the Respondent was 20 years old when the company was formed and he looked to Aikman as a mentor and advisor.

IV. CONCLUSION

[21] 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 the Respondent and others. The Settlement Agreement, including the undertaking, holds the Respondent accountable for his actions and furthers the protection and preventive purposes of the Act.

[22] The settlement also demonstrates that compliance with registration requirements will be enforced even in circumstances where the individual did not engage in any intentional misconduct or any dishonest or abusive conduct.

[23] In my view, the settlement terms in the circumstances appropriately reflect the principles applicable to sanctions, including the importance of fostering investor protection and confidence in the market, recognition of the nature and circumstances of the misconduct, and recognition of and the need for specific and general deterrence of such misconduct.

[24] 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 31st day of December 2021.

"Lawrence Haber"

6 *Dunk (Re)*, 2019 ONSEC 6, (2019) 42 OSCB 997 at para 17
7 RSO 1990, c P.33

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Chapter 4

Cease Trading Orders

[Editor's Note: this report covers the date range of December 21, 2021 to January 3, 2022 inclusive]

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
TGS Esports Inc.	November 3, 2021	December 21, 2021

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
High Fusion Inc.	December 31, 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
Agrios Global Holdings Ltd.	September 17, 2020	
Reservoir Capital Corp.	May 5, 2021	
Cronos Group Inc.	November 16, 2021	
GreenBank Capital Inc.	November 30, 2021	
High Fusion Inc.	December 31, 2021	

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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

[Editor's Note: this report covers the date range of December 21, 2021 to January 3, 2022 inclusive]

INVESTMENT FUNDS

Issuer Name:
EHP Global ESG Leaders Alternative Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 24, 2021
NP 11-202 Preliminary Receipt dated Dec 24, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3321813

Issuer Name:
Mulvihill Enhanced Yield Canadian Bank ETF
Mulvihill Premium Yield Plus ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 24, 2021
NP 11-202 Preliminary Receipt dated Dec 24, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3321756

Issuer Name:
NEI Clean Infrastructure Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 23, 2021
NP 11-202 Preliminary Receipt dated Dec 23, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3321324

Issuer Name:
BMO Brookfield Global Real Estate Tech Fund
BMO Brookfield Global Renewables Infrastructure Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 23, 2021
NP 11-202 Preliminary Receipt dated Dec 23, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3321218

Issuer Name:
TD Global Equity Income Balanced Pool
TD Global Equity Income Pool
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Nov 16, 2021
NP 11-202 Final Receipt dated Dec 22, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3289501

Issuer Name:
Hamilton Enhanced Canadian Financials ETF
Hamilton Enhanced U.S. Covered Call ETF
Principal Regulator – Ontario
Type and Date:
Preliminary Long Form Prospectus dated Dec 30, 2021
NP 11-202 Preliminary Receipt dated Dec 30, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3322875

Issuer Name:
Ninepoint Energy Income Fund
Principal Regulator – Ontario
Type and Date:
Preliminary Simplified Prospectus dated Dec 31, 2021
NP 11-202 Preliminary Receipt dated Dec 31, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3323477

Issuer Name:
CI Munro Alternative Global Growth Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 21, 2021
NP 11-202 Final Receipt dated Dec 23, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3201295

Issuer Name:
CI Alternative North American Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 21, 2021
NP 11-202 Final Receipt dated Dec 23, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3224269

Issuer Name:
Vanguard Global Minimum Volatility ETF
Vanguard Global Momentum Factor ETF
Vanguard Global Value Factor ETF
Vanguard Conservative Income ETF Portfolio
Vanguard Conservative ETF Portfolio
Vanguard Balanced ETF Portfolio
Vanguard Growth ETF Portfolio
Vanguard All-Equity ETF Portfolio
Vanguard Retirement Income ETF Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated December 20, 2021
NP 11-202 Final Receipt dated Dec 22, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3151291

