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

The Ontario Securities Commission

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Chapter 1

Notices

1.3 Notices of Hearing with Related Statements of Allegations

1.3.1 Darren Scott Davidson – ss. 127(1), 127(10)

FILE NO.: 2018-71

**IN THE MATTER OF
DARREN SCOTT DAVIDSON**

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

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission dated November 27, 2018.

Take notice that Staff of the Commission has elected to proceed by way of the expedited procedure for a written hearing provided for by Rule 11(3) of the Commission's *Rules of Procedure*.

Staff must serve on you this Notice of Hearing, the Statement of Allegations, Staff's hearing brief containing all documents Staff relies on, and Staff's written submissions.

You have **21 days** from the date Staff serves these documents on you to file a request for an oral hearing, if you do not want to follow the expedited procedure for a written hearing.

Otherwise, you have **28 days** from the date Staff served these documents on you to file your hearing brief and written submissions.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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

AVIS EN FRANÇAIS

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

Notices

Dated at Toronto this 28th day of November, 2018.

“Grace Knakowski”
Secretary to the Commission

For more information

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

**IN THE MATTER OF
DARREN SCOTT DAVIDSON**

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

1. Staff of the Enforcement Branch (**Staff**) of the Ontario Securities Commission (the **Commission**) elect to proceed using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Commission's *Rules of Procedure*.

A. ORDER SOUGHT

2. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):

- (a) against Darren Scott Davidson (**Davidson**) that:

until the later of July 24, 2030, or the date on which the amount in paragraph 2(3) of the Order of the British Columbia Securities Commission (**BCSC**) dated July 24, 2018 (the **BCSC Order**) has been paid:

- i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities, by Davidson cease, except that:
 - a. he may trade in securities or derivatives through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name, if he first provides copies of the BCSC Order and the order of the Commission in this proceeding, if granted, to the registrant; and
 - b. Davidson may also participate in an employee share investment plan through his employer;
- ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Davidson;
- iii. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Davidson resign any positions that he holds as a director or officer of any issuer or registrant;
- iv. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Davidson be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that Davidson may become or act as an officer or director of a company of which he owns all the shares; and
- v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Davidson be prohibited from becoming or acting as a registrant or promoter;

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

B. FACTS

Staff make the following allegations of fact:

3. On July 24, 2018, Davidson entered into the Settlement Agreement with the BCSC.
4. Pursuant to the Settlement Agreement, Davidson admitted to breaching British Columbia securities legislation, and agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of British Columbia.
5. Davidson is subject to an order of the BCSC, which imposes sanctions, conditions, restrictions or requirements upon him.

(i) **The BCSC Proceedings**

Agreed Statement of Facts

6. In the Settlement Agreement, Davidson agreed with the following facts:

Background

- (a) Davidson is a resident of British Columbia. Between July 2011 and April 2014, he was a director and officer or *de facto* director and officer of Titan-West Explorations Inc. (**Titan-West**).
- (b) In 2012, Titan-West and Davidson attempted to mine for gold in the Yukon. Davidson relocated his family to the Yukon for this purpose. Based on information provided to him from the people who sold the claims, he understood there was a substantial amount of gold on the property. Titan-West's 2012 financial statements showed gold revenue of \$41,307 and an operating loss of \$566,050.
- (c) Titan-West is dissolved.

Misconduct

- (d) Titan-West did not mine for gold in 2013. However, between October 2013 and February 2014, Titan-West and Davidson raised capital for Titan-West.
- (e) Representatives of Titan-West provided some of the prospective investors promotional material, including a business plan and executive summary that Davidson provided to the representatives.
- (f) The business plan provided to prospective investors did not disclose the 2012 operating loss of \$566,050 on gold revenue of \$41,307. Instead, the business plan disclosed an outdated 2012 "pro forma" financial statement with gross revenue of \$12 million and net operating income of \$6,959,418, which Davidson ought to have known would be relied on by the investors.
- (g) Four prospective investors who received the business plan invested \$172,000.
- (h) On February 13, 2014, the Executive Director of the BCSC issued an Order under section 164(1) of the British Columbia *Securities Act*, RSBC 1996 c 418 (the **BC Act**), ordering that all trading in the securities of Titan-West cease (**Cease Trade Order**).

Misrepresentations

- (i) Titan-West made misrepresentations to investors by failing to disclose the 2012 operating loss, and by disclosing the 2012 pro forma financial statements, contrary to section 50(1)(d) of the BC Act. As a *de facto* director and officer of Titan-West, Davidson authorized, permitted or acquiesced in Titan-West's misrepresentations.

Breach of Cease Trade Order

- (j) After the order was issued:
 - 1. Titan-West representatives emailed and telephoned prospective investors, soliciting investment in Titan-West; and
 - 2. Titan-West issued two promissory notes for \$27,000 to two previous Titan-West investors. The \$27,000 comprises part of the \$172,000 mentioned above.
- (k) The foregoing conduct contravened the Cease Trade Order. As a *de facto* director and officer of Titan-West, Davidson authorized, permitted or acquiesced in Titan-West's contraventions of the Cease Trade Order.
- (l) Davidson has advised the BCSC's Executive Director that he received legal advice that Titan-West could borrow money despite the Cease Trade Order. As a result, Davidson did not think Titan-West was contravening the Cease Trade Order by issuing promissory notes.

(ii) **BCSC Settlement and Undertaking**

Disgorgement

- (m) Davidson agreed to an order under section 161(1)(g) of the BC Act to pay \$48,000 to the BCSC.

Undertaking

- (n) Davidson undertook to not directly or indirectly make an application for restoration of Titan-West.

(iii) **The BCSC Order**

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements upon Davidson:

- (a) under section 161(1)(d)(i) of the BC Act, Davidson resign any position he holds as a director or officer of an issuer or registrant;
- (b) Davidson is prohibited for the later of 12 years from the date of the Settlement Agreement and the date that the amount set out in sub-paragraph (c) below is paid:
1. under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts, except that he may trade securities through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name if he first provides a copy of the BCSC Order to the registrant. Davidson may also participate in an employee share investment plan through his employer;
 2. under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 3. under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of any issuer or registrant except that Davidson may become or act as an officer or director of a company of which he owns all the shares;
 4. under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;
 5. under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 6. under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities;
- (c) Davidson pay to the BCSC \$48,000 pursuant to section 161(1)(g) of the BC Act.

Consent to Regulatory Orders

8. Davidson consented to regulatory orders made by any provincial or territorial securities regulatory authority in Canada containing any or all of the orders set out in paragraph 2 of the Settlement Agreement.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

9. Pursuant to the Settlement Agreement, Davidson agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of British Columbia.
10. Davidson is subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon him.
11. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that a person or company is to be made subject to sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.

Notices

12. Staff allege that it is in the public interest to make an order against Davidson.
13. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

DATED at Toronto this 27th day of November, 2018.

Kai Olson
Litigation Counsel
Enforcement Branch

Tel: (416) 597-7242
Email: <mailto:kolson@osc.gov.on.ca>

1.3.2 Paul Webster – ss. 127(1), 127(10)

FILE NO.: 2018-72

**IN THE MATTER OF
PAUL WEBSTER**

NOTICE OF HEARING

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

PROCEEDING TYPE: Inter-jurisdictional Enforcement Proceeding

HEARING DATE AND TIME: In writing

PURPOSE

The purpose of this proceeding is to consider whether it is in the public interest for the Commission to make the order requested in the Statement of Allegations filed by Staff of the Commission dated November 27, 2018.

Take notice that Staff of the Commission has elected to proceed by way of the expedited procedure for a written hearing provided for by Rule 11(3) of the Commission's *Rules of Procedure*.

