



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

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20, rue queen ouest
Toronto ON M5H 3S8

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

- and -

**ASSANTE CAPITAL MANAGEMENT LTD. and
ASSANTE FINANCIAL MANAGEMENT LTD.**

**SETTLEMENT AGREEMENT BETWEEN STAFF OF THE COMMISSION and ASSANTE
CAPITAL MANAGEMENT LTD. and ASSANTE FINANCIAL MANAGEMENT LTD.**

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to subsections 127(1) and 127(2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Assante Capital Management Ltd. (“ACML”) and Assante Financial Management Ltd. (“AFML”) (together, the “Assante Dealers”).
2. ACML is a corporation incorporated pursuant to the laws of Canada. ACML is a member of the Investment Industry Regulatory Organization of Canada (“IIROC”) and is registered with the Commission as an investment dealer.
3. AFML is a corporation incorporated pursuant to the laws of Ontario. AFML is a member of the Mutual Fund Dealers Association of Canada (“MFDA”) and is registered with the Commission as a mutual fund dealer and an exempt market dealer. Each of the Assante Dealers is a subsidiary of Assante Wealth Management (Canada) Ltd. (“AWMCL”). AWMCL is a subsidiary of CI Investments Inc. (“CII”), the manager of various mutual funds.
4. Commencing in March 2015, the Assante Dealers self-reported to Staff of the Commission (“Commission Staff”) findings from a review of their internal practices and procedures (the “Internal Review”) which commenced a process which led to the discovery and reporting of the matters

described in Part III below. During Commission Staff's investigation of these matters, the Assante Dealers provided prompt, detailed and candid co-operation to Commission Staff.

5. As summarized at paragraph 11 below and more fully described in Part III below, it is Commission Staff's position that there were inadequacies in the Assante Dealers' systems of controls and supervision which formed part of their compliance systems which resulted in certain eligible clients of the Assante Dealers invested in mutual funds managed by CIII not being advised that they qualified for a lower management expense ratio ("MER") series of those mutual funds, resulting in their indirectly paying excess fees, that were not detected or corrected by the Assante Dealers in a timely manner (the "MER Control and Supervision Inadequacy").

PART II - JOINT SETTLEMENT RECOMMENDATION

6. Commission Staff and the Assante Dealers have agreed to a settlement of the proceeding initiated in respect of the Assante Dealers by Notice of Hearing dated December 18, 2017 (the "Proceeding") on the basis of the terms and conditions set out in this settlement agreement (the "Settlement Agreement"). Commission Staff have consulted with IROC Staff and MFDA Staff in relation to the underlying facts which are the subject matter of this Settlement Agreement.
7. Pursuant to this Settlement Agreement, Commission Staff agree to recommend to the Commission that the Proceeding be resolved and disposed of in accordance with the terms and conditions contained herein.
8. It is Commission Staff's position that:
 - a. the statement of facts set out by Commission Staff in Part III below, which is based on an investigation carried out by Commission Staff following the self-reporting by the Assante Dealers, is supported by the evidence reviewed by Commission Staff and the conclusions contained in Part III are reasonable; and
 - b. it is in the public interest for the Commission to approve this Settlement Agreement, having regard to the following considerations:
 - (i) Commission Staff's allegations are that the Assante Dealers failed to establish, maintain and apply procedures to establish controls and supervision:
 - A. sufficient to provide reasonable assurance that the Assante Dealers, and each individual acting on behalf of the Assante Dealers, complied with securities legislation, including the requirement to deal fairly with clients with regard to fees; and
 - B. that were reasonably likely to identify the non-compliance described in A. above at an early stage and that would have allowed the Assante Dealers to correct the non-compliant conduct in a timely manner;
 - (ii) Commission Staff do not allege, and have found no evidence of dishonest conduct by the Assante Dealers;

