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Securities
Commission

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valeurs mobilières
de l'Ontario

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File No.: 2018-28

**IN THE MATTER OF
ISSAM EL-BOUJI**

- and -

File No.: 2020-7

**IN THE MATTER OF
GLOBAL RESP CORPORATION AND GLOBAL GROWTH ASSETS INC.**

SETTLEMENT AGREEMENT

PART I - JOINT SETTLEMENT RECOMMENDATION

1. Staff (**Staff**) of the Ontario Securities Commission (the **Commission** or the **OSC**) and Issam El-Bouji (**Mr. Bouji**), Global RESP Corporation (**Global RESP**), and Global Growth Assets Inc. (**GGAI**) (together, the **Respondents**) have, on the basis of the terms and conditions set out in this settlement agreement (the **Settlement Agreement**), agreed to a settlement of two proceedings: the proceeding initiated against Mr. Bouji by Notice of Hearing dated May 25, 2018 (the **Bouji Proceeding**) and a proceeding to be initiated against Global RESP and GGAI in connection with the facts set out in this Settlement Agreement (the **Global Proceeding**).

2. Staff recommend to the Commission that the Bouji Proceeding and the Global Proceeding (together, the **Proceedings**) be resolved and disposed of in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondents consent to the making of an order substantially in the form attached as Schedule A to this Settlement Agreement (the **Order**) based on the facts set out herein.

3. For the purposes of the Proceedings and any other regulatory proceeding commenced by a securities regulatory authority, the Respondents agree with the facts set out in Part III and the conclusions in Part IV of this Settlement Agreement.

PART II - INTRODUCTION

4. Global RESP is a scholarship plan dealer, and GGAI is a related investment fund manager (**IFM**). Global RESP sells units in scholarship plans (**Global Plans**) to investors and GGAI manages the plans' investments¹. As of March 31, 2019, these plans had net assets of over \$700 million in over 60,000 individual plans.

5. Mr. Bouji indirectly owns Global RESP and is the sole shareholder of GGAI.

6. The Bouji Proceeding and the Global Proceeding concern separate but related matters. The purpose of this Settlement Agreement is to resolve all outstanding issues in relation to both Proceedings.

7. The Bouji Proceeding is currently before a hearing panel and relates to allegations that Mr. Bouji breached a Commission order. As part of this Settlement Agreement, Mr. Bouji admits that between 2015 and 2017, he breached a Commission order prohibiting him from acting as an officer of a registrant.

8. The Global Proceeding relates to continued non-compliance with Ontario securities law by Global RESP and GGAI. These firms have been subject to a variety of past regulatory actions because of persistent and serious regulatory violations. Despite these actions, compliance reviews of the firms completed in 2018 reveal that the firms continue to breach securities laws including in the same areas that were the subject of prior administrative sanctions against them.

9. The current two independent directors of Global RESP and GGAI joined the respective boards of directors after the compliance reviews were completed in 2018. Their respective conduct is not at issue.

¹ The plans' investments are held at a third-party custodian and investment decisions are made by registered third party portfolio managers

10. As a result of this Settlement Agreement, Mr. Bouji will be permanently prohibited from acting as a registrant and an officer and director of any registrant or reporting issuer and Global RESP will surrender its registration. Terms and conditions will be placed on GGAI's registration to remedy past violations, compensate underpaid beneficiaries and ensure GGAI's independence moving forward.

11. This Settlement Agreement is designed to address Global RESP's exit from the capital markets and GGAI's continued status as a registrant in a manner that preserves the Global Plans' assets and causes the least amount of disruption to the subscribers and beneficiaries of the Global Plans. The Settlement Agreement is also designed to address non-compliance with Ontario securities law in a manner that is in the public interest.

12. It is critical that all respondents comply with orders of the Commission to ensure that the purposes of Commission orders are achieved and to foster confidence in the capital markets. Further, registration serves a gatekeeping purpose to protect investors. Registrants must meet high standards of fitness and business conduct and demonstrate a commitment to compliance with securities laws. Registrants who fail to commit to compliance are not fit for registration.

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

PART III - AGREED FACTS

A. BACKGROUND

I. The Global Group

14. Global RESP is a registered scholarship plan dealer and acts as the distributor for the Global Plans which are registered education savings plans. The Global Plans are long term financial commitments that involve investors (known as **Subscribers**) contributing to save for a child's post-secondary education. Global RESP representatives sell units in the Global Plans to Subscribers.

15. GGAI is the registered IFM for the Global Plans. Prior to GGAI, the Global Educational Trust Foundation (the **Foundation**) acted as IFM for the Global Plans. The Foundation is also the promoter for the Global Plans.

16. Global RESP, GGAI and the Foundation (the **Global Group**) effectively operate as a single organization. Global RESP carries out all the client-facing operations for the firms, Global RESP and GGAI share the same principal owner, and all three firms operate from the same offices and share the same board of directors.

17. Mr. Bouji is the sole shareholder of GGAI and indirectly owns Global RESP. Mr. Bouji was the CEO and Ultimate Designated Person (**UDP**) at Global RESP and GGAI until he was suspended as UDP and banned from acting as a director or officer of a registrant for nine years as part of the 2014 settlement, discussed below.

II. The Global Plans

18. Since 2016, Global RESP has distributed units in two plans: the Legacy Education Savings Plan (**LES Plan**) and the Advanced Education Savings Plan (**AES Plan**). Prior to 2016, the LES Plan was named the Global Educational Trust Plan (the **GET Plan**). The Global Plans are offered to Subscribers in units at a cost of \$504 per unit.

19. Global RESP charges enrolment fees² to investors in the GET Plan and LES Plan, which require Subscribers to contribute a scheduled, mandated minimum of funds—sometimes for 18 years or more. Prior to 2016, Global RESP charged enrolment fees of \$60 per unit under the GET Plan. In 2016, GGAI renamed the GET Plan as the LES Plan and changed the fee structure, including lowering the enrolment fees to \$30 per unit.³

20. The enrolment fees are paid to Global RESP as distributor of the Global Plans. Global RESP collects the enrolment fees for all units purchased upfront. This means that up to 100% of a Subscriber's initial contributions are used to cover the enrolment fees until these fees are paid in

² The GET Plan refers to these fees as “enrolment fees” and the LES Plan refers to these fees as “sales charges.”

³ In addition to these enrolment fees, GGAI charges Subscribers management fees to manage the Global Plans, similar to the management fees that a mutual fund charges its unit holders. These management fees increased from 1.2% under the GET Plan to 1.95% under the LES Plan.

full. If a Subscriber is not financially able to continue their plan within the first year, all the Subscriber's contributions could be lost to the enrolment fees.