Staff must serve on you this Notice of Hearing, the Statement of Allegations, Staff's hearing brief containing all documents Staff relies on, and Staff's written submissions.

You have **21 days** from the date Staff serves these documents on you to file a request for an oral hearing, if you do not want to follow the expedited procedure for a written hearing.

Otherwise, you have **28 days** from the date Staff served these documents on you to file your hearing brief and written submissions.

REPRESENTATION

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

FAILURE TO ATTEND

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

FRENCH HEARING

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AVIS EN FRANÇAIS

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

Dated at Toronto this 28th day of November, 2018.

"Grace Knakowski"
Secretary to the Commission

For more information

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

**IN THE MATTER OF
PAUL WEBSTER**

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

1. Staff of the Enforcement Branch (**Staff**) of the Ontario Securities Commission (the **Commission**) elect to proceed using the expedited procedure for inter-jurisdictional proceedings as set out in Rule 11(3) of the Commission's *Rules of Procedure*.

A. ORDER SOUGHT

2. Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, RSO 1990 c S.5 (the **Act**):

- (a) against Paul Webster (**Webster**) that:

until the later of July 24, 2030, or the date on which the amount in paragraph 2(3) of the Order of the British Columbia Securities Commission (**BCSC**) dated July 24, 2018 (the **BCSC Order**) has been paid:

- i. pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the Act, trading in any securities or derivatives, or acquisition of any securities, by Webster cease, except that he may trade in securities or derivatives through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name, if he first provides copies of the BCSC Order and the order of the Commission in this proceeding, if granted, to the registrant;
- ii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Webster;
- iii. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Webster resign any positions that he holds as a director or officer of any issuer or registrant;
- iv. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Webster be prohibited from becoming or acting as a director or officer of any issuer or registrant, except that Webster may become or act as an officer or director of a company of which he owns all the shares; and
- v. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Webster be prohibited from becoming or acting as a registrant or promoter;

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

B. FACTS

Staff make the following allegations of fact:

3. On July 24, 2018, Webster entered into the Settlement Agreement with the BCSC.
4. Pursuant to the Settlement Agreement, Webster admitted to breaching British Columbia securities legislation, and agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of British Columbia.
5. Webster is subject to an order of the BCSC, which imposes sanctions, conditions, restrictions or requirements upon him.

(i) The BCSC Proceedings

Agreed Statement of Facts

6. In the Settlement Agreement, Webster agreed with the following facts:

Background

- (a) Webster is a resident of British Columbia. Between July 2011 and April 2014, he was a director and officer or *de facto* director and officer of Titan-West Explorations Inc. (**Titan-West**).
- (b) In 2012, Titan-West and Webster attempted to mine for gold in the Yukon. Webster relocated his family to the Yukon for this purpose. Based on information provided to him from the people who sold the claims, he understood there was a substantial amount of gold on the property. Titan-West's 2012 financial statements showed gold revenue of \$41,307 and an operating loss of \$566,050.
- (c) Titan-West is dissolved.

Misconduct

- (d) Titan-West did not mine for gold in 2013. However, between October 2013 and February 2014, Titan-West and Webster raised capital for Titan-West.
- (e) Representatives of Titan-West provided some of the prospective investors promotional material, including a business plan and executive summary that Webster provided to the representatives.
- (f) The business plan provided to prospective investors did not disclose the 2012 operating loss of \$566,050 on gold revenue of \$41,307. Instead, the business plan disclosed an outdated 2012 "pro forma" financial statement with gross revenue of \$12 million and net operating income of \$6,959,418, which Webster ought to have known would be relied on by the investors.
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Misrepresentations

- (i) Titan-West made misrepresentations to investors by failing to disclose the 2012 operating loss, and by disclosing the 2012 pro forma financial statements, contrary to section 50(1)(d) of the BC Act. As a director and officer of Titan-West, Webster authorized, permitted or acquiesced in Titan-West's misrepresentations.

Breach of Cease Trade Order

- (j) After the Cease Trade Order was issued:
 - 1. Titan-West representatives emailed and telephoned prospective investors, soliciting investment in Titan-West; and
 - 2. Titan-West issued two promissory notes for \$27,000 to two previous Titan-West investors. The \$27,000 comprises part of the \$172,000 mentioned above.
- (k) The foregoing conduct contravened the Cease Trade Order. As a director and officer of Titan-West, Webster authorized, permitted or acquiesced in Titan-West's contraventions of the Cease Trade Order.
- (l) Webster has advised the BCSC's Executive Director that he received legal advice that Titan-West could borrow money despite the Cease Trade Order. As a result, Webster did not think Titan-West was contravening the Cease Trade Order by issuing promissory notes.

(ii) BCSC Settlement and Undertaking

Disgorgement

- (m) Webster agreed to an order under section 161(1)(g) of the BC Act to pay \$48,000 to the BCSC.

Undertaking

- (n) Webster undertook to not directly or indirectly make an application for restoration of Titan-West.

(iii) The BCSC Order

7. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements upon Webster:
- (a) under section 161(1)(d)(i) of the BC Act, Webster resign any position he holds as a director or officer of an issuer or registrant;
 - (b) Webster is prohibited for the later of 12 years from the date of the Settlement Agreement and the date that the amount set out in sub-paragraph (c) below is paid:
 - 1. under section 161(1)(b)(ii) of the BC Act, from trading in or purchasing any securities or exchange contracts, except that he may trade securities through a registrant in one non-registered account, one RRSP account and one TFSA account held in his own name if he first provides a copy of the BCSC Order to the registrant;
 - 2. under section 161(1)(c) of the BC Act, from relying on any of the exemptions set out in the BC Act, the regulations or a decision;
 - 3. under section 161(1)(d)(ii) of the BC Act, from becoming or acting as a director or officer of any issuer or registrant except that Webster may become or act as an officer or director of a company of which he owns all the shares;
 - 4. under section 161(1)(d)(iii) of the BC Act, from becoming or acting as a registrant or promoter;
 - 5. under section 161(1)(d)(iv) of the BC Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 - 6. under section 161(1)(d)(v) of the BC Act, from engaging in investor relations activities;
 - (c) Webster pay to the BCSC \$48,000 pursuant to section 161(1)(g) of the BC Act.

Consent to Regulatory Orders

8. Webster consented to regulatory orders made by any provincial or territorial securities regulatory authority in Canada containing any or all of the orders set out in paragraph 2 of the Settlement Agreement.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

9. Pursuant to the Settlement Agreement, Webster agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of British Columbia.
10. Webster is subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon him.
11. Pursuant to paragraphs 4 and 5, respectively, of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that a person or company is to be made subject to sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
12. Staff allege that it is in the public interest to make an order against Webster.
13. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.

DATED at Toronto this 27th day of November, 2018.

Kai Olson
Litigation Counsel
Enforcement Branch

Tel: (416) 597-7242
Email: <mailto:kolson@osc.gov.on.ca>

1.4 Notices from the Office of the Secretary

1.4.1 Muchoki Fungai Simba (also previously known as Henderson MacDonald Alexander Butcher)

**FOR IMMEDIATE RELEASE
November 28, 2018**

**MUCHOKI FUNGAI SIMBA
(also previously known as
Henderson MacDonald Alexander Butcher),
File No. 2018-6**

TORONTO – The Commission issued its Reasons and Decision on Sanctions and Costs and an Order in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs and the Order dated November 27, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.2 Darren Scott Davidson

**FOR IMMEDIATE RELEASE
November 28, 2018**

**DARREN SCOTT DAVIDSON,
File No. 2018-71**

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to Subsections 127(1) and 127(10) of the *Securities Act*.