- (iii) the Assante Dealers promptly self-reported findings from the Internal Review which commenced a process which led to the discovery and reporting of the MER Control and Supervision Inadequacy;
- (iv) during the investigation of the MER Control and Supervision Inadequacy following the self-reporting by the Assante Dealers, the Assante Dealers provided prompt, detailed and candid cooperation to Commission Staff;
- (v) in connection with the reporting by the Assante Dealers of the MER Control and Supervision Inadequacy, the Assante Dealers formulated an intention to pay appropriate compensation to clients and former clients harmed by the MER Control and Supervision Inadequacy (the “Affected Clients”);
- (vi) the Assante Dealers have agreed to pay appropriate compensation to the Affected Clients, in accordance with a plan submitted to Commission Staff and presented to the Commission (the “Compensation Plan”). As at the date of this Settlement Agreement, the Assante Dealers anticipate paying \$3,825,910.60 (all dollar amounts are represented in Canadian dollars unless specified otherwise) and US\$15,469.53 in the aggregate in respect of the MER Control and Supervision Inadequacy, of which more than \$3,600,000 has already been paid to Affected Clients commencing in September 2017;
- (vii) the Compensation Plan, prescribes, among other things:
 - A. the detailed methodology used for determining the compensation paid and to be paid to the Affected Clients, including an amount representing the time value of money in respect of any monies owed by the Assante Dealers to the Affected Clients;
 - B. the approach to be taken with regard to contacting and making payments to the Affected Clients;
 - C. the timing to complete the various steps included in the Compensation Plan;
 - D. a \$25 *de minimis* exception (the aggregate of such *de minimis* amounts as at the date of this Settlement Agreement is approximately \$1,934 as compared to \$3,825,910.60 and US\$15,469.53 in total compensation) which aggregate *de minimis* amount will be donated to United Way Financial Literacy Programs;
 - E. the approach to be taken to any remaining funds that are not paid out to Affected Clients after the steps included in the Compensation Plan have been fully implemented. In that regard, the Compensation Plan provides that if the Assante Dealers are not able to contact any former Affected Clients, notwithstanding the steps described in the Compensation Plan, each Assante Dealer will use reasonable efforts to locate any Affected Clients who are entitled to payment of \$200 or more including directory searches, internet searches and the employment of third parties to assist in the search. If the

Assante Dealer determines that a client is deceased but does not know the identity of the personal representative of the client's estate, and the estate is entitled to more than \$400, the Assante Dealer shall make reasonable efforts to identify the personal representative of the deceased client. Subject to any applicable unclaimed property legislation, any amounts remaining undistributed to non-located clients by September 30, 2019 will be donated to United Way Financial Literacy Programs;

- F. the resolution of client inquiries through an escalation process; and
 - G. regular reporting to a manager or deputy director in the Compliance and Registrant Regulation Branch of the Commission ("OSC Manager") detailing the Assante Dealers' progress with respect to the implementation of the Compensation Plan, including with regard to the resolution of client inquiries;
- (viii) at the request of Commission Staff, each of the Assante Dealers conducted an extensive review of its securities related activities to identify whether there were any other instances of inadequacy in their systems of controls and supervision leading to eligible clients not being advised that they qualified for a lower MER series of a mutual fund managed by CIII, resulting in their indirectly paying excess fees. Based on this review, the Assante Dealers have advised Commission Staff that there are no instances other than the MER Control and Supervision Inadequacy;
 - (ix) the Assante Dealers have taken corrective action by implementing CIII's preferred pricing program ("CIPP"), which ensures that a lower MER is automatically applied to a client's CIII holdings as soon as the client's assets meet various asset thresholds at the individual or household level, without the need for the client to take steps to enrol in a specific program;
 - (x) the Assante Dealers have agreed to make a voluntary payment of \$140,000 to the Commission to be designated for allocation or use by the Commission in accordance with paragraphs (b)(i) or (ii) of subsection 3.4(2) of the Act;
 - (xi) the Assante Dealers have agreed to make a further voluntary payment of \$25,000 to reimburse the Commission for costs incurred or to be incurred;
 - (xii) the total agreed voluntary payment of \$165,000 will be paid by wire transfer before the commencement of the hearing before the Commission to approve this Settlement Agreement, which payment is conditional upon approval of this Settlement Agreement by the Commission; and
 - (xiii) the terms of this Settlement Agreement are appropriate in all the circumstances, including mitigating factors and the principles of general and specific deterrence. Commission Staff are of the view that the voluntary payments referred to above in addition to the amounts to be paid as compensation to Affected Clients by the Assante Dealers will emphasize to the marketplace that Commission Staff expect

registrants to have compliance systems with appropriate controls and supervision in place which:

- A. provide reasonable assurance that registrants, and each individual acting on behalf of registrants, are complying with securities legislation, including the requirement to deal fairly with clients including, without limitation, with regard to fees; and
 - B. are reasonably likely to allow registrants to identify and correct non-compliance with securities legislation in a timely manner.
9. The Assante Dealers neither admit nor deny the accuracy of the facts or the conclusions of Commission Staff as set out in Part III of this Settlement Agreement.
 10. The Assante Dealers agree to this Settlement Agreement and to the making of an order in the form attached as Schedule "A".