III. Regulatory Actions and Decisions

21. Global RESP and GGAI have a history of non-compliance with Ontario securities laws. The following three sections set out a brief overview of Global RESP and GGAI's regulatory history with the Commission as it relates to the misconduct set out below.

(1) Global RESP was warned about compliance deficiencies in five compliance reviews between 2003 and 2012

22. Between 2003 and 2009, Staff from the Compliance and Registrant Regulation Branch (**CRR Staff**) completed four compliance reviews of Global RESP. In each case, CRR Staff found deficiencies in its compliance with Ontario securities law. As a result of these deficiencies, the Commission imposed restrictions on Global RESP's registration three times during this period.

23. In 2012, CRR Staff completed a fifth compliance review of Global RESP which revealed significant compliance deficiencies both at Global RESP and GGAI. As a result, Enforcement Staff brought proceedings for a temporary order against Global RESP and GGAI. These proceedings resulted in the Commission imposing detailed terms and conditions on the registrations of Global RESP and GGAI. These terms included a requirement that the firms retain a compliance consultant and that a monitor review Global RESP's recent sales to investors.

(2) Global RESP and GGAI settled enforcement allegations in 2014 and were sanctioned

24. In 2013, Enforcement Staff brought proceedings against Global RESP and GGAI for, among other things:

- (a) GGAI's failure to refer a conflict of interest to the plan's Independent Review Committee (**IRC**);

- (b) GGAI's failure to recognize and record an obligation to reimburse enrolment fees to students for plans purchased pursuant to prospectuses dated between 2002 and 2004 (the **Enrolment Fee Obligation**);
- (c) Global RESP's significant compliance deficiencies, including its failure to meet its KYC and suitability obligations; and
- (d) Global RESP and GGAI's lack of adequate compliance systems.

25. The proceeding was settled in 2014 (the **2014 Settlement**). In the resulting order (the **2014 Order**), the Commission imposed sanctions against Mr. Bouji and Global RESP and GGAI including:

- (a) a \$1.9 million disgorgement order against Mr. Bouji;
- (b) orders requiring that Mr. Bouji resign as CEO and UDP of Global RESP and GGAI and prohibiting him from acting as a director or officer for nine-years;
- (c) an order requiring that GGAI record the Enrolment Fee Obligation in its books and records; and,
- (d) terms and conditions on the registration of Global RESP and GGAI, including a requirement that they maintain a majority of independent directors on their boards and submit to a review by a compliance consultant.

(3) Global RESP settled enforcement allegations that it failed to take steps to ensure compliance with the 2014 Order and was sanctioned

26. In 2018, Enforcement Staff brought proceedings against Global RESP for allowing Mr. Bouji to act as a *de facto* officer between January 2015 and December 2017 in contravention of the 2014 Settlement. Global RESP settled these proceedings and agreed to sanctions that included financial sanctions and additional terms and conditions on its registration. In the settlement agreement, Global RESP admitted that it failed to implement any policies and procedures to provide reasonable assurance of compliance with the 2014 Order prohibiting Mr. Bouji from acting as a director or officer.

27. In its decision approving the 2018 settlement, the Commission expressed concern that Global RESP failed to take its obligations under the 2014 Settlement seriously.

B. MISCONDUCT BY MR. BOUJI

28. In the fall of 2015, Global RESP communicated with CRR Staff concerning what activities Mr. Bouji could be involved in. CRR Staff advised Global RESP that Mr. Bouji could be involved in recruiting sales staff and expressed concerns with Mr. Bouji taking a role in training staff unless certain conditions were met.

29. On or between January 17, 2015 and December 31, 2017, Mr. Bouji was in charge of sales at Global RESP and was involved in the following conduct at Global RESP:

- (a) *Recruitment* – Mr. Bouji participated in recruiting for sales positions, including senior level positions, such as for the positions of Branch Managers, Sales Directors and Vice President of Sales.
- (b) *Interviewing* – Mr. Bouji interviewed potential candidates for sales positions, including senior level positions.
- (c) *Hiring and Performance Reviews* – Mr. Bouji negotiated terms of employment and extended offers of employment on behalf of Global RESP. He also conducted formal and informal performance reviews of Global RESP’s sales staff including Sales Managers, Sales Directors and the Vice President of Sales.
- (d) *Terminating employees* – Mr. Bouji instructed senior level personnel, such as the Vice President of Sales, to terminate other employees, including senior level employees such as Sales Directors.
- (e) *Training* – Mr. Bouji provided training to employees including the training of senior level personnel.
- (f) *Strategic sales planning* – Mr. Bouji directed and led strategic sales planning at Global RESP by holding regular meetings, including one-on-one meetings, to discuss progress in reaching various sales objectives and targets and disciplining

and/or reprimanding senior level personnel for failing to reach various sales objectives and targets.

- (g) *Participation in meetings* – Mr. Bouji attended, presided over and presented at sales meetings, director meetings and executive meetings.
- (h) *Control over expenses* – Mr. Bouji exercised control over marketing and sales expenses incurred and to be incurred by Global RESP.
- (i) *Compensation* – Mr. Bouji set and adjusted the compensation structure (e.g. salary vs. commission-based) for Global RESP’s staff, including bonuses for senior level personnel.

30. Under Ontario securities law, “officer” includes every individual who performs functions similar to those normally performed by an officer and therefore includes *de facto* officers.

31. Mr. Bouji’s conduct, as set out above, demonstrates that he acted as a *de facto* officer of Global RESP on or between January 17, 2015 and December 31, 2017. In doing so, Mr. Bouji breached the 2014 Order which prohibited him from acting as an officer of a registrant.

C. REPEAT MISCONDUCT BY GLOBAL RESP AND GGAI

32. Compliance reviews of Global RESP and GGAI completed in 2018 revealed that the firms continue to breach Ontario securities laws in areas that were the subject of the 2014 Settlement.

1. Failure to Fulfill Commitment to Reimburse Enrolment Fees

33. Prospectuses for the GET Plan dated between 2002 and 2004 (the **2002 to 2004 Prospectuses**), told Subscribers that an amount equivalent to their enrolment fees would be reimbursed to their beneficiaries with their educational assistance payments.⁴

34. As set out above, prior to the 2014 Settlement, GGAI failed to recognize and record the Enrolment Fee Obligation, despite becoming IFM in 2010. As part of the 2014 Settlement, GGAI

⁴ The prospectuses disclosed that “a proportionate amount which is equivalent to the Enrollment Fees paid by [the subscribers] will be paid to the [beneficiaries] directly by the Foundation with each [educational assistance] payment.”

acknowledged the Enrolment Fee Obligation and the Commission ordered GGAI to record the obligation in its books and records.