Issuer Name:
MDPIM Short-Term Bond Pool
MDPIM Bond Pool
MDPIM Dividend Pool
MDPIM Strategic Yield Pool
MDPIM Canadian Equity Pool
MDPIM US Equity Pool
MDPIM International Equity Pool
MDPIM Strategic Opportunities Pool
MDPIM Emerging Markets Equity Pool
MDPIM S&P/TSX Capped Composite Index Pool
MDPIM S&P 500 Index Pool
MDPIM International Equity Index Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 13, 2021
NP 11-202 Final Receipt dated Dec 29, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3210162

Issuer Name:
Phillips, Hager & North Overseas Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 to Final Simplified Prospectus dated December 14, 2021
NP 11-202 Final Receipt dated Dec 21, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3224954

Issuer Name:
Vanguard FTSE Canada Index ETF
Vanguard FTSE Canada All Cap Index ETF
Vanguard FTSE Canadian High Dividend Yield Index ETF
Vanguard FTSE Canadian Capped REIT Index ETF
Vanguard Canadian Aggregate Bond Index ETF
Vanguard Canadian Government Bond Index ETF
Vanguard Canadian Corporate Bond Index ETF
Vanguard Canadian Short-Term Bond Index ETF
Vanguard Canadian Short-Term Corporate Bond Index ETF
Vanguard Canadian Long-Term Bond Index ETF
Vanguard S&P 500 Index ETF
Vanguard S&P 500 Index ETF (CAD-hedged)
Vanguard U.S. Total Market Index ETF
Vanguard U.S. Total Market Index ETF (CAD-hedged)
Vanguard U.S. Dividend Appreciation Index ETF
Vanguard U.S. Dividend Appreciation Index ETF (CAD-hedged)
Vanguard FTSE Global All Cap ex Canada Index ETF
Vanguard FTSE Developed All Cap ex U.S. Index ETF
Vanguard FTSE Developed All Cap ex U.S. Index ETF (CAD-hedged)
Vanguard FTSE Developed All Cap ex North America Index ETF
Vanguard FTSE Developed All Cap ex North America Index ETF (CAD-hedged)
Vanguard FTSE Developed ex North America High Dividend Yield Index ETF
Vanguard FTSE Developed Europe All Cap Index ETF
Vanguard FTSE Developed Asia Pacific All Cap Index ETF
Vanguard FTSE Emerging Markets All Cap Index ETF
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)
Vanguard Global Aggregate Bond Index ETF (CAD-hedged)
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated December 20, 2021
NP 11-202 Final Receipt dated Dec 22, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3221682

Issuer Name:
MD Precision Canadian Balanced Growth Fund
MD Bond Fund
MD Short-Term Bond Fund
MD Precision Canadian Moderate Growth Fund
MD Equity Fund
MD Growth Investments Limited
MD Dividend Growth Fund
MD International Growth Fund
MD International Value Fund
MD Money Fund
MD Canadian Equity Fund
MD American Growth Fund
MD American Value Fund
MD Strategic Yield Fund
MD Strategic Opportunities Fund
MD Fossil Fuel Free Bond Fund
MD Fossil Fuel Free Equity Fund
MD Precision Conservative Portfolio
MD Precision Balanced Income Portfolio
MD Precision Moderate Balanced Portfolio
MD Precision Moderate Growth Portfolio
MD Precision Balanced Growth Portfolio
MD Precision Maximum Growth Portfolio
MDPIM Canadian Equity Pool
MDPIM US Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 13, 2021
NP 11-202 Final Receipt dated Dec 29, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3210043

Issuer Name:
Harvest US Equity Plus Income ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Long Form Prospectus dated December 22, 2021
NP 11-202 Final Receipt dated Dec 23, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3222694

Issuer Name:
Vanguard Global Dividend Fund
Vanguard Windsor U.S. Value Fund
Vanguard International Growth Fund
Vanguard Global Credit Bond Fund
Vanguard Global Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 to Final Simplified Prospectus dated December 20, 2021
NP 11-202 Final Receipt dated Dec 22, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3250938