A copy of the Notice of Hearing dated November 28, 2018 and Statement of Allegations dated November 27, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

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1.4.3 Paul Webster

FOR IMMEDIATE RELEASE
November 28, 2018

PAUL WEBSTER,
File No. 2018-72

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to Subsections 127(1) and 127(10) of the *Securities Act*.

A copy of the Notice of Hearing dated November 28, 2018 and Statement of Allegations dated November 27, 2018 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

1.4.4 Larry Keith Davis

FOR IMMEDIATE RELEASE
November 30, 2018

LARRY KEITH DAVIS,
File No. 2017-6

TORONTO – Take notice that upon Staff's request, a motion in the above named matter is scheduled to be heard on December 12, 2018 at 2:00 p.m.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

For media inquiries:

media_inquiries@osc.gov.on.ca

For investor inquiries:

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

**1.4.5 Money Gate Mortgage Investment Corporation
et al.**

**FOR IMMEDIATE RELEASE
December 4, 2018**

**MONEY GATE MORTGAGE
INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN,
File No. 2017-79**

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

A copy of the Order dated December 4, 2018 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
GRACE KNAKOWSKI
SECRETARY TO THE COMMISSION

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Minto Apartment Real Estate Investment Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions – issuer holds all of its properties through limited partnership – entity holds units in limited partnership which are exchangeable into and in all material respects the economic equivalent to the issuer’s publicly traded units – issuer may include entity’s indirect interest in issuer when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions – relief granted subject to conditions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.5(a), 5.7(1)(a), 9.1.

November 27, 2018

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

AND

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

AND

IN THE MATTER OF
MINTO APARTMENT REAL ESTATE INVESTMENT TRUST
(the “Filer”)

DECISION

Background

The principal regulator in the Jurisdiction (the “**Principal Regulator**”) has received an application (the “**Application**”) from the Filer for a decision under the securities legislation of the Jurisdiction (the “**Legislation**”) that the Filer be granted an exemption pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) from the minority approval and formal valuation requirements under Part 5 of MI 61-101 relating to any related party transaction of the Filer entered into indirectly through Minto Apartment Limited Partnership (“**Minto LP**”) or any other subsidiary entity of Minto LP (as such term is defined in MI 61-101), if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(1)(a) of MI 61-101 if the indirect equity interest in the Filer in the form of Exchangeable LP Units (defined below), which is currently held by Minto Partnership B LP, a subsidiary of Minto Properties Inc. (“**Minto Properties**”), were included in the calculation of the Filer’s market capitalization (collectively, the “**Requested Relief**”).

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and MI 61-101 have the same meaning if used in this decision unless otherwise defined herein.

Representations

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

1. The Filer is an unincorporated open-ended real estate investment trust established under the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated June 27, 2018, as amended July 10, 2018, as the same may be further amended and/or restated from time to time (the "**Declaration of Trust**").
2. The Filer's head office is located at 200 – 180 Kent Street, Ottawa, Ontario K1P 0B6.
3. The Filer is a reporting issuer in each of the provinces and territories of Canada and is not currently in default of any applicable requirements of the securities legislation thereunder.
4. The Filer is authorized to issue an unlimited number of trust units ("**Trust Units**") and an unlimited number of special voting units ("**Special Voting Units**"). As of the date hereof, there are 15,863,100 Trust Units and 20,859,410 Special Voting Units issued and outstanding. Special Voting Units are only issued in tandem with the issuance of Exchangeable LP Units and therefore the number of Special Voting Units outstanding at any point in time is identical to the number of Exchangeable LP Units issued and outstanding.
5. The Trust Units are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "MI.UN".
6. The operating business of the Filer is carried on by Minto LP which directly or indirectly owns a portfolio of 22 multi-residential rental properties located in Canada.
7. Minto LP is a limited partnership formed under the laws of the Province of Ontario and is governed by an amended and restated limited partnership agreement dated June 27, 2018 (the "**Limited Partnership Agreement**"). Minto LP's head office is located at 200 – 180 Kent Street, Ottawa, Ontario K1P 0B6.
8. Minto LP is not a reporting issuer (or the equivalent thereof) in any jurisdiction and none of its securities are listed or posted for trading on any stock exchange or other market.
9. The Filer is the sole shareholder of the general partner of Minto LP. The general partner of Minto LP has the authority to manage the business and affairs of Minto LP.
10. Minto LP is authorized to issue an unlimited number of Class A partnership units ("**Class A Units**"), an unlimited number of exchangeable Class B partnership units ("**Exchangeable LP Units**"), and an unlimited number of Class C partnership units ("**Class C Units**"). The Filer holds all of the outstanding Class A Units, of which 15,863,100 are issued and outstanding. Minto Partnership B LP, a subsidiary of Minto Properties, the vendor of the properties currently owned by Minto LP, currently holds all of the Exchangeable LP Units, of which 20,859,410 are issued and outstanding and Minto Partnership C LP, a subsidiary of Minto Properties, holds all of the Class C Units, of which 22,978,700 are issued and outstanding.
11. The Exchangeable LP Units are, in all material respects, economically equivalent to the Trust Units on a per unit basis. The Exchangeable LP Units are not transferable (except as specifically provided in the Limited Partnership Agreement), however the Exchangeable LP Units are exchangeable on a one-for-one basis for Trust Units at any time at the option of the holder thereof (subject to customary anti-dilution provisions). The distributions made on the Exchangeable LP Units are equal to the distributions that the holder of the Exchangeable LP Units would have received if it were holding the Trust Units that may be obtained upon the exchange of such Exchangeable LP Units. The Exchangeable LP Units are non-voting units of Minto LP (except as specifically provided in the Limited Partnership Agreement), however each Exchangeable LP Unit is accompanied by a Special Voting Unit so that the holder of the Exchangeable LP Units has voting rights on matters respecting the Filer that are the same as the voting rights that the holder would have if it were holding the Trust Units that may be obtained upon the exchange of such Exchangeable LP Units. The Exchangeable LP Units are not exchangeable for securities other than Trust Units nor are they redeemable for cash.
12. Class C Units are non-voting units of Minto LP and are intended solely to service certain secured debt on properties owned by the Filer that was retained by Minto Properties at the time the properties were sold to Minto LP as part of the Filer's initial public offering.