35. However, following the 2014 Settlement, GGAI failed to ensure that the Global Group fulfilled the obligation to reimburse these fees to all eligible beneficiaries. GGAI failed to ensure full reimbursement for some plans that matured prior to *and* after the 2014 Settlement.

36. To date, the Global Group has still not followed through with the commitment to fully refund these fees to all eligible beneficiaries. Instead, the Global Group has disqualified some beneficiaries from receiving the full amounts based on rules that were not disclosed in the 2002 to 2004 Prospectuses.

37. As of the date of this Settlement Agreement, the Global Group had underpaid eligible beneficiaries by approximately \$900,000.

38. Global RESP certified the 2002 to 2004 Prospectuses and provided them to Subscribers. However, when these Subscribers complained about the Global Group not fulfilling their commitment to refund these fees, Global RESP misrepresented that the repayment of these fees was discretionary and not guaranteed.

2. Failure to Adequately Respond to a Conflict of Interest

39. During the Material Time⁵, GGAI permitted transactions that amounted to a conflict of interest prior to obtaining an independent and impartial recommendation from the Global Plans' IRC. These transactions resulted in a firm owned by Mr. Bouji earning commissions from transactions conducted on behalf of the LES Plan. This is the second time that GGAI has breached its conflict of interest obligations when transacting with this Bouji-owned firm.

40. As part of the 2014 Settlement, GGAI was sanctioned for failing to refer conflicts of interest involving the GET Plan's assets to the plan's IRC. The conflicted transactions resulted in a benefit of over \$1.9 million to Global Maxfin Capital Inc. (**GMCI**), an investment dealer owned

⁵ Other than in relation to the failure to reimburse enrolment fees, the material time with respect to the misconduct by Global RESP and GGAI is January 1, 2017 to December 31, 2018 (the **Material Time**).

by Mr. Bouji. As a result, Mr. Bouji was required to disgorge this \$1.9 million and GGAI was sanctioned as part of the 2014 Settlement.

41. Despite these sanctions, GGAI permitted conflicted transactions involving GMCI prior to obtaining an impartial and independent recommendation from the plan's IRC.

42. In 2017, GGAI entered into an agreement with a portfolio manager (**PM**) to trade exchange traded funds (**ETFs**) for the LES Plan. As part of the arrangement, it was proposed that the PM would direct its trades in ETFs through GMCI resulting in GMCI earning commissions from the LES Plan. As the sole shareholder of GMCI, Mr. Bouji stood to benefit from commissions earned by GMCI, thereby creating a conflict of interest. GGAI was required to report this conflict of interest to the plan's IRC for its review and, prior to proceeding with the transactions, GGAI was required to obtain and consider the IRC's recommendation or to obtain standing instructions from the IRC that would permit the transactions to proceed.

43. GGAI reported the proposed arrangement to the IRC at a meeting on November 7, 2016 and suggested that the matter be dealt with through standing instructions. At the meeting, GGAI committed to providing standing instructions to the IRC for its review. On February 28, 2017, GGAI sent proposed standing instructions to the IRC. However, the IRC did not approve the standing instructions until April 2017.

44. Nonetheless, almost two months before the IRC approved the standing instructions, GMCI began clearing ETF trades on behalf of the LES Plan and earning commissions on those trades. These trades were not reported to the IRC for their review and recommendation prior to being executed.

3. Failure to Fulfill Know-Your-Client (KYC) and Suitability Obligations

45. Global RESP has a history of compliance deficiencies related to KYC and suitability. Following the 2012 compliance review, Global RESP was required to retain an independent consultant to review its practices, including having a monitor contact all new clients to confirm the accuracy of the clients' KYC information and that the investment was suitable for the clients. These compliance deficiencies formed part of the 2014 Settlement against Global RESP. Nonetheless, Global RESP has continued to breach its KYC and suitability obligations.

46. During the Material Time, Global RESP failed to take reasonable steps to ensure (i) it collected sufficient and/or accurate financial information on its clients; and (ii) that investments in the Global Plans were suitable for its clients.

47. Global RESP approved some enrolment applications despite red flags in the applications that it should have investigated prior to approving the trades. Examples of these red flags include:

- (a) government assistance and Canada Child Benefit (**CCB**) as the sole source of income for Subscribers;
- (b) Subscribers relying on food banks;
- (c) income from the CCB recorded in amounts that exceeded the allowable maximums for that benefit;
- (d) unreasonably low annual expenses and/or mandatory deductions;
- (e) the exact same income and expenses listed for multiple Subscribers that were clients of the same dealing representative (**DR**); and
- (f) representations that a spouse, that was not a Subscriber, paid some or all of the expenses or contributed to the Subscriber's income without obtaining KYC information from the spouse.

48. In these circumstances, Global RESP did not obtain sufficient and/or accurate information from its clients to properly conduct suitability assessments. Nevertheless, Global RESP approved the applications.

49. Further, Global RESP mechanically applied an affordability calculation in its policies that permitted Subscribers to make contributions as long as these contributions were less than 20% of their net income. Global RESP failed to adequately consider other factors bearing on whether the investment was suitable for Subscribers, including the Subscriber's source of income and employment status.

50. In the case of the LES Plan, as discussed above, Global RESP collects frontloaded enrolment fees from up to 100% of a Subscriber's initial contributions. If a Subscriber is not financially able to continue their plan within the first year, all the Subscriber's contributions could be lost to the enrolment fees. As a result, a proper suitability assessment based on accurate KYC information has particular importance for these Subscribers.

51. As a result of not investigating red flags, Global RESP failed to detect the inappropriate sales practices of a DR executing unsuitable trades on behalf of several Syrian refugees (**DR-A**).

52. Once the issues involving DR-A were brought to its attention, Global RESP failed to respond appropriately. Despite several clients (accompanied by a translator) visiting Global RESP's head office to complain about DR-A's sales practices and request that their plans be terminated, Global RESP failed to implement any enhanced supervisory measures over DR-A. DR-A continued to enrol an additional client whose application contained several of the same red flags as the previous clients.