Issuer Name:
Canoe EIT Income Fund
Principal Regulator - Alberta (ASC)
Type and Date:
Amendment #1 dated December 16, 2021 to Final Shelf Prospectus dated November 25, 2020
Received on December 16, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #3129936

Issuer Name:
Ninepoint 2022 Flow-Through Limited Partnership - National Class
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 20, 2021
NP 11-202 Preliminary Receipt dated December 21, 2021
Offering Price and Description:
Maximum Offerings: $75,000,000 - 3,000,000 National Class A Units or National Class F Units
Minimum Offerings: $10,000,000 - 400,000 National Class A Units or National Class F Units
Maximum Aggregate Offering: $100,000,000 - 4,000,000 Limited Partnership Units
Price per Unit: $25
Minimum Subscription: $2,500 (100 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
IA Private Wealth Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Richardson Wealth Limited
Canaccord Genuity Corp.
Desjardins Securities Inc.
INFOR Financial Inc.
Promoter(s):
Ninepoint 2019 Corporation
Project #3319882

Issuer Name:
Ninepoint 2022 Flow-Through Limited Partnership - Quebec Class
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 20, 2021
NP 11-202 Preliminary Receipt dated December 21, 2021
Offering Price and Description:
Maximum Offerings: $25,000,000 - 1,000,000 Québec Class A Units or Québec Class F Units
Minimum Offerings: $2,500,000 - 100,000 Québec Class A Units or Québec Class F Units
Maximum Aggregate Offering: $100,000,000 - 4,000,000 Limited Partnership Units
Price per Unit: $25
Minimum Subscription: $2,500 (100 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
IA Private Wealth Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Richardson Wealth Limited
Canaccord Genuity Corp.
Desjardins Securities Inc.
INFOR Financial Inc.
Promoter(s):
Ninepoint 2019 Corporation
Project #3319883

NON-INVESTMENT FUNDS

Issuer Name:
Akumin Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 21, 2021
NP 11-202 Preliminary Receipt dated December 22, 2021
Offering Price and Description:
34,837,663 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3320557

Issuer Name:
CENTR Brands Corp.
Principal Regulator - British Columbia
Type and Date:
Amendment dated December 21, 2021 to Preliminary Shelf Prospectus dated September 21, 2021
NP 11-202 Preliminary Receipt dated December 21, 2021
Offering Price and Description:
$40,000,000.00 - Common Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Joseph Meehan
Paul Meehan
Project #3280744

Issuer Name:
Firm Capital Property Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 20, 2021
NP 11-202 Preliminary Receipt dated December 21, 2021
Offering Price and Description:
$250,000,000.00 - Trust Units, Debt Securities, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3319908

Issuer Name:
goeasy Ltd. (formerly, easyhome Ltd.)
Principal Regulator - Ontario
Type and Date:
Amendment dated December 23, 2021 to Final Shelf Prospectus dated November 23, 2020
NP 11-202 Preliminary Receipt dated December 24, 2021
Offering Price and Description:
$1,000,000,000.00 - Debt Securities, Preference Shares, Common Shares, Subscription Receipts, Warrants, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3133726

Issuer Name:
good natured Products Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated December 23, 2021
NP 11-202 Preliminary Receipt dated December 23, 2021
Offering Price and Description:
$200,000,000.00 - COMMON SHARES PREFERRED SHARES SUBSCRIPTION RECEIPTS DEBT SECURITIES WARRANTS UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3321315

Issuer Name:
Mandeville Ventures Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated December 23, 2021
NP 11-202 Preliminary Receipt dated December 23, 2021
Offering Price and Description:
Minimum Offering: $200,000.00 - 2,000,000 Common Shares
Maximum Offering: $1,000,000.00 - 10,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Gravitas Securtiies Inc.
Promoter(s):
Dean Hanisch
Project #3321395