PART III – COMMISSION STAFF’S STATEMENT OF FACTS AND CONCLUSIONS

A. Overview

11. Beginning in August 2011, certain clients of the Assante Dealers may not have been advised of their eligibility to enroll in CIII’s private investment management program (the “PIM Program”), through which they could have opened a PIM Program account in order to invest in a series of a particular CIII mutual fund (the “PIM Series”) which had a lower MER as compared to such clients’ investment in the standard series of the same fund (the “Standard Series”).
12. This MER Control and Supervision Inadequacy continued undetected until 2015. After the publication of a no-contest settlement agreement entered into between Commission Staff with TD Waterhouse Private Investment Counsel Inc., TD Waterhouse Canada Inc. and TD Investment Services Inc. in November 2014, the Assante Dealers conducted the Internal Review. Commencing in March 2015, the Assante Dealers self-reported to Commission Staff the findings from the Internal Review which commenced a process which led to the discovery and reporting of the MER Control and Supervision Inadequacy to Commission Staff.
13. As set out in greater detail below in the section entitled Mitigating Factors, the Assante Dealers have taken remedial steps to correct the MER Control and Supervision Inadequacy.
14. The Assante Dealers engaged an independent third party to develop the compensation calculation methodology and perform the compensation calculations in connection with the MER Control and Supervision Inadequacy.
15. The Assante Dealers substantially completed the process of compensating the Affected Clients in September 2017 and are engaged in the process of compensating the remaining Affected Clients.

B. The MER Control and Supervision Inadequacy

16. CIII, an affiliate of the Assante Dealers, manages a number of mutual funds that were available in the Standard Series and in the PIM Series (for those clients who met one of the required minimum investment thresholds for the PIM series). For these mutual funds, the sole difference between the Standard Series and the PIM Series was a lower MER in the PIM Series (the "MER Differential Funds"). The PIM Series was only available to clients who enrolled in the PIM Program.
17. The threshold to qualify for the PIM Program was \$100,000 invested in a particular fund available for purchase in the PIM Series, or \$250,000 invested in aggregate in funds available for purchase in the PIM Series.
18. The PIM Series of an MER Differential Fund had an MER that was approximately 10 to 51 basis points lower than the Standard Series of the same MER Differential Fund. The MER differences varied by MER Differential Fund.
19. The PIM Program was launched in August 2011 (the "PIM Launch Date"), and the PIM Series of the MER Differential Funds were launched at various times on and after the PIM Launch Date.
20. Commencing in March 2015, the Assante Dealers self-reported to Commission Staff the findings from the Internal Review which commenced a process which led to the discovery and reporting of the MER Control and Supervision Inadequacy to Commission Staff. Thereafter, the Assante Dealers engaged an independent third party to develop the compensation calculation methodology and to perform the calculations of the appropriate compensation to be paid to Affected Clients.
21. On May 1, 2017, CIII introduced CIPP, a new preferred pricing program which ensures that a lower MER is automatically applied without the need for the client to take steps to enrol in a specific program. CIPP provides standardized MER reductions as soon as client assets meet various asset thresholds at the individual or household level. Reclassification switches are automatically processed to reflect the appropriate pricing.
22. On May 5, 2017, the Assante Dealers capped the PIM Program and adopted CIPP (the "Cap Date").
23. The Assante Dealers conducted a review of the MER Differential Funds to cover the period commencing on August 1, 2011 (the PIM Launch Date) and ending on May 5, 2017 (the Cap Date), and determined that certain clients of the Assante Dealers invested in an MER Differential Fund may not have been advised of their eligibility to enroll in the PIM Program in order to hold the lower MER PIM Series of the MER Differential Fund. Specifically:
 - a. the Assante Dealers did not have adequate systems of internal controls and supervision in place to ensure that, after the inception date of the PIM Series of a fund such that it became an MER Differential Fund, or upon a purchase or transfer-in of an investment in an MER Differential Fund, a client's holdings, whether alone or combined with existing holdings of the same or other MER Differential Funds, exceeded the minimum investment threshold required to qualify for the PIM Program, the client was advised consistently and in a timely manner of their eligibility to enroll in the PIM Program in order to hold the PIM Series of such MER Differential Funds; and