4. Failure to Maintain Adequate Systems of Control and Supervision

53. As noted above, Global RESP has been the subject of five compliance reviews from 2003 to 2012. In each case, it was warned about compliance deficiencies. During that period, the Commission imposed restrictions on Global RESP's registration four times. Both Global RESP and GGAI have been subject to prior enforcement proceedings in respect of their deficient compliance systems and have been sanctioned accordingly. Following Staff's discovery of significant deficiencies in 2012, both firms were required to retain an independent consultant to review their practices. Nonetheless, both firms continued to have inadequate compliance systems.

54. In addition to the breaches referred to above, during the Material Time, Global RESP and GGAI also breached Ontario securities law as follows:

- (a) GGAI allocated income to individual plan accounts based on estimates rather than actual income earned. In 2017 and 2018, the estimates differed (sometimes higher and sometimes lower) from the actual income earned each month, however, GGAI never corrected the allocations. These inaccurate allocations impacted the amounts paid to Subscribers and beneficiaries. This use of estimates was never disclosed to

Subscribers and GGAI maintained no written policies or procedures for the monthly income allocation process;

- (b) Global RESP sent annual account statements to its clients that purported to record the amount of income earned on contributions and government grants. However, these amounts instead reflected the inaccurate income allocations based on the estimates discussed above;
- (c) GGAI failed to maintain adequate controls to ensure that clients who terminated their accounts received all amounts owed to them. As of April 2018, 457 clients who terminated their accounts between 1999 and 2017 are owed approximately \$227,000 in total;
- (d) GGAI failed to retain copies of certain books and records it was required to retain under Ontario securities law. GGAI also failed to implement proper retention practices or procedures to ensure that it kept appropriate records including failing to maintain an appropriate filing system or internal database to store its books and records;
- (e) GGAI continued to outsource many of its functions for the Global Plans to Global RESP despite Global RESP's historical compliance issues; and
- (f) GGAI failed to establish and maintain a formal process to supervise Global RESP in relation to these functions.

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

55. Mr. Bouji acknowledges and admits that:

- (a) by acting as a *de facto* officer of Global RESP on or between January 17, 2015 and December 31, 2017 in violation of the 2014 Order, Mr. Bouji breached Ontario securities law and engaged in conduct contrary to the public interest;

56. Global RESP and GGAI acknowledge and admit that:
- (a) Global RESP failed to deal fairly, honestly and in good faith with its clients contrary to Part 2.1 of OSC Rule 31-505 – *Conditions of Registration*;
 - (b) Global RESP failed to take reasonable steps to ensure that it had sufficient client information to enable it to meet its suitability obligations, contrary to subsection 13.2(2) of National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103)*;
 - (c) Global RESP failed to take reasonable steps to ensure that, before it made a recommendation or accepted an instruction from a client to buy or sell a security, the purchase or sale was suitable for the client, contrary to section 13.3 of NI 31-103;
 - (d) Global RESP failed to deliver to its clients, statements that included the information required under Ontario securities law, contrary to sections 14.14 and 14.16 of NI 31-103;
 - (e) GGAI failed to act honestly, in good faith and in the best interests of the Global Plans and/or failed to act with the degree of care, diligence and skill of a reasonably prudent person in the circumstances contrary to section 116 of the Act;
 - (f) GGAI failed to comply with its obligations respecting conflicts of interest contrary to subsections 5.1(1), 5.3(1) and 5.4(2) of National Instrument 81-107 – *Independent Review Committee for Investment Funds*;
 - (g) Global RESP and GGAI failed to establish and maintain systems of control and supervision sufficient to provide reasonable assurance that Global RESP and GGAI and each individual acting on their behalf complied with securities legislation, contrary to section 11.1 of NI 31-103 and subsection 32(2) of the Act;
 - (h) GGAI failed to keep and retain books, records and other documents as required under Ontario securities law, contrary to section 19 of the Act and subsection 11.5(1) and section 11.6 of NI 31-103; and

- (i) as set out in subparagraphs (a) through (h) above, Global RESP and GGAI engaged in conduct contrary to the public interest.

PART V - TERMS OF SETTLEMENT

57. The Respondents agree to the terms of settlement set forth below.

58. Global RESP shall commence the process to surrender its registration as a scholarship plan dealer and consents to the immediate suspension of its registration pending surrender and has provided Staff with a signed consent to this effect.

59. The Respondents consent to the Order, pursuant to which it is ordered that:

- (a) this Settlement Agreement be approved;
- (b) Pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions be imposed on GGAI's registration:
 - (i) on a joint and several basis with Global RESP, GGAI shall compensate the beneficiaries of subscribers who subscribed to units in the Global Educational Trust Plan pursuant to prospectuses dated November 25, 2002, August 26, 2003 and August 23, 2004 (the **2002 to 2004 Beneficiaries**) who have not received a full reimbursement of enrolment fees owing to them and have no Educational Assistance Payment (**EAP**) balance remaining as of the date this Settlement Agreement is approved (the **Underpaid Beneficiaries**);
 - (ii) on a joint and several basis with Global RESP, GGAI shall compensate the Underpaid Beneficiaries in the amount of at least \$900,000 in respect of enrolment fees owing to them and shall do so as follows:
 - 1. GGAI shall maintain a bank account in its name, for the exclusive purpose of compensating the Underpaid Beneficiaries, to be held separate and apart from GGAI's own property and held by a Canadian financial

institution in a designated trust account in trust for the Underpaid Beneficiaries (the **Special Purpose Account**);⁶

2. on a joint and several basis with Global RESP, commencing 30 days from the date this Settlement Agreement is approved, GGAI shall deposit at least \$100,000 per month into the Special Purpose Account until such time as at least \$900,000 in total has been deposited into the account;⁷

3. GGAI shall use the funds deposited in the Special Purpose Account for the sole purpose of compensating the Underpaid Beneficiaries;

4. all payments made in accordance with this term and condition shall be over and above the normal course payments Global RESP and GGAI make to the Discretionary Payment Account;⁸ and

5. nothing in this term and condition shall detract from GGAI's obligation to ensure that the Enrolment Fee Obligation is completely fulfilled in relation to all 2002 to 2004 Beneficiaries;

(iii) GGAI shall ensure that an amount equal to the full amount of enrolment fees paid in connection with each contract has been reimbursed to the Underpaid Beneficiaries and shall take all reasonable efforts to do so within nine months from the date this Settlement Agreement is approved;

(iv) subject to any applicable unclaimed property legislation, in the event that GGAI has used all reasonable efforts but has not been successful in locating one or more of the Underpaid Beneficiaries after five years from the date this Settlement Agreement is approved, the total amounts owing to such beneficiaries shall be donated to the charity Pathways to Education;

⁶ GGAI opened the Special Purpose Account on February 21, 2020.