Decisions, Orders and Rulings

13. As of the date hereof, Minto Properties holds an effective interest in the Filer of approximately 56.8% (assuming the exchange of all Exchangeable LP Units, which are currently held indirectly by Minto Properties, for Trust Units, but otherwise on a non-diluted basis and without taking into account awards outstanding pursuant to the Filer's equity incentive plan). Minto Properties effective interest is currently comprised of the outstanding Exchangeable LP Units.
14. It is anticipated that the Filer, indirectly through Minto LP or its subsidiaries, may from time to time enter into transactions with certain related parties (as such term is defined in MI 61-101), including Minto Properties or any of its subsidiaries or affiliates.
15. If MI 61-101 applies to a related party transaction by an issuer and the transaction is not otherwise exempt:
 - 15.1. the issuer must obtain a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 prepared by an independent valuator; and
 - 15.2. the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (together, the requirements in paragraphs 15.1 and 15.2 are referred to as the "**Minority Protections**").
16. A related party transaction that is subject to MI 61-101 may be exempt from the Minority Protections if, at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization (the "**Transaction Size Exemption**").
17. The Filer may not be entitled to rely on the Transaction Size Exemption available under the Legislation from the requirements relating to related party transactions in the Legislation because the definition of "market capitalization" in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.
18. The Exchangeable LP Units represent part of the equity value of the Filer and provide the holder of the Exchangeable LP Units with economic rights which are, in all material respects, equivalent to the Trust Units. The effect of the exchange right attaching to the Exchangeable LP Units is that a holder of Exchangeable LP Units is entitled to receive Trust Units upon the exchange of the Exchangeable LP Units. Moreover, the economic interests that underlie the Exchangeable LP Units are identical to those underlying the Units; namely, the assets held directly or indirectly by Minto LP.
19. If the Exchangeable LP Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of the interest in Minto LP represented by the Exchangeable LP Units (currently being approximately 56.8%). As a result, related party transactions of the Filer may be subject to the Minority Protections in circumstances where the fair market value of the transactions is effectively less than 25% of the fully-diluted market capitalization of the Filer (for greater certainty, excluding any outstanding unit-based incentive awards).
20. Section 1.4 of MI 61-101 treats an operating entity of an "income trust", as such term is defined in National Policy 41-201 *Income Trusts and Other Indirect Offerings* ("**NP 41-201**"), on a consolidated basis with its parent trust entity for the purpose of determining which entities are related parties of the issuer and to which transactions MI 61-101 should apply. Section 1.2 of NP 41-201 provides that references to an "income trust" refer to a trust or other entity (including corporate and non-corporate entities) that issues securities which provide for participation by the holder in net cash flows generated by an underlying business owned by the trust or other entity. Therefore, it is consistent with MI 61-101 that securities of the operating entity, such as the Exchangeable LP Units, be treated on a consolidated basis for the purposes of the Transaction Size Exemption.
21. The inclusion of the Exchangeable LP Units when determining the Filer's market capitalization pursuant to MI 61-101 is consistent with the logic of including unlisted equity securities of the issuer which are convertible into listed securities of the issuer in determining an issuer's market capitalization in that both are securities that are considered part of the equity value of the issuer whose value is measured on the basis of the listed securities into which they are convertible or exchangeable.

Decision

The Principal Regulator is satisfied that the test contained in the Legislation that provides the Principal Regulator with the jurisdiction to make the decision has been met.

The decision of the Principal Regulator under the Legislation is that the Requested Relief be granted to the Filer provided that:

- (a) the applicable transaction would qualify for the Transaction Size Exemption contained in MI 61-101 if the Exchangeable LP Units were considered an outstanding class of equity securities of the Filer that were convertible into Trust Units;
- (b) there be no material change to the terms of the Exchangeable LP Units and Special Voting Units, including the exchange rights associated therewith, as described above and in the Declaration of Trust, the Limited Partnership Agreement and the Exchange Agreement entered into by the Filer, among others, dated June 27, 2018, whether by amendment to such documents, contractual agreement or otherwise;
- (c) the applicable transaction is made in compliance with the rules and policies of the Toronto Stock Exchange or such other exchange upon which the Filer's securities trade; and
- (d) any annual information form or equivalent of the Filer that is required to be filed in accordance with applicable Canadian securities laws contain the following disclosure, with any immaterial modifications as the context may require:

“Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Minto Apartment Real Estate Investment Trust (the “**REIT**”) has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of the REIT's market capitalization, if the exchangeable Class B limited partnership units of Minto Apartment Limited Partnership are included in the calculation of the REIT's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the approximately 56.8% indirect exchangeable equity interest in the REIT held by Minto Partnership B LP, a subsidiary of Minto Properties Inc., in the form of exchangeable Class B limited partnership units of Minto Apartment Limited Partnership.”

“Naizam Kanji”
Director, Office of Mergers & Acquisitions
Ontario Securities Commission

2.1.2 Prometic Life Sciences Inc. – s. 5.1 of OSC Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions

Headnote

Application for a decision, pursuant to section 5.1 of OSC Rule 48-501, exempting the applicants from trading restrictions imposed by section 2.2 of OSC Rule 48-501. Decision granted.

Rule Cited

Ontario Securities Commission Rule 48-501 Trading During Distributions, Formal Bids and Share Exchange Transactions.

September 7, 2018

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED
(the Act)**

AND

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501
TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS
(the Rule)**

AND

**IN THE MATTER OF
PROMETIC LIFE SCIENCES INC.
(the Filer)**

**DECISION
(Section 5.1 of the Rule)**

(a) Background

The securities regulator in the Jurisdiction (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the requirement in section 2.2(a) of the Rule – *Trading during Distributions, Formal Bids and Share Exchange Transactions* and the procedures set forth in OSC Policy 2.1 – *Applications to the Ontario Securities Commission* for a decision that the requirement in section 2.2(a) of the Rule do not apply to insiders of the Filer in connection with any ATM Distributions made by the Filer under an Equity Distribution Agreement (the **Exemptive Relief Sought**).

The Decision Maker has also received a request from the Filer for a decision that the Application and this decision (together, the **Confidential Material**), be kept confidential and not made public until the earliest of (i) the date on which the Filer enters into an Equity Distribution Agreement as described below, (ii) the date on which the Filer has informed the Decision Maker that there is no longer any need for the Confidential Material to remain confidential, and (iii) the date that is 90 days after August 29, 2018 (together, the **Confidentiality Relief**).

(b) Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, *Regulation 21-101 respecting Marketplace Operation* and *Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval (SEDAR)* have the same meaning if used in this decision, unless otherwise defined in this Application.

(c) Representations

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

Background

Prometic Life Sciences Inc.

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act*. The head office of the Filer is in Laval, Quebec, Canada.
2. The Common Shares are listed on the Toronto Stock Exchange (**TSX**) and are also listed on the OTCQX International (**OTCQX**).
3. The Filer is a reporting issuer in each province of Canada and is not in default of securities legislation in any jurisdiction of Canada.
4. The Common Shares meet the requirements in the Rule to be considered a “highly-liquid security.”

Proposed ATM Distribution

5. The Filer has filed a short form base shelf prospectus dated March 14, 2018 (the **Shelf Prospectus**).
6. Subject to mutual agreement on terms and conditions, and to receipt of the exemptions sought under the Dual Application, the Filer is proposing to enter into the Equity Distribution Agreement with a certain agent (the **Agent**), providing for the sale from time to time by the Filer through the Agent, as agent, of Common Shares under ATM Distributions under the shelf procedures prescribed by Part 9 of NI 44-102 (an **ATM Program**), after the filing of a prospectus supplement (together, with the Shelf Prospectus, the **Prospectus**).
7. The Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Filer will represent to the Agent that the Prospectus contains full, true and plain disclosure of all material facts relating to the Filer and the Common Shares being distributed. It is therefore likely that the bulk of the sales activity under the ATM Program will occur during periods commencing on the second business day after the public announcement of the Filer’s quarterly or annual earnings and continuing for 45 calendar days after that date.

Shareholding Guidelines

8. Under the Filer’s shareholding policy (the **Shareholding Guidelines**), (i) directors of the Filer must hold 200,000 Common Shares, (ii) the chairman of the board of directors of the Filer must hold 300,000 Common Shares, (iii) named executive officers must hold 400,000 Common Shares, and (iv) the president and chief executive officer of the Filer must hold 600,000 Common Shares, each having a maximum period of three years to attain such levels once the Shareholding Guidelines apply to them.
9. The Filer believes that the Shareholding Guidelines are in-line with best corporate governance practices and that it is in the Filer’s best interest to avoid imposing any unnecessary restrictions on the ability of insiders to increase their equity stake in the Filer.
10. Under the terms of the Filer’s trading policy for employees and insiders (the **Trading Policy**), directors and officers of the Filer, as well as certain other individuals, are prohibited from trading Common Shares during regularly scheduled “blackout” periods (the **Blackout Periods**), which will be in place for a minimum of 25 calendar days before the regulatory (SEDAR) filing deadline of the quarterly financial information and for a minimum of 50 calendar days before the regulatory (SEDAR) filing deadline of the year-end financial information (or, in each case, if shorter, the period from the relevant financial period end, up to and including the release date). Blackout Periods end on the second business day following the public announcement of the Filer’s quarterly or annual earnings and continue until the following Blackout Period. If the Filer puts in place an ATM Program, ATM Distributions by the Filer will likely occur outside the Blackout Periods.
11. Under section 2.2(a) of the Rule, an insider of a reporting issuer is prohibited from bidding on or purchasing securities of that reporting issuer during the period commencing on the date that is two trading days prior to the day the offering price is determined for a prospectus offering of that reporting issuer, and ending on the date the selling process ends and all stabilization arrangements relating to the restricted security are terminated (the **Insider Purchasing Restriction**).
12. These restrictions in the Rule were not designed in contemplation of ATM Distributions. Section 1.2(5)(a)(i) of the Rule provides the following interpretative guidance:

the selling process shall be considered to end, in the case of a prospectus distribution, if a receipt has been issued for the final prospectus, the dealer has allocated all of its portion of the securities to be distributed under the prospectus and all selling efforts have ceased

however this guidance does not apply in the context of an ATM Distribution, where the receipt is obtained before the distribution begins, the dealers do not allocate a position (but rather simply trade on a "marketplace", within the meaning of National Instrument 21-101 – *Marketplace Operation*) and no selling efforts are made (only ordinary trading activity).

13. Similarly, the exemption in section 3.2(e) of the Rule, in respect of "a subscription for or purchase of an offered security pursuant to a prospectus distribution", is not possible to apply in the context of an ATM Distribution, given that insiders purchasing on a marketplace during an ATM Distribution would have no knowledge as to whether they are purchasing under the ATM Distribution or otherwise from a counterparty unrelated to the Filer.
14. The stated policy rationale for the Rule is to prohibit "purchases of or bids for restricted securities in circumstances where there is heightened concern over the possibility of manipulation by those with an interest in the outcome of the distribution or transaction".¹
15. In the case of the Filer, given that:
 - A. the Common Shares constitute a "highly liquid security" and are liquid to such a degree that it would be virtually impossible for an insider to manipulate the trading price of the Common Shares through purchases;
 - B. most insiders of the Filer will, in any event, be unaware of when each ATM Distribution begins and ends and discrete sales of Common Shares thereunder occur; and
 - C. any insider of the Filer that is purchasing Common Shares on the market during an ATM Distribution will not know whether it is purchasing under the ATM Distribution or from another counterparty unrelated to the Filer;there is no policy rationale for applying the Insider Purchasing Restriction to insiders of the Filer in the context of an ATM Distribution.
16. In the absence of the Exemption Sought, insiders of the Filer would be restricted from bidding on and purchasing Common Shares during a period of time prior to and during each ATM Distribution by the Filer, which would not likely overlap with the Blackout Periods and unduly and unnecessarily impede directors and officers of the Filer from making purchases of Common Shares, including for the purposes of complying with the Shareholding Guidelines.

Confidentiality

17. The Filer submits that the Confidentiality Relief is warranted in the circumstances as there is otherwise a risk of the public being misled into believing, on the basis of the Confidential Material being available to the public before the earliest of the proposed expiration dates, that implementation of the contemplated ATM Distribution arrangement by the Filer is imminent when in fact the parties have not yet come to a definitive agreement and the Filer may decide not to proceed with an ATM Distribution in the near term, or at all, depending on market conditions and other factors outside of the Filer's control. Such premature disclosure could cause confusion and uncertainty in the market and would be contrary to the public interest.
18. In recognition of the general principles of access under the Act, however, the Filer proposes that the Confidentiality Relief be limited to a maximum duration of 90 days from August 29, 2018. This period is believed to provide the Filer with sufficient time within which to negotiate a definitive Equity Distribution Agreement or otherwise make a final determination on the matter, and strikes an appropriate balance between the Filer's legitimate concerns about premature disclosure and principles of public access to filed materials.
19. Upon a definitive Equity Distribution Agreement being settled between the Filer and the Agents, the Filer's ordinary disclosure obligations will apply and news of the proposed ATM Distribution arrangement would be disseminated in the ordinary course.

¹ OSC Request for Comment on Changes to Proposed OSC Rule 48-501 – *Trading During Distributions, Formal Bids and Share Exchange Transactions* (2nd Publication) and Proposed Companion Policy 48-501CP to OSC Rule 48-501 and Proposed Rescission of OSC Policy 5.1, Paragraph 26 and OSC Policy 62-601 – *Securities Exchange Take-Over Bids – Trades in the Offeror's Securities* (September 10, 2004).

Decision

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

The decision of the Decision Maker under the Legislation is that the Exemptive Relief Sought is granted.

DATED this 7th day of September, 2018

“Susan Greenglass”
Director, Market Regulation Branch
Ontario Securities Commission

2.1.3 Local Authority Services et al.

Headnote

Application by three Ontario not-for-profit entities that have initiated and organized the establishment of a joint advisory board under Ontario municipal legislation to provide certain advisory services to Ontario municipalities on a not-for-profit, cost-recovery basis – Filers have developed the joint investment board in response to a Government of Ontario initiative to make possible enhanced investment returns and efficiencies for municipalities – objective of the initiative is to make high-quality investment management available to Ontario municipalities, particularly smaller municipalities, that do not have in-house expertise or financial resources to obtain such advisory services on their own, thereby availing such municipalities with an opportunity to increase their risk-adjusted investment returns on terms comparable to larger municipalities – the joint investment board will be established and will operate under the requirements of Ontario municipal legislation – municipal legislation sets out a detailed legislative and regulatory framework for providing governance, transparency and oversight regarding investment activities of municipalities and other Eligible Investors – Filers are subject to, and will comply with, the rules, regulations, policies and directives of authorities required by such regulatory framework – Other than investing in the Investment Pools on behalf of Eligible Investors, the Filers will not engage in discretionary portfolio management – day-to-day portfolio management and advisory services supplied to the Investment Pools or otherwise to Eligible Investors will be provided by portfolio managers registered or exempt from registration – Eligible Investors will in all cases be accredited investors – Filers will not provide investment management or advisory services to any persons or companies other than the Eligible Investors and the Investment Pools – certain of the Filers’ activities may be considered registerable activities under Ontario securities and commodity futures law – Filers granted the following relief:

- relief under the Securities Act (Ontario) (the OSA) from the dealer, adviser and investment fund manager registration requirements in section 25 of the OSA;
- relief from the adviser registration requirements in section 22 of the Commodity Futures Act (Ontario) (the CFA); and
- relief from the financial statement requirements in Part 2 of NI 81-106 Investment Fund Continuous Disclosure (NI 81-106).

Applicable Legislative Provisions

Commodity Futures Act, R.S.O. 1990, c. C.20, ss. 22(1), 80.

Securities Act, R.S.O. 1990, c. S.5, ss. 1(1), 25(1), 25(3), 25(4) and 74(1).

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 1.1, 17.1, and Part 2.

Municipal Act, 2001, S.O. 2001, c. 25.

Ontario Regulation 438/97 Eligible Investments, Related Financial Agreements and Prudent Investment, made under the Municipal Act.

Municipal Conflict of Interest Act, R.S.O. 1990, C. M.50.

Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56.