- b. the Assante Dealers' internal controls failed to identify the MER Control and Supervision Inadequacy in a timely manner.
24. There are approximately 5,427 client accounts that held MER Differential Funds at some point during the period from the PIM Launch Date to the Cap Date and were eligible to enroll in the PIM Program and benefit from the lower MER associated with the PIM Series, but may not have been advised of their eligibility to do so and, in any, event did not do so.
25. In accordance with the Compensation Plan, in respect of those client accounts, the Assante Dealers have agreed to pay, and have paid or are in the process of paying, to each Affected Client:
- a. an amount representing the difference in the return that the Affected Client would have received on any unit held by the client of an MER Differential Fund had the client been invested in the PIM Series of that mutual fund in a timely manner upon becoming eligible to enroll in the PIM Program and hold the PIM Series for the entire period in which the Affected Client was so qualified (the "Difference in Return"); and
 - b. an amount representing the time value of money in respect of the Difference in Return from the date of sale, conversion, transfer or disposition of any Standard Series units of an MER Differential Fund for any periods up to September 24, 2017, based on a simple interest rate of 5% per annum calculated monthly, except in respect of the money market funds where the rate is 1.2% per annum based upon an annual rate equal to the average returns on money market MER Differential Funds from the inception date of the PIM Series until the Cap Date (the "MER Foregone Investment Opportunity Cost").
26. On this basis, the Assante Dealers have determined that the total compensation to be paid to Affected Clients as a result of the MER Control and Supervision Inadequacy is \$3,825,910.60 and US\$15,469.53, inclusive of the MER Foregone Investment Opportunity Cost, where applicable, of which more than \$3,600,000 has already been paid to Affected Clients commencing in September 2017.

C. Breaches of Ontario Securities Law

27. With respect to the MER Control and Supervision Inadequacy, the Assante Dealers failed to establish, maintain and apply procedures to establish controls and supervision:
- a. sufficient to provide reasonable assurance that the Assante Dealers, and each individual acting on behalf of the Assante Dealers, complied with securities legislation, including the requirement to deal fairly with clients with regard to fees; and
 - b. that were reasonably likely to identify the non-compliance described in a. above at an early stage and that would have allowed the Assante Dealers to correct the non-compliant conduct in a timely manner.
28. As a result, the MER Control and Supervision Inadequacy constituted a breach of section 11.1 of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103"). In addition, the MER Control and Supervision Inadequacy was contrary to the public interest.

D. Mitigating Factors

29. Commission Staff do not allege, and have found no evidence of dishonest conduct by the Assante Dealers.
30. The Assante Dealers promptly self-reported findings from the Internal Review which commenced a process which led to the discovery and reporting of the MER Control and Supervision Inadequacy.
31. During the investigation of the MER Control and Supervision Inadequacy following the self-reporting by the Assante Dealers, the Assante Dealers provided prompt, detailed and candid cooperation to Commission Staff.
32. In connection with the reporting by the Assante Dealers of the MER Control and Supervision Inadequacy, the Assante Dealers formulated an intention to pay appropriate compensation to clients and former clients harmed by the MER Control and Supervision Inadequacy, in accordance with the Compensation Plan. As at the date of this Settlement Agreement, the Assante Dealers anticipate paying \$3,825,910.60 and US\$15,469.53 in the aggregate in respect of the MER Control and Supervision Inadequacy, of which more than \$3,600,000 has already been paid to Affected Clients.
33. The Compensation Plan prescribes, among other things:
 - a. the detailed methodology used for determining the compensation paid and to be paid to the Affected Clients, including the time value of money owed by the Assante Dealers to the Affected Clients;
 - b. the approach to be taken with regard to contacting and making payments to the Affected Clients;
 - c. the timing to complete the various steps included in the Compensation Plan;
 - d. a \$25 *de minimis* exception (the aggregate of such *de minimis* amounts as at the date of this Settlement Agreement is approximately \$1,934 as compared to \$3,825,910.60 and US\$15,469.53 in total compensation), which aggregate *de minimis* amount will be donated to United Way Financial Literacy Programs;
 - e. the approach to be taken to any remaining funds that are not paid out to Affected Clients after the steps included in the Compensation Plan have been fully implemented. In that regard, the Compensation Plan provides that if the Assante Dealers are not able to contact any former Affected Clients, notwithstanding the steps described in the Compensation Plan, each Assante Dealer will use reasonable efforts to locate any Affected Clients who are entitled to payment of \$200 or more including directory searches, internet searches and the employment of third parties to assist in the search. If the Assante Dealer determines that a client is deceased but does not know the identity of the personal representative of the client's estate, and the estate is entitled to more than \$400, the Assante Dealer shall make reasonable efforts to identify the personal representative of the deceased client. Subject to any applicable unclaimed property legislation, any amounts remaining undistributed to non-located clients by September 30, 2019 will be donated to United Way Financial Literacy Programs;