⁷ Global RESP and GGAI deposited \$300,000 in the Special Purpose Account on or before February 26, 2020.

⁸ As that term is defined in Legacy Education Savings Plan Continuous Offering Detailed Plan Disclosure, dated May 31, 2019.

(v) until Global RESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of a Manager in the Compliance and Registrant Regulation Branch of the Commission (the **OSC Manager**) (the **Interim Period**), the following capital controls (the **Capital Controls**) shall apply to GGAI:

1. GGAI shall not, without the prior written consent of Staff:
 - a. reduce its capital in any manner including by redemption, repurchase or cancellation of any of its shares;
 - b. reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or
 - c. directly or indirectly make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate;

(vi) after the Interim Period:

1. Mr. Bouji shall place ownership in GGAI in an irrevocable blind trust to be administered by a federally regulated trust company; and
2. once ownership in GGAI has been placed in the irrevocable blind trust, the Capital Controls shall no longer apply to GGAI, subject to subparagraph (vii)5. below;

(vii) GGAI shall take appropriate steps to ensure that the Enrolment Fee Obligation is fulfilled. In particular:

1. GGAI shall record a joint and several obligation with the Foundation to fulfill the Enrolment Fee Obligation and shall record this obligation in its books and records including its financial statements;

2. GGAI shall prioritize the Enrolment Fee Obligation over all payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate;

3. for the 2002 to 2004 Beneficiaries other than the Underpaid Beneficiaries, GGAI shall ensure that an amount equal to the enrolment fees paid in connection with each contract is reimbursed as necessary to each of the 2002 to 2004 Beneficiaries to ensure an equal proportion of enrolment fees and EAP remain in the beneficiary's account⁹;

4. GGAI's Board of Directors shall submit written progress reports demonstrating GGAI's compliance with the Enrolment Fee Obligation to the OSC Manager every six months from the date this Settlement Agreement is approved to a date that is satisfactory to the OSC Manager;

5. if GGAI's Board of Directors fails to submit the required written progress reports as set out in subparagraph 4. above, GGAI shall immediately comply with the Capital Controls set out above until such time as the OSC Manager is satisfied that GGAI is in compliance with the Enrolment Fee Obligation and notifies GGAI of this determination; and

6. GGAI shall submit such additional reports as may be requested by the OSC Manager for the purpose of satisfying the OSC Manager that GGAI has complied with the Enrolment Fee Obligation;

(viii) GGAI shall take appropriate steps to remediate the compliance deficiencies in the OSC Compliance Field Review Report for GGAI dated July 19, 2018 (**Compliance Report**). In particular:

1. GGAI shall continue to retain, at its own expense, the services of a third-party consultant (the **Consultant**) it first retained on March 19, 2019

⁹ For example, if 30% of EAP remains, GGAI must ensure that 70% of enrolment fees have been repaid to the beneficiary.

to examine GGAI's operations, internal policies, practices and procedures, and compliance system to make recommendations (the **Recommendations**) for rectifying all identified compliance deficiencies in the Compliance Report and to review GGAI's progress with respect to the implementation of the Recommendations;

2. GGAI shall require the Consultant to prepare and deliver to the OSC Manager an updated written compliance plan (the **Plan**) within 60 days from the date this Settlement Agreement is approved describing the Consultant's Recommendations. For each of the Consultant's Recommendations, the Plan shall include the expected dates of completion and person(s) responsible for implementation;

3. upon the OSC Manager's approval of the Plan, GGAI shall require the Consultant to submit written progress reports (**Progress Reports**) to the OSC Manager detailing GGAI's progress with respect to implementation of the Plan, to the satisfaction of the OSC Manager. The Consultant shall submit Progress Reports no less frequently than every three months from the date the Plan is approved until the Plan has been fully implemented;

4. GGAI shall demonstrate substantial progress towards the implementation of the Plan in each of the Progress Reports;

5. upon the full implementation of the Plan, the Consultant shall prepare and submit an attestation letter (**Attestation Letter**) for approval by the OSC Manager verifying that all identified compliance deficiencies in the Compliance Report have been rectified, and that the Recommendations in the Plan have been implemented and tested and are working effectively;

6. the Consultant shall submit such additional reports as may be requested by the OSC Manager for the purposes of satisfying the OSC Manager that the conclusions expressed in the Attestation Letter are valid;

7. GGAI shall immediately submit to CRR Staff a direction giving unrestricted permission for CRR Staff and the Consultant to communicate with one another regarding GGAI's progress with respect to the implementation of the Plan or any of the Recommendations, or any other matter related to these terms and conditions; and

8. until the OSC Manager has approved of the Attestation Letter submitted in accordance with subparagraph 5. above, GGAI shall not terminate the Consultant's retainer without prior written approval by the OSC Manager. Any replacement of the Consultant will require approval in advance by the OSC Manager.

(c) pursuant to paragraph 1 of subsection 127(1) of the Act, the following additional terms and conditions be permanently imposed on GGAI's registration:

- (i) GGAI shall not act as investment fund manager for any investment fund other than the Global Iman Fund and the Global Plans;¹⁰
- (ii) GGAI is prohibited from distributing units in the Global Plans with the exception that it shall be permitted to distribute units to current subscribers for existing plans with the same beneficiary if: (i) the units are distributed pursuant to the terms of an existing contract; or (ii) the units are distributed at the request of the current subscriber through a registered dealer;
- (iii) for the purpose of (ii) above, GGAI shall not directly or indirectly solicit current subscribers to purchase additional units and GGAI shall prohibit the registered dealer(s) from soliciting current subscribers to purchase additional units;
- (iv) GGAI shall continue to maintain an independent¹¹ board of directors except that the term and condition on GGAI's registration found at paragraph

¹⁰ The Global Plans include the AES Plan, the GET Plan, and the LES Plan.

¹¹ "Independent" shall have the meaning as set out in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* except that the point of reference shall be Mr. Bouji or any entities owned or controlled by Mr. Bouji.

1(e)(i) of the 2014 Order is lifted and replaced with the requirement that 90 days from the date this Settlement Agreement is approved, the independent board shall be comprised exclusively of three independent external board members and the independent directors are to be approved by the OSC Manager; and

- (v) GGAI shall not permit Mr. Bouji or other members of the Bouji family¹² (the **Bouji Family**) to provide any service of any kind to GGAI or to any service providers of GGAI¹³, or to participate in the operations or management of GGAI, whether as an employee, an independent contractor, unpaid service provider, or any capacity whatsoever. Without restricting the generality of the foregoing, GGAI shall not permit members of the Bouji Family directly or indirectly to:

1. act as an integral part of the mind and management of GGAI and perform functions similar to those normally performed by an officer or director of GGAI including:

- a. proposing, nominating and appointing new officers;
- b. participating in any meeting of the board or any committee of the board;
- c. providing instructions or direction to management of GGAI or to any legal or financial advisors on behalf of GGAI;
- d. having signing authority for GGAI including without limitation signing authority over any bank or other accounts of GGAI;

¹² Members of the Bouji family include all relatives of Mr. Bouji either by blood or marriage.