Issuer Name:
Ninepoint 2022 Flow-Through Limited Partnership - National Class
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 20, 2021
NP 11-202 Preliminary Receipt dated December 21, 2021
Offering Price and Description:
Maximum Offerings: $75,000,000 - 3,000,000 National Class A Units or National Class F Units
Minimum Offerings: $10,000,000 - 400,000 National Class A Units or National Class F Units
Maximum Aggregate Offering: $100,000,000 - 4,000,000 Limited Partnership Units
Price per Unit: $25
Minimum Subscription: $2,500 (100 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
IA Private Wealth Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Richardson Wealth Limited
Canaccord Genuity Corp.
Desjardins Securities Inc.
INFOR Financial Inc.
Promoter(s):
Ninepoint 2019 Corporation
Project #3319882

Issuer Name:
Ninepoint 2022 Flow-Through Limited Partnership - Quebec Class
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 20, 2021
NP 11-202 Preliminary Receipt dated December 21, 2021
Offering Price and Description:
Maximum Offerings: $25,000,000 - 1,000,000 Québec Class A Units or Québec Class F Units
Minimum Offerings: $2,500,000 - 100,000 Québec Class A Units or Québec Class F Units
Maximum Aggregate Offering: $100,000,000 - 4,000,000 Limited Partnership Units
Price per Unit: $25
Minimum Subscription: $2,500 (100 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
IA Private Wealth Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Richardson Wealth Limited
Canaccord Genuity Corp.
Desjardins Securities Inc.
INFOR Financial Inc.
Promoter(s):
Ninepoint 2019 Corporation
Project #3319883

Issuer Name:
Pure to Pure Beauty Inc. (formerly "P2P Info Inc.")
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated December 23, 2021
NP 11-202 Preliminary Receipt dated December 24, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
Simon Cheng
Project #3321677

Issuer Name:
Skyscape Capital Inc.
Principal Regulator - Ontario
Type and Date:
Amendment dated December 23, 2021 to Preliminary Long Form Prospectus dated September 27, 2021
NP 11-202 Preliminary Receipt dated December 24, 2021
Offering Price and Description:
Up to $ ● Up to ●Units
Price: $● per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
Promoter(s):
Rahim Bhaloo
Project #3282778

Issuer Name:
The Fresh Factory B.C. Ltd. (formerly, 1181718 B.C. Ltd.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated December 22, 2021
NP 11-202 Preliminary Receipt dated December 23, 2021
Offering Price and Description:
$50,000,000.00 - Subordinate Voting Shares, Warrants, Subscription Receipts, Debt Securities, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Nathan Laurell
Project #3320824

Issuer Name:
Transition Opportunities Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated December 21, 2021
NP 11-202 Preliminary Receipt dated December 22, 2021
Offering Price and Description:
$500,000.00 (5,000,000 COMMON SHARES)
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
HAYWOOD SECURITIES INC.
Promoter(s):
JOHN PANTAZOPOULOS
Project #3320442

Issuer Name:
VerticalScope Holdings Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 23, 2021
NP 11-202 Preliminary Receipt dated December 23, 2021
Offering Price and Description:
C$500,000,000.00 - Subordinate Voting Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3321420

Issuer Name:
Caprock Mining Corp. (formerly Blingold Corp.)
Type and Date:
Final Long Form Prospectus dated December 23, 2021
Receipted on December 23, 2021
Offering Price and Description:
This Prospectus is not an offering prospectus
Underwriter(s) or Distributor(s):
-
Promoter(s):
Daniel Cohen
Project #3251117

Issuer Name:
Cuspis Capital III Ltd.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated December 23, 2021
NP 11-202 Receipt dated December 24, 2021
Offering Price and Description:
Minimum of $2,000,000.00 - 10,000,000 Common Shares
Maximum of $5,000,000.00 - 25,000,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
IA PRIVATE WEALTH INC.
ECHELON WEALTH PARTNERS INC.
Promoter(s):
-
Project #3305852