- f. the resolution of client inquiries through an escalation process; and
 - g. regular reporting to the OSC Manager detailing the Assante Dealers' progress with respect to the implementation of the Compensation Plan, including with regard to the resolution of client inquiries.
34. At the request of Commission Staff, each of the Assante Dealers conducted an extensive review of its securities related activities to identify whether there were any other instances of inadequacy in their systems of controls and supervision leading to eligible clients not being advised that they qualified for a lower MER series of a mutual fund managed by CIII, resulting in their indirectly paying excess fees. Based on this review, the Assante Dealers have advised Commission Staff that there are no instances other than the MER Control and Supervision Inadequacy.
35. The Assante Dealers have taken corrective action by implementing CIPP which ensures that a lower MER is automatically applied to a client's CIII holdings as soon as the client's assets meet various asset thresholds at the individual or household level, without the need for the client to take steps to enrol in a specific program.
36. The Assante Dealers have agreed to make voluntary payments totalling \$165,000 as described in paragraphs 8.b(x) and (xi) above.
37. The Assante Dealers will pay the total agreed voluntary payment amount of \$165,000 by wire transfer before the commencement of the hearing before the Commission to approve this Settlement Agreement, which payment is conditional upon approval of this Settlement Agreement by the Commission.
38. The terms of settlement are appropriate in all the circumstances, including mitigating factors and the principles of general and specific deterrence. Commission Staff are of the view that the voluntary payments referred to above in addition to the amounts to be paid as compensation to Affected Clients by the Assante Dealers will emphasize to the marketplace that Commission Staff expect registrants to have compliance systems with appropriate controls and supervision in place which:
- a. provide reasonable assurance that registrants, and each individual acting on behalf of registrants, are complying with securities legislation, including the requirement to deal fairly with clients including, without limitation, with regard to fees; and
 - b. are reasonably likely to allow registrants to identify and correct non-compliance with securities legislation in a timely manner.

E. The Assante Dealers' Undertaking

39. By signing this Settlement Agreement, the Assante Dealers undertake to:
- a. pay compensation to Affected Clients in accordance with the Compensation Plan and to report to the OSC Manager in accordance with the Compensation Plan; and
 - b. make the voluntary payments referred to in paragraphs 8.b(x) and (xi) above

(the “Undertaking”).

PART IV – TERMS OF SETTLEMENT

40. The Assante Dealers agree to the terms of settlement listed below and consent to the Order in substantially the form attached hereto, that provides that, pursuant to section 127 of the Act:
 - a. the Settlement Agreement is approved; and
 - b. the voluntary payment of \$140,000 paid to the Commission is designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act.
41. The Assante Dealers agree to make the voluntary payments described in subparagraph 39.b by wire transfer before the commencement of the hearing before the Commission to approve this Settlement Agreement.

PART V - COMMISSION STAFF COMMITMENT

42. If the Commission approves this Settlement Agreement, Commission Staff will not commence any proceeding under Ontario securities law in relation to the Commission Staff’s Statement of Facts and Conclusions set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 43 below and except with respect to paragraph 34 above, and nothing in this Settlement Agreement shall be interpreted as limiting Commission Staff’s ability to commence proceedings against the Assante Dealers in relation to any control and supervision inadequacy leading to clients paying excess fees other than the MER Control and Supervision Inadequacy described herein.
43. If the Commission approves this Settlement Agreement and either of the Assante Dealers fails to comply with any of the terms of this Settlement Agreement, Commission Staff may bring proceedings under Ontario securities law against such non-compliant Assante Dealer. These proceedings may be based on, but are not limited to, the Commission Staff’s Statement of Facts and Conclusions set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement.