¹³ This does not preclude a company owned or controlled by the Bouji family that is currently a landlord from permitting GGAI to rent space where GGAI and Global RESP are currently located provided the rent is set at or below market rates.

- e. hiring, supervising or terminating staff of GGAI or providing input or participating in decisions relating to hiring, supervising or terminating staff or to executive compensation;
 - f. participate in any decisions with or attempt in any way to influence management or the board of GGAI, or make any recommendations in relation to decisions: (a) affecting the compliance by GGAI with securities legislation, including its system of controls and supervision; and (b) relating to the preparation of any filing or disclosure documents required to be submitted or filed by GGAI under Ontario securities law, except as required by law in respect of Mr. Bouji's individual filing requirements;
 - g. play any role (other than as a representative of the shareholder) in GGAI's financial affairs; and
 - h. play any role in the business, operations or day-to-day management of GGAI;
 - i. GGAI shall not enter into any oral or written retainer, with or without compensation, that allows a member of the Bouji Family to act as a consultant, advisor or supplier of any services to GGAI;
- (vi) GGAI shall prepare and maintain written policies and procedures designed to provide reasonable assurance that GGAI is complying with subparagraph (v) above, and shall take reasonable steps to ensure that all senior level personnel of GGAI review those policies and procedures and agree to abide by them;
- (d) pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions be imposed on Global RESP's registration:

- (i) Global RESP shall compensate the Underpaid Beneficiaries on a joint and several basis with GGAI in the amount of at least \$900,000 in respect of enrolment fees owing to them and shall do so as follows:
 - 1. on a joint and several basis with GGAI, commencing 30 days from the date this Settlement Agreement is approved, Global RESP shall deposit at least \$100,000 per month into the Special Purpose Account until such time as at least \$900,000 in total has been deposited into the account;¹⁴ and
 - 2. all payments made in accordance with this term and condition shall be over and above the normal course payments Global RESP and GGAI make to the Discretionary Payment Account;¹⁵
- (ii) until Global RESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of the OSC Manager, the following capital controls shall apply to Global RESP:
 - 1. Global RESP shall not, without the prior written consent of Staff:
 - a. reduce its capital in any manner including by redemption, re-purchase or cancellation of any of its shares;
 - b. reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or
 - c. directly or indirectly make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate;

¹⁴ Global RESP and GGAI deposited \$300,000 in the Special Purpose Account on or before February 26, 2020.

¹⁵ As that term is defined in Legacy Education Savings Plan Continuous Offering Detailed Plan Disclosure, dated May 31, 2019.

- (e) Mr. Bouji is permanently prohibited from acting as a registrant, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
- (f) Mr. Bouji is permanently prohibited from becoming or acting as a director or officer of any reporting issuer, registrant or from acting as a director or officer of the Foundation, pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1) of the Act; and
- (g) Mr. Bouji shall pay costs in the amount of \$190,000 to the Commission, pursuant to subsection 127.1(1) of the Act.

60. The Respondents consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in subparagraphs 59(b) through (f). These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

61. The Respondents acknowledge 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 Respondents. The Respondents should contact the securities regulator of any other jurisdiction in which the Respondents intend to engage in any securities- or derivatives-related activities, prior to undertaking such activities.

PART VI - FURTHER PROCEEDINGS

62. If the Commission approves this Settlement Agreement, Staff will not commence or continue any proceeding against the Respondents under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement, unless the Respondents fail to comply with any term in this Settlement Agreement (any such failure, a **Breach**). If a Breach occurs, Staff may bring proceedings under Ontario securities law against the Respondents that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the Breach.

63. The Respondents waive any defences to a proceeding referenced in paragraph 62 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 Breach.

PART VII - PROCEDURE FOR APPROVAL OF SETTLEMENT

64. The parties will seek approval of this Settlement Agreement at the Settlement Hearing, which will 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.

65. The Respondents may have representatives attend the Settlement Hearing in person or have counsel attend the Settlement Hearing on their behalves.

66. 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.

67. If the Commission approves this Settlement Agreement:

- (a) the Respondents 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.

68. Whether or not the Commission approves this Settlement Agreement, the Respondents 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 VIII - DISCLOSURE OF AGREEMENT

69. If the Commission does not make the Order:
- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the Settlement Hearing will be without prejudice to Staff and the Respondents; and
 - (b) Staff and the Respondents 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 Amended 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.
70. 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 IX - EXECUTION OF AGREEMENT

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

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SCHEDULE “A”
FORM OF ORDER



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

File No.: 2018-28

**IN THE MATTER OF
ISSAM EL-BOUJI**

- and -

File No.: 2020-7

**IN THE MATTER OF
GLOBAL RESP CORPORATION AND GLOBAL GROWTH ASSETS INC.**

(Names of panelists comprising the panel)

(Day and date order made)

ORDER

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

WHEREAS:

1. on May 25, 2018, the Ontario Securities Commission (the **Commission**) issued a Notice of Hearing in relation to the Statement of Allegations filed by Staff of the Commission (**Staff**) on May 24, 2018 with respect to Issam El-Bouji (**Bouji**) (the **Bouji Proceeding**);
2. on **[date]**, the Commission issued a Notice of Hearing in relation to the Statement of Allegations filed by Staff on **[date]** with respect to Global RESP Corporation (**Global RESP**) and Global Growth Assets Inc. (**GGAI**) (the **Global Proceeding**);

3. Bouji, Global RESP, and GGAI (together, the **Respondents**) entered into a Settlement Agreement with Staff dated [date] (the **Settlement Agreement**) in which the Respondents agreed to a proposed settlement of the Bouji Proceeding and the Global Proceeding, subject to the approval of the Commission;

4. on [date], the Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario to consider the Joint Request for a Settlement Hearing filed by Bouji, Global RESP, GGAI, and Staff of the Commission for approval of the Settlement Agreement;