Issuer Name:
Endeavour Mining plc
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated December 17, 2021
NP 11-202 Receipt dated December 21, 2021
Offering Price and Description:
US$2,000,000,000.00 - Endeavour Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3251363

Issuer Name:
Global TreeGro Inc.
Principal Regulator - Alberta
Type and Date:
Amendment dated December 20, 2021 to Final Long Form Prospectus dated September 22, 2021
NP 11-202 Receipt dated December 23, 2021
Offering Price and Description:
Minimum Public Offering: $1,800,000.00 - 9,000,000 Units
Maximum Public Offering: $2,300,000.00 - 11,500,000 Units
Price: $0.20 per Unit
Underwriter(s) or Distributor(s):
LEEDE JONES GABLE INC.
Promoter(s):
Thomas Dalrymple
Gregory Williams
Project #3199745

Issuer Name:
Grosvenor CPC I Inc.
Principal Regulator - Quebec
Type and Date:
Final CPC Prospectus dated December 22, 2021
NP 11-202 Receipt dated December 23, 2021
Offering Price and Description:
Minimum Offering: $500,000 or 5,000,000 Common Shares
Maximum Offering: $900,000 or 9,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
-
Project #3308604

Issuer Name:
Hot Chili Limited
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated December 20, 2021
NP 11-202 Receipt dated December 21, 2021
Offering Price and Description:
C$30,000,250.00 - 19,355,000 Units
C$1.55 per Unit
Underwriter(s) or Distributor(s):
iA PRIVATE WEALTH INC.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #3295692

Issuer Name:
Intertidal Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated December 21, 2021
NP 11-202 Receipt dated December 23, 2021
Offering Price and Description:
Minimum of $200,000.00 and up to a maximum of $400,000.00
Offering: Minimum of 2,000,000 Common Shares (the “Common Shares”) up to a maximum of 4,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #3291882

Issuer Name:
LifeSpeak Inc.
Principal Regulator - Ontario
Type and Date:
Final Shelf Prospectus dated December 21, 2021
NP 11-202 Receipt dated December 24, 2021
Offering Price and Description:
C$450,000,000.00 - Common Shares, Preferred Shares, Debt Securities, Warrants, Subscription Receipts, Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315547

Issuer Name:
Monarch Mining Corporation
Principal Regulator - Quebec
Type and Date:
Final Shelf Prospectus dated December 23, 2021
NP 11-202 Receipt dated December 23, 2021
Offering Price and Description:
$100,000,000.00 - Common Shares Debt Securities Subscription Receipts Warrants Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3316343

Issuer Name:
Nova Net Lease REIT
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated December 22, 2021
NP 11-202 Receipt dated December 23, 2021
Offering Price and Description:
Minimum Offering: US$3,500,000 or 2,800,000 Units
Maximum Offering: US$6,000,000 or 4,800,000 Units
US$1.25 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
ECHELON WEALTH PARTNERS
HAYWOOD SECURITIES INC.
Promoter(s):
-
Project #3308974

Issuer Name:
Plantable Health Inc.
Principal Regulator - British Columbia
Type and Date:
Amendment dated December 23, 2021 to Final Long Form Prospectus dated December 17, 2021
NP 11-202 Receipt dated December 24, 2021
Offering Price and Description:
Minimum Offering: $4,500,000.00 (11,250,000 Units)
Maximum Offering: $6,400,000.00 (16,000,000 Units)
Price: $0.40 per Unit
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Promoter(s):
Nadja Pinnavaia
Nicholas Findler
Kevan Matheson
Project #3299280

Issuer Name:
Redline Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated December 20, 2021
NP 11-202 Receipt dated December 22, 2021
Offering Price and Description:
Maximum Offering: $1,050,000.00 (7,000,000 Units)
Minimum Offering: $900,000.00 (6,000,000 Units)
Price: $0.15 per Unit
Underwriter(s) or Distributor(s):
Leede Jones Gable Inc.
Promoter(s):
REDLINE MINERALS INC.
Raymond P. Strafehl
Project #3282141