November 23, 2018

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, C. S.5, AS AMENDED
(the OSA)**

AND

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED (the CFA)**

AND

**IN THE MATTER OF
LOCAL AUTHORITY SERVICES (LAS),
CHUMS FINANCING CORPORATION (CHUMS), and
ONE INVESTMENT and ONE JOINT INVESTMENT BOARD (ONE JIB)
(the Filers)**

COMMISSION AND DIRECTOR DECISIONS

Background

The Ontario Securities Commission (the **OSC** or **Commission**) has received an application from the Filers for decisions under the OSA and CFA providing for the following exemptions (collectively, the **Commission Exemptions Sought**):

- A. rulings under subsection 74(1) of the OSA (the **OSA Exemptions Sought**):
- (a) exempting each Investment Pool, and the Filers acting on behalf of the Investment Pool, from the OSA dealer registration requirement in connection with trades in any Units of the Investment Pool to any Eligible Investor;
 - (b) exempting ONE Investment from the OSA investment fund manager registration requirement in connection with ONE Investment acting as an investment fund manager for any Investment Pool that is an investment fund in respect of which the only holders of securities issued by the Investment Pool are Eligible Investors;
 - (c) exempting ONE JIB and ONE Investment from the OSA adviser registration requirement in connection with ONE JIB or ONE Investment providing Investment Advisory Services in respect of securities to any Eligible Investor or any Investment Pool;
 - (d) exempting ONE Investment and ONE JIB from the OSA dealer registration requirement in connection with trades in securities (other than Units of the Investment Pools) made under the ONE Investment Offering to any Eligible Investor; and
- B. an order, under section 80 of the CFA (the **CFA Exemption Sought**), exempting ONE JIB and ONE Investment from the CFA adviser registration requirement in connection with ONE JIB and ONE Investment providing Investment Advisory Services in respect of commodity futures contracts or commodity futures options to any Eligible Investor or any Investment Pool.

The OSC has also received an application from ONE Investment for an order under section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**, and together with the OSA and the CFA, the **Legislation**), exempting the Investment Pools from the financial statement requirements in Part 2 of NI 81-106 that apply to “mutual funds in Ontario” (the **Director Exemption Sought**).

Interpretation

In this decision, the following terms shall have the following meanings unless context otherwise requires and terms defined in National Instrument 14-101 – *Definitions* have the meanings ascribed therein:

- i. **accredited investor** has the same meaning as in section 73.3 of the OSA and section 1.1 of NI 45-106;
- ii. **CFA adviser registration requirement** means the requirement in subsection 22(1) of the CFA that prohibits a person or company from engaging in the business of advising others as to trading in a commodity futures contract or commodity futures option unless that person or company is registered in the appropriate category of registration under the CFA;
- iii. **Eligible Investor** means (i) a municipality in Ontario which is subject to the Municipal Legislation; (ii) a public board or commission in Ontario or a metropolitan community, school board, or any agency of a municipality in Ontario or any of the foregoing (as found in the definition of accredited investor); or (iii) an entity specified in section 420 of the *Municipal Act* (including an entity prescribed by regulation); provided such entity as described in clauses (i), (ii) or (iii) is an accredited investor;
- iv. **Founding Municipalities** means the Ontario municipalities who established ONE JIB as a Joint Investment Board in accordance with the requirements of paragraph 2 of section 15 of the Municipal Investment Regulation;
- v. **Investment Advisory Services** means, in the case of an Eligible Investor or Investment Pool, investment management and advisory services that include advising the Eligible Investor or Investment Pool as to the investing in or buying or selling of securities, or advising the Eligible Investor or Investment Pool as to trading in commodity futures contracts or commodity futures options;
- vi. **Investment Pools** means pooled investment vehicles or similar arrangements managed by ONE Investment for the benefit of Eligible Investors and Investment Pool means any one of them;
- vii. **Investment Pool Document** means the articles, declaration of trust, limited partnership agreement or other constating or governing document in respect of an Investment Pool;

- viii. **Management Interests** has the meaning given to this term in paragraph 39, below;
- ix. **Municipal Act** means the *Municipal Act, 2001*, S.O. 2001, c. 25;
- x. **Municipal Fiduciary Standard** has the meaning given to it in paragraph 22 below;
- xi. **Municipal Investment Regulation** means Ontario Regulation 438/97 *Eligible Investments, Related Financial Agreements and Prudent Investment*, made under the *Municipal Act*;
- xii. **Municipal Legislation** means all applicable legislation that applies to ONE JIB including, without limitation, the *Municipal Act*, the *Municipal Conflict of Interest Act*, R.S.O. 1990, C. M.50, the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, C. M.56, the *Municipal Investment Regulation* and any other applicable regulations made under such Acts;
- xiii. **NI 31-103** means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
- xiv. **NI 45-106** means National Instrument 45-106 *Prospectus Exemptions*;
- xv. **NI 81-102** means National Instrument 81-102 *Investment Funds*;
- xvi. **ONE Investment Offering** means advice related to municipal finance and infrastructure asset management, and the suite of cash management and investment products and services, including but not limited to securities of the Investment Pools, offered or to be offered by CHUMS, LAS and ONE Investment to Eligible Investors;
- xvii. **ONE Investment Subsidiary** means a person or company of which all of the securities or other interests issued by the person or company are beneficially owned by ONE Investment;
- xviii. **ONE JIB** means the ONE Joint Investment Board and for purposes of this decision includes the individuals who from time to time are members of ONE JIB;
- xix. **ONE JIB Agreement** means the agreement to be entered into by a municipality, ONE JIB and any other municipalities investing through ONE JIB as specified in paragraph 3 of section 15 of the *Municipal Investment Regulation*;
- xx. **OSA adviser registration requirement** means the requirement in subsection 25(3) of the OSA that prohibits a person or company from engaging in the business of, or holding himself, herself or itself out as engaging in the business of, advising anyone with respect to investing in securities or the buying or selling of securities, unless that person or company is registered in the appropriate category of registration under the OSA;
- xxi. **OSA dealer registration requirement** means the requirement in subsection 25(1) of the OSA that prohibits a person or company from engaging in, or holding himself, herself or itself out as engaging in, the business of trading in securities, unless that person or company is registered in the appropriate category of registration under the OSA;
- xxii. **OSA investment fund manager registration requirement** means the requirement in subsection 25(4) of the OSA that prohibits a person or company from acting as an investment fund manager, unless that person or company is registered as an investment fund manager under the OSA;
- xxiii. **Participating Municipality** means a municipality which has entered into the ONE JIB Agreement.
- xxiv. **Units** means the units, fractionalized ownership interests or other securities issued by or in respect of an Investment Pool.

Representations

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

Structure of the Filers

1. LAS is a not-for-profit, non-share corporation. The mandate of LAS is to work with Ontario municipalities, as well as organizations from the broader public sector, to help realize lower costs, higher revenues, and enhanced staff capacity through co-operative procurement efforts and innovative training, programs, and services.
2. CHUMS is a not-for-profit corporation established in 1992 by the Municipal Finance Officers' Association of Ontario (MFOA) and its sole shareholder is MFOA. CHUMS provides advice and services in the area of municipal finance to Ontario municipalities and municipal finance officers and staff.
3. ONE Investment is a not-for-profit corporation without share capital incorporated July 10, 2018 by LAS and CHUMS.
4. None of LAS, CHUMS or ONE Investment is registered in any capacity in Ontario.
5. None of LAS, CHUMS or ONE Investment is in default of any requirement of the OSA or the regulations made thereunder.
6. None of LAS, CHUMS or ONE Investment is in default of any requirement of the CFA or the regulations made thereunder.
7. ONE Investment has been formed in response to an initiative of the Government of Ontario to make possible enhanced investment returns and efficiencies for municipalities. A key policy driver for ONE Investment is to make high-quality investment management available to smaller municipalities that do not have in-house expertise or financial resources to obtain such advisory services on their own, thereby allowing for increasing their risk-adjusted investment returns. ONE Investment will work with, and provide support to, ONE JIB to make available the Investment Pools and the ONE Investment Offering to Eligible Investors.
8. As a not-for-profit corporation, ONE Investment will operate on the basis of a not-for-profit, cost-recovery model.
9. ONE JIB is being established by the Founding Municipalities as a Joint Investment Board under the *Municipal Act* and the Municipal Investment Regulation. Upon entering into the ONE JIB Agreement and complying with other conditions set out in the *Municipal Act* and the Municipal Investment Regulation, ONE JIB will have management and control over certain money to be invested by Participating Municipalities.
10. The Municipal Legislation and the *City of Toronto Act, 2006*, S.O. 2006, c.11 and the applicable regulations made under that Act contain detailed provisions regarding the governance and transparency requirements for municipalities and their investment boards or joint investment boards who choose to invest under section 418.1 of the *Municipal Act*.
11. The *Municipal Act* and the Municipal Investment Regulation provide that ONE JIB will be required to enter into the ONE JIB Agreement with each Participating Municipality. The ONE JIB Agreement with each Participating Municipality will be approved by the council of each Participating Municipality in accordance with each such Participating Municipality's by-laws and procedural rules.
12. Each Participating Municipality is an accredited investor under the definition of accredited investor in section 1.1 of NI 45-106.
13. ONE JIB may manage certain assets of Participating Municipalities in segregated accounts or under co-ownership arrangements whereby the Participating Municipalities will own a direct or indirect interest in the invested assets. In addition, ONE JIB may allocate certain of the assets of Participating Municipalities to the Investment Pools, and ONE Investment will manage the assets of the Investment Pools.