ON READING the Settlement Agreement, the Notices of Hearing, and the Statements of Allegations of Staff in the Bouji Proceeding and the Global Proceeding, and on hearing the submissions of the representatives for the parties including that (i) Global RESP shall commence the process to surrender its registration as a scholarship plan dealer and consented to the immediate suspension of its registration pending surrender and provided Staff with a signed consent to this effect; (ii) GGAI opened a bank account in its name, for the exclusive purpose of compensating the Underpaid Beneficiaries as described in subparagraph (b)(i) below, to be held separate and apart from GGAI's own property and held by a Canadian financial institution in a designated trust account in trust for the Underpaid Beneficiaries (the **Special Purpose Account**); (iii) Global RESP and GGAI made a joint, voluntary payment of \$300,000 to the Special Purpose Account; and (iv) Bouji delivered a certified cheque in the amount of \$190,000 to Staff before the commencement of the Settlement Hearing on accounts of costs ordered in paragraph (g) below;

IT IS ORDERED THAT:

- (a) the Settlement Agreement is approved;
- (b) pursuant to paragraph 1 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), the following terms and conditions are imposed on GGAI's registration:
 - (i) on a joint and several basis with Global RESP, GGAI shall compensate the beneficiaries of subscribers who subscribed to units in the Global Educational Trust Plan pursuant to prospectuses dated November 25, 2002, August 26, 2003 and August 23, 2004 (the **2002 to 2004 Beneficiaries**) who

have not received a full reimbursement of enrolment fees owing to them and have no Educational Assistance Payment (**EAP**) balance remaining as of the date of this Order (the **Underpaid Beneficiaries**);

(ii) on a joint and several basis with Global RESP, GGAI shall compensate the Underpaid Beneficiaries in the amount of at least \$900,000 in respect of enrolment fees owing to them and shall do so as follows:

1. GGAI shall maintain the Special Purpose Account for the exclusive purpose of compensating the Underpaid Beneficiaries, to be held separate and apart from GGAI's own property and held by a Canadian financial institution in a designated trust account in trust for the Underpaid Beneficiaries;

2. on a joint and several basis with Global RESP, commencing 30 days from the date of this Order, GGAI shall deposit at least \$100,000 per month into the Special Purpose Account until such time as at least \$900,000 in total has been deposited into the account;

3. GGAI shall use the funds deposited in the Special Purpose Account for the sole purpose of compensating the Underpaid Beneficiaries;

4. all payments made in accordance with this term and condition shall be over and above the normal course payments Global RESP and GGAI make to the Discretionary Payment Account;¹ and

5. nothing in this term and condition shall detract from GGAI's obligation to ensure that the obligation to reimburse enrolment fees to the 2002 to 2004 Beneficiaries (the **Enrolment Fee Obligation**) is completely fulfilled in relation to all 2002 to 2004 Beneficiaries;

¹ As that term is defined in Legacy Education Savings Plan Continuous Offering Detailed Plan Disclosure, dated May 31, 2019.

- (iii) GGAI shall ensure that an amount equal to the full amount of enrolment fees paid in connection with each contract has been reimbursed to the Underpaid Beneficiaries and shall take all reasonable efforts to do so within nine months of the date of this Order;
- (iv) subject to any applicable unclaimed property legislation, in the event that GGAI has used all reasonable efforts but has not been successful in locating one or more of the Underpaid Beneficiaries after five years from the date of this Order, the total amounts owing to such beneficiaries shall be donated to the charity Pathways to Education;
- (v) until Global RESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of a Manager in the Compliance and Registrant Regulation (**CRR**) Branch of the Commission (the **OSC Manager**) (the **Interim Period**), the following capital controls (the **Capital Controls**) shall apply to GGAI:
 - 1. GGAI shall not, without the prior written consent of Staff:
 - a. reduce its capital in any manner including by redemption, repurchase or cancellation of any of its shares;
 - b. reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or
 - c. directly or indirectly make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate;
- (vi) after the Interim Period:
 - 1. Bouji shall place ownership in GGAI in an irrevocable blind trust to be administered by a federally regulated trust company; and

2. once ownership in GGAI has been placed in the irrevocable blind trust, the Capital Controls shall no longer apply to GGAI, subject to subparagraph (vii)5. below;

(vii) GGAI shall take appropriate steps to ensure that the Enrolment Fee Obligation is fulfilled. In particular:

1. GGAI shall record a joint and several obligation with the Global Educational Trust Foundation (the **Foundation**) to fulfill the Enrolment Fee Obligation and shall record this obligation in its books and records including its financial statements;

2. GGAI shall prioritize the Enrolment Fee Obligation over all payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate;

3. for the 2002 to 2004 Beneficiaries other than the Underpaid Beneficiaries, GGAI shall ensure that an amount equal to the enrolment fees paid in connection with each contract is reimbursed as necessary to each of the 2002 to 2004 Beneficiaries to ensure an equal proportion of enrolment fees and EAP remain in the beneficiary's account;²

4. GGAI's Board of Directors shall submit written progress reports demonstrating GGAI's compliance with the Enrolment Fee Obligation to the OSC Manager every six months from the date of this Order to a date that is satisfactory to the OSC Manager;

5. if GGAI's Board of Directors fails to submit the required written progress reports as set out in subparagraph 4. above, GGAI shall immediately comply with the Capital Controls set out above until such time

² For example, if 30% of EAP remains, GGAI must ensure that 70% of enrolment fees have been repaid to the beneficiary.

as the OSC Manager is satisfied that GGAI is in compliance with the Enrolment Fee Obligation and notifies GGAI of this determination; and

6. GGAI shall submit such additional reports as may be requested by the OSC Manager for the purpose of satisfying the OSC Manager that GGAI has complied with the Enrolment Fee Obligation;

(viii) GGAI shall take appropriate steps to remediate the compliance deficiencies in the OSC Compliance Field Review Report for GGAI dated July 19, 2018 (**Compliance Report**). In particular:

1. GGAI shall continue to retain, at its own expense, the services of a third-party consultant (the **Consultant**) it first retained on March 19, 2019 to examine GGAI's operations, internal policies, practices and procedures, and compliance system to make recommendations (the **Recommendations**) for rectifying all identified compliance deficiencies in the Compliance Report and to review GGAI's progress with respect to the implementation of the Recommendations;

2. GGAI shall require the Consultant to prepare and deliver to the OSC Manager an updated written compliance plan (the **Plan**) within 60 days from the date of this Order describing the Consultant's Recommendations. For each of the Consultant's Recommendations, the Plan shall include the expected dates of completion and person(s) responsible for implementation;