Issuer Name:
Spitfyre Capital Inc.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated December 23, 2021
NP 11-202 Receipt dated December 24, 2021
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3291874

Issuer Name:
Zentek Ltd. (formerly, ZEN Graphene Solutions Ltd.)
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 23, 2021
NP 11-202 Receipt dated December 24, 2021
Offering Price and Description:
$20,004,400.00 - 3,847,000 Common Shares
$5.20 per Common Share
Underwriter(s) or Distributor(s):
EIGHT CAPITAL
LEEDE JONES GABLE INC.
RESEARCH CAPITAL CORPORATION
Promoter(s):
-
Project #3304963

Issuer Name:
iVirtual Technologies Group Inc.
Principal Regulator - Ontario
Type and Date:
Amendment dated December 29, 2021 to Preliminary Long Form Prospectus dated September 29, 2021
NP 11-202 Preliminary Receipt dated December 30, 2021
Offering Price and Description:
0.00
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3283897

Issuer Name:
Killam Apartment Real Estate Investment Trust
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Shelf Prospectus dated December 29, 2021
NP 11-202 Preliminary Receipt dated December 29, 2021
Offering Price and Description:
$800,000,000.00
Trust Units
Subscription Receipts
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3322282

Issuer Name:
Kontrol Technologies Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 24, 2021
NP 11-202 Preliminary Receipt dated December 29, 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 #3321957

Issuer Name:
NanoXplore Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Shelf Prospectus dated December 29, 2021
NP 11-202 Preliminary Receipt dated December 30, 2021
Offering Price and Description:
$500,000,000.00
Common Shares
First Preferred Shares
Second Preferred Shares
Debt Securities
Warrants
Subscription Receipts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3322621

Issuer Name:
Xybion Digital Inc. (formerly Gravitas One Capital Corp.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Shelf Prospectus dated December 29, 2021
NP 11-202 Preliminary Receipt dated December 30, 2021
Offering Price and Description:
$100,000,000.00
SUBORDINATE VOTING SHARES
WARRANTS
UNITS
SUBSCRIPTION RECEIPTS
DEBT SECURITIES
Underwriter(s) or Distributor(s):
-
Promoter(s):
Pradip Banerjee
Project #3322768

Issuer Name:
Kings Entertainment Group Inc. (formerly, 1242455 B.C. Ltd.)
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated December 30, 2021
NP 11-202 Receipt dated December 30, 2021
Offering Price and Description:
17,789,000 Common Shares issuable upon deemed exercise of 17,789,000 outstanding
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3256195

Issuer Name:
Leaf Mobile Inc. (d/b/a "East Side Games Group")
Principal Regulator - British Columbia
Type and Date:
Final Shelf Prospectus dated December 29, 2021
NP 11-202 Receipt dated December 29, 2021
Offering Price and Description:
$200,000,000.00
Common Shares
Debt Securities
Warrants
Units
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #3315164

Issuer Name:
St. Davids Capital Inc.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated December 29, 2021
NP 11-202 Receipt dated December 31, 2021
Offering Price and Description:
Minimum Offering: $200,000.00 - 2,000,000 Common Shares
Maximum Offering: $500,000.00 or 5,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
Rocco Racioppo
Project #3288383

Chapter 12

Registrations

[Editor's Note: this report covers the date range of December 21, 2021 to January 3, 2022 inclusive]

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender	Hexavest Inc.	Investment Fund Manager, Portfolio Manager, Exempt Market Dealer and Commodity Trading Manager	December 21, 2021
Consent to Suspension (Pending Surrender)	Epoch Investment Partners, Inc.	Portfolio Manager and Exempt Market Dealer	December 16, 2021
Voluntary Surrender	DGW Capital Corp.	Exempt Market Dealer	December 22, 2021
Voluntary Surrender	CoPower Inc.	Exempt Market Dealer	December 30, 2021

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