Participating Municipalities and Other Eligible Investors

14. Section 420 of the *Municipal Act* provides that in addition to other municipalities, the following are prescribed as entities with whom a municipality has the power to enter into an agreement for the investment of money: (i) a public hospital, (ii) a university in Ontario that is authorized to operate under section 3 of the *Post-Secondary Education Choice and Excellence Act, 2000*, (iii) a college established under the *Ontario Colleges of Applied Arts and Technology Act, 2002*, (iv) a school board, (v) any agent of an institution described in (i) to (v) of this paragraph; and (vi) additional persons or bodies or any class of them as may be prescribed by the Minister of Municipal Affairs and Housing.

15. Under the definition of accredited investor in section 73.3 of the OSA and section 1.1 of NI 45-106, in addition to municipalities, the following are included as accredited investors: a public board or commission in Canada or a metropolitan community, school board, or any agency of a municipality in Canada. For purposes of the Exemptions Sought, Eligible Investors are the entities described in paragraph 14, provided that that the entity is an accredited investor, and the entities described in this paragraph 15, except that the references to “Canada” are changed to references to “Ontario”.
16. Neither ONE JIB nor ONE Investment will provide investment management or advisory services to any persons or companies other than the Eligible Investors and the Investment Pools.
17. Entities that qualify as Eligible Investors are all municipalities as defined in section 1 of the *Municipal Act* or other organizations in Ontario’s broader public sector that are generally subject to Ontario legislation and policies that are designed to ensure accountability, transparency and integrity in the public sector. For example the Participating Municipalities are subject to the Municipal Legislation, which provides the basis for appropriate accountability and transparency.
18. ONE JIB is constituted as a joint municipal service board as defined in the *Municipal Act* and is generally subject to Ontario legislation and policies that are designed to ensure accountability, transparency and integrity in the public sector. For example:
 - (a) members of the ONE JIB may only act in accordance with the Municipal Legislation, which provides the basis for appropriate accountability and transparency;
 - (b) the Municipal Legislation, which applies to all members of local boards that are subject to the *Municipal Act*, including the members of ONE JIB, sets out rights and duties of members concerning ethical conduct and establishing procedures for the disclosure and investigation of ethical breaches; and
 - (c) as a local board, meetings of ONE JIB will be open to the public.
19. To comply with the governance and financial reporting requirements set out in their by-laws and in the Municipal Legislation, Participating Municipalities have sophisticated governance structures and generally have appropriate financial and business expertise.

Duty of Loyalty and Standard of Care

20. Subsection 418.1(8) of the *Municipal Act* requires a Participating Municipality, in investing its money, to exercise the care, skill, diligence and judgment that a prudent investor would exercise. Subsection 418.1(9) of the *Municipal Act* requires a Participating Municipality, in the discharge of its duties, to obtain the advice that a prudent investor would obtain under comparable circumstances.
21. The ONE JIB Agreement provides that ONE JIB will exercise this same standard of care in the discharge of its duties to Participating Municipalities.
22. The ONE JIB Agreement provides for proficiency requirements for ONE JIB members by requiring each such member to have experience and expertise in investment management, risk management, finance, corporate governance, accounting, law or in such other areas of expertise as may be determined from time to time.
23. The *Municipal Act* provides that:
 - (a) the municipality must consider the following criteria in planning investments, in addition to any other criteria that are relevant to the circumstances:
 1. General economic conditions;
 2. The possible effect of inflation or deflation;
 3. The role that each investment or course of action plays within the municipality’s portfolio of investments;
 4. The expected total return from income and the appreciation of capital; and
 5. Needs for liquidity, regularity of income and preservation or appreciation of capital; and

- (b) the municipality must diversity its investments to an extent that is appropriate to general economic and investment market conditions;

(the foregoing requirements, together with the standard of care set out in paragraph 20, and the obligations described in paragraph 24, are referred to herein as the Municipal Fiduciary Standard).

- 24. Subsections 22(1) and (2) of the Municipal Investment Regulation provide that an Investment Board or Joint Investment Board such as ONE JIB may authorize an agent to exercise any of the board's functions to the same extent that a prudent investor, acting in accordance with ordinary investment practice, would authorize an agent to exercise any investment function. An Investment Board or Joint Investment Board such as ONE JIB is required to exercise prudence in selecting an agent, in establishing the terms of the agent's authority and in monitoring the agent's performance to ensure compliance with those terms. When investing the assets of the Participating Municipalities, under the ONE JIB Agreement, ONE JIB and ONE Investment will be subject to the **Municipal Fiduciary Standard**.

Governance

- 25. The Municipal Legislation collectively establishes a framework for robust governance and compliance systems for Participating Municipalities and ONE JIB that establish requirements for: the disclosure of information to Participating Municipalities, the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by ONE JIB, and accountability to Participating Municipalities and their respective councils.
- 26. ONE JIB is to consist of at least seven and not more than ten members. The first members of ONE JIB will be appointed by the Founding Municipalities. In the future, members of ONE JIB will be nominated by the incumbent members of ONE JIB, and approved by ONE Investment (as proxy for the Participating Municipalities). The Participating Municipalities will retain power to veto a nominee or to terminate a member in extraordinary circumstances. Candidates for membership will be selected in accordance with a skills/needs matrix by a nominating committee which is established in accordance with ONE JIB's terms of reference.
- 27. The Municipal Legislation authorizes ONE JIB to make or amend policies governing its proceedings and generally for the conduct and management of ONE JIB's activities and affairs that are consistent with the Municipal Legislation.
- 28. In connection with its investment management activities for a Participating Municipality, ONE JIB will adopt and maintain an investment plan to carry out a Participating Municipality's investment policy and to comply with the Municipal Fiduciary Standard, and ONE Investment will, as an agent of ONE JIB, carry out the day-to-day operations to implement such plans, including in relation to the following matters:
 - (a) a process for making prescribed reports to the Participating Municipality and its treasurer;
 - (b) maintenance of books and records that accurately record transactions on behalf of Participating Municipalities and demonstrates compliance with the Municipal Legislation;
 - (c) prevention of any investments by an Investment Pool, or otherwise by ONE JIB on behalf of a Participating Municipality, which contravene the specific investment restrictions applicable to the Investment Pool, or the Participating Municipality;
 - (d) a know-your-client (known as **KYC**) policy to ensure collection of such information as is necessary to verify the identity of each Participating Municipality and to understand its financial objectives and risk tolerance;
 - (e) if considered necessary, an escalation process for handling concerns or complaints expressed by a Participating Municipality to any member of ONE JIB, which process may be included in the ONE JIB Agreement;
 - (f) a due diligence process for vetting and monitoring any portfolio managers selected by ONE JIB to manage an Investment Pool or a portion of any assets of an Investment Pool or any assets under management by ONE JIB; and
 - (g) a due diligence process for the selection of custodians and other agents, which will be completed prior to a custodian or other agent holding or having access to the assets of any Participating Municipality or any Investment Pool, and will include appropriate assurances that such assets are segregated in accordance with industry best practices.

All of the foregoing policies and procedures will be available to Participating Municipalities and prospective Participating Municipalities for review.

Decisions, Orders and Rulings

29. The due diligence process for selecting custodians will ensure that the custodian of assets of any Participating Municipality, including assets of the Investment Pools, satisfy minimum custodial qualification requirements set out in Section 6.2 or 6.3 of NI 81-102.
30. The ONE JIB Agreement will provide strong governance protection for Participating Municipalities. In addition to governance protections provided through the Municipal Legislation, Participating Municipalities may seek additional protections under the terms of the ONE JIB Agreement or other related agreements.
31. The Filers and any Investment Pools would each become a “market participant” as a consequence of the making of this decision. For the purposes of the OSA, and as a market participants, each of the Filers and any Investment Pool will be required by subsection 19(1) of the OSA to: (i) keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs, and the transactions that it executes on behalf of others; and (ii) keep such books, records and documents as may otherwise be required under Ontario securities law.

Initial Establishment and Funding

32. The Founding Municipalities entered into an initial agreement to establish ONE JIB. Initial funding for ONE JIB and One Investment is being provided by LAS and CHUMS. In the future, ONE JIB and One Investment will be funded through a cost allocation and recovery model to be established by ONE JIB and ONE Investment and agreed to with the Participating Municipalities. These mechanisms will fund the ongoing operation of ONE JIB and ONE Investment at a level which ensures that ONE JIB is adequately funded and ONE Investment is adequately capitalized at all times.
33. The ONE JIB and ONE Investment will ensure that adequate insurance or other protection is maintained which is appropriate for ONE JIB, ONE Investment and the assets under management.

Reporting and Recordkeeping

34. Section 20 of the Municipal Investment Regulation requires ONE JIB to prepare and provide to the council of each Participating Municipality an investment report that must include prescribed information. This reporting process provides Participating Municipalities with transparency into ONE JIB’s activities on behalf of the Participating Municipality.
35. As a local board of each Participating Municipality, ONE JIB will be required to keep minutes of its meetings and to make such minutes available to the public.

The Investment Pools

36. Each Investment Pool is expected to be focused on one or more specific investment mandates or strategies, including domestic and foreign equities and fixed income. The Investment Pools are expected to issue Units in exchange for the cash or other assets allocated from the account of a Participating Municipality or other Eligible Investor to the Investment Pool, and these Units will represent the Eligible Investor’s proportionate interest in respect of the Investment Pool.
37. Certain of the Investment Pools will be an “investment fund” (as that term is defined in subsection 1(1) of the OSA) and certain of these Investment Pools will also be a “mutual fund in Ontario” (as that term is defined in subsection 1(1) of the OSA) and, as such, a “mutual fund in the jurisdiction” (as that term is defined in section 1.1 of NI 81-106).
38. No Investment Pool is yet established. No Investment Pool will be a reporting issuer under the OSA or under the securities legislation of any other province or territory of Canada.
39. Each Investment Pool will be governed by an Investment Pool Document. Such Investment Pool Document will provide that Units of the Investment Pool will be distributed exclusively to Eligible Investors except for the general partner, managing member or equivalent interests (**Management Interests**) in certain Investment Pools which may be distributed to ONE Investment in connection with the initial organization and management of the Investment Pools. Units can only be beneficially owned by Eligible Investors and Management Interests can only be beneficially owned by ONE Investment or a ONE Investment Subsidiary.

Individuals Acting on Behalf of ONE Investment

40. Individuals who act on behalf of ONE Investment in accordance with an exemption from the OSA adviser registration requirement or the OSA dealer registration requirement, or the CFA adviser registration requirement that is made available to ONE Investment under the Exemptions Sought, will rely upon the same exemption for their compliance with the corresponding registration requirements that would otherwise apply to them under the OSA or the CFA.

41. The Filers will not use section 4.7 of Multilateral Instrument 11-102 *Passport System* to extend the Exemptions Sought or the Director Exemption Sought to other provinces and territories of Canada.

Decisions of Commission

The Commission is satisfied that granting the Commission Exemptions Sought on the terms set out in this Decision would not be prejudicial to the public interest.

The decision of the Commission under the OSA is that the OSA Exemptions Sought are granted, provided that:

- (a) Other than investing in the Investment Pools on behalf of Eligible Investors, the Filers will not engage in discretionary portfolio management; day-to-day portfolio management and advisory services supplied to the Investment Pools or otherwise to Eligible Investors shall be provided by portfolio managers registered or exempt from registration with the OSC;
- (b) ONE Investment will institute a process for entering into agreements with an Eligible Investor which have the following elements:
 - i. at the time of account opening, ONE Investment will review the Eligible Investor's investment policy and investment plan, if applicable;
 - ii. ONE Investment will undertake to monitor the Eligible Investor's investments under the ONE Investment Offering for compliance with the Eligible Investor's investment policy and investment plan where applicable;
 - iii. ONE Investment will assist a Participating Municipality in the preparation and presentation of its annual report to the Participating Municipality's council;
- (c) ONE Investment shall send account statements to the Eligible Investor, which will include information about the holdings of the Eligible Investor in the Investment Pools where applicable and showing purchases, redemptions, distributions and reinvestments; and
- (d) ONE Investment shall file Reports of Exempt Distribution on Form 45-106F1 with respect to distributions of securities of the Investment Pools on a basis consistent with requirements applicable to investment funds.

The decision of the Commission under the CFA is that the CFA Exemption Sought is granted provided that and for so long as the Filers remain in compliance with the conditions applicable to the OSA Exemption Sought.

Dated this 23rd day of November, 2018.

"Mark Sandler"
Commissioner
Ontario Securities Commission

"AnneMarie Ryan"
Commissioner
Ontario Securities Commission

Decision of the Director

The Director is satisfied that granting the Director Exemption Sought on the terms set out in this Director Decision would not be prejudicial to the public interest.

The decision of the Director under NI 81-106 is that the Director Exemption Sought is granted, provided that and for so long as

- (a) the Filers remain in compliance with the conditions applicable to the OSA Exemption Sought; and
- (b) each Eligible Investor provides to the council or equivalent governing body of the Eligible Investor all financial, performance or other reporting as required under the Municipal Legislation.

Dated this 21st day of November, 2018.

“Neeti Varma”
Acting Manager, Investment Funds and Structured Products
Ontario Securities Commission

2.1.4 Prometic Life Sciences Inc. and Canaccord Genuity Corp.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriters, acting as agents for the issuer, to enter into equity distribution agreements to make "at the market" (ATM) distributions of common shares over the facilities of a marketplace in Canada – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus. Decision and application also held in confidence by decision makers until the earlier of the entering into of an equity distribution agreement, waiver of confidentiality or 90 days from the date of the decision.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 71, 147.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1 and Item 20 of Form 44-101F1.

National Instrument 44-102 Shelf Distributions, s. 6.7, Part 9, s. 11.1, s. 2.2 of Part 2 of Appendix A.

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

August 29, 2018

TRANSLATION

IN THE MATTER OF THE