3. upon the OSC Manager's approval of the Plan, GGAI shall require the Consultant to submit written progress reports (**Progress Reports**) to the OSC Manager detailing GGAI's progress with respect to implementation of the Plan, to the satisfaction of the OSC Manager. The Consultant shall submit Progress Reports no less frequently than every three months from the date the Plan is approved until the Plan has been fully implemented;

4. GGAI shall demonstrate substantial progress towards the implementation of the Plan in each of the Progress Reports;

5. upon the full implementation of the Plan, the Consultant shall prepare and submit an attestation letter (**Attestation Letter**) for approval by the OSC Manager verifying that all identified compliance deficiencies in the Compliance Report have been rectified, and that the Recommendations in the Plan have been implemented and tested and are working effectively;

6. the Consultant shall submit such additional reports as may be requested by the OSC Manager for the purposes of satisfying the OSC Manager that the conclusions expressed in the Attestation Letter are valid;

7. GGAI shall immediately submit to CRR Staff a direction giving unrestricted permission for CRR Staff and the Consultant to communicate with one another regarding GGAI's progress with respect to the implementation of the Plan or any of the Recommendations, or any other matter related to these terms and conditions; and

8. until the OSC Manager has approved of the Attestation Letter submitted in accordance with subparagraph 5. above, GGAI shall not terminate the Consultant's retainer without prior written approval by the OSC Manager. Any replacement of the Consultant will require approval in advance by the OSC Manager.

(c) pursuant to paragraph 1 of subsection 127(1) of the Act, the following additional terms and conditions are permanently imposed on GGAI's registration:

- (i) GGAI shall not act as investment fund manager for any investment fund other than the Global Iman Fund and the Global Plans;³
- (ii) GGAI is prohibited from distributing units in the Global Plans with the exception that it shall be permitted to distribute units to current subscribers for existing plans with the same beneficiary if: (i) the units are distributed

³ The Global Plans include the AES Plan, the GET Plan, and the LES Plan.

pursuant to the terms of an existing contract; or (ii) the units are distributed at the request of the current subscriber through a registered dealer;

- (iii) for the purpose of (ii) above, GGAI shall not directly or indirectly solicit current subscribers to purchase additional units and GGAI shall prohibit the registered dealer(s) from soliciting current subscribers to purchase additional units;
- (iv) GGAI shall continue to maintain an independent⁴ board of directors except that the term and condition on GGAI's registration found at paragraph 1(e)(i) of the Commission order dated April 16, 2014 in the Matter of Issam El-Bouji, et al. is lifted and replaced with the requirement that 90 days from the date of this Order, the independent board shall be comprised exclusively of three independent external board members and the independent directors are to be approved by the OSC Manager; and
- (v) GGAI shall not permit Bouji or other members of the Bouji family⁵ (the **Bouji Family**) to provide any service of any kind to GGAI or to any service providers of GGAI⁶, or to participate in the operations or management of GGAI, whether as an employee, an independent contractor, unpaid service provider, or any capacity whatsoever. Without restricting the generality of the foregoing, GGAI shall not permit members of the Bouji Family directly or indirectly to:
 - 1. act as an integral part of the mind and management of GGAI and perform functions similar to those normally performed by an officer or director of GGAI including:

⁴ "Independent" shall have the meaning as set out in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* except that the point of reference shall be Bouji or any entities owned or controlled by Bouji.

⁵ Members of the Bouji family include all relatives of Bouji either by blood or marriage.

⁶ This does not preclude a company owned or controlled by the Bouji family that is currently a landlord from permitting GGAI to rent space where GGAI and Global RESP are currently located provided the rent is set at or below market rates.

- a. proposing, nominating and appointing new officers;
- b. participating in any meeting of the board or any committee of the board;
- c. providing instructions or direction to management of GGAI or to any legal or financial advisors on behalf of GGAI;
- d. having signing authority for GGAI including without limitation signing authority over any bank or other accounts of GGAI;
- e. hiring, supervising or terminating staff of GGAI or providing input or participating in decisions relating to hiring, supervising or terminating staff or to executive compensation;
- f. participate in any decisions with or attempt in any way to influence management or the board of GGAI, or make any recommendations in relation to decisions: (a) affecting the compliance by GGAI with securities legislation, including its system of controls and supervision; and (b) relating to the preparation of any filing or disclosure documents required to be submitted or filed by GGAI under Ontario securities law, except as required by law in respect of Bouji's individual filing requirements;
- g. play any role (other than as a representative of the shareholder) in GGAI's financial affairs; and
- h. play any role in the business, operations or day-to-day management of GGAI;
- i. GGAI shall not enter into any oral or written retainer, with or without compensation, that allows a member of the Bouji Family to act as a consultant, advisor or supplier of any services to GGAI;

- (vi) GGAI shall prepare and maintain written policies and procedures designed to provide reasonable assurance that GGAI is complying with subparagraph (v) above, and shall take reasonable steps to ensure that all senior level personnel of GGAI review those policies and procedures and agree to abide by them;
- (d) pursuant to paragraph 1 of subsection 127(1) of the Act, the following terms and conditions are imposed on Global RESP's registration:
 - (i) Global RESP shall compensate the Underpaid Beneficiaries on a joint and several basis with GGAI in the amount of at least \$900,000 in respect of enrolment fees owing to them and shall do so as follows:
 - 1. on a joint and several basis with GGAI, commencing 30 days from the date of this Order, Global RESP shall deposit at least \$100,000 per month into the Special Purpose Account until such time as at least \$900,000 in total has been deposited into the account; and
 - 2. all payments made in accordance with this term and condition shall be over and above the normal course payments Global RESP and GGAI make to the Discretionary Payment Account;⁷
 - (ii) until Global RESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of the OSC Manager, the following capital controls shall apply to Global RESP:
 - 1. Global RESP shall not, without the prior written consent of Staff:
 - a. reduce its capital in any manner including by redemption, re-purchase or cancellation of any of its shares;

⁷ As that term is defined in Legacy Education Savings Plan Continuous Offering Detailed Plan Disclosure, dated May 31, 2019.

- b. reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or
 - c. directly or indirectly make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate.
- (e) Bouji is permanently prohibited from acting as a registrant, pursuant to paragraph 8.5 of subsection 127(1) of the Act;
 - (f) Bouji is permanently prohibited from becoming or acting as a director or officer of any reporting issuer, registrant or from acting as a director or officer of the Foundation, pursuant to paragraphs 8, 8.2, and 8.4 of subsection 127(1) of the Act; and
 - (g) Bouji shall pay costs in the amount of \$190,000 to the Commission, pursuant to subsection 127.1(1) of the Act.