PART VI - PROCEDURE FOR APPROVAL OF SETTLEMENT

44. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for December 21, 2017, or on another date agreed to by Commission Staff and the Assante Dealers, according to the procedures set out in this Settlement Agreement and the Commission’s Rules of Procedure.
45. Commission Staff and the Assante Dealers agree that this Settlement Agreement will form all of the evidence that will be submitted at the settlement hearing on the Assante Dealers’ conduct, unless the parties agree that additional evidence should be submitted at the settlement hearing.
46. If the Commission approves this Settlement Agreement, the Assante Dealers agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
47. If the Commission approves this Settlement Agreement, the Assante Dealers will not make any public statement that is inconsistent with this Settlement Agreement or with any additional evidence submitted

at the settlement hearing. In addition, the Assante Dealers agree that they will not make any public statement that there is no factual basis for this Settlement Agreement. Nothing in this paragraph affects the Assante Dealers' testimonial obligations or the right to take legal or factual positions in other investigations or legal proceedings in which the Commission and/or Commission Staff is not a party or in which any provincial or territorial securities regulatory authority in Canada and/or its staff is not a party ("Other Proceedings") or to make public statements in connection with Other Proceedings.

48. The Assante Dealers 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 otherwise be available.

PART VII - DISCLOSURE OF SETTLEMENT AGREEMENT

49. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- a. this Settlement Agreement and all discussions and negotiations between Commission Staff and the Assante Dealers before the settlement hearing takes place will be without prejudice to Commission Staff and the Assante Dealers; and
 - b. Commission Staff and the Assante Dealers will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.
50. The parties will keep the terms of this Settlement Agreement confidential until the commencement of the public hearing to obtain approval of this Settlement Agreement by the Commission. Any obligations of confidentiality shall terminate upon the commencement of the public settlement hearing. If, for whatever reason, the Commission does not approve this Settlement Agreement, the terms of this Settlement Agreement remain confidential indefinitely, unless Commission Staff and the Assante Dealers otherwise agree or if otherwise required by law.

PART VIII - EXECUTION OF SETTLEMENT AGREEMENT

51. This agreement may be signed in one or more counterparts which, together, constitute a binding agreement.
52. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

Dated this 18th day of December, 2017

Assante Capital Management Ltd.

"Sean Etherington"

Per: Sean Etherington, President

"Josip Bajic"

Per: Josip Bajic, Chief Compliance Officer

Assante Financial Management Ltd.

"Sean Etherington"

Per: Sean Etherington, President

"Josip Bajic"

Per: Josip Bajic, Chief Compliance Officer

Commission Staff

"Jeff Kehoe"

Jeff Kehoe
Director, Enforcement Branch
Ontario Securities Commission

SCHEDULE "A"



Ontario
Securities
Commission

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

- AND -

**ASSANTE CAPITAL MANAGEMENT LTD. and
ASSANTE FINANCIAL MANAGEMENT LTD.**

**ORDER
(Section 127)**

WHEREAS on December 21, 2017, the Ontario Securities Commission held a hearing at 20 Queen Street West, 17th Floor, Toronto, Ontario to consider an application made jointly by Staff of the Commission (**Staff**) and Assante Capital Management Ltd. and Assante Financial Management Ltd. (the **Assante Dealers**) for approval of a settlement agreement dated December 18, 2017 (the **Settlement Agreement**);

ON READING the Statement of Allegations dated December 18, 2017 and the Joint Application Record for a Settlement Hearing dated December 18, 2017, including the Settlement Agreement, in which the Assante Dealers undertake to

- (a) pay compensation to eligible clients and former clients and report to a manager or deputy director in the Compliance and Registrant Regulation Branch of the Commission, in accordance with a plan submitted by them to Staff,
- (b) make a voluntary payment of \$25,000 to reimburse the Commission for costs incurred or to be incurred by it, and
- (c) make a further voluntary payment of \$140,000 to be designated for allocation or use by the Commission in accordance with paragraph 3.4(2)(b)(i) or (ii) of the Act;

AND ON HEARING the submissions of counsel for the Assante Dealers and Staff, including that the voluntary payments of \$25,000 for costs and \$140,000 for designation by the Commission have been received by the Commission in accordance with the terms of the Settlement Agreement;

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement is approved; and
- (b) the voluntary payment of \$140,000 paid to the Commission is designated for allocation or use by the Commission in accordance with subparagraph 3.4(2)(b)(i) or (ii) of the Act.

DATED at Toronto, Ontario this day of December, 2017

[Faint, illegible signature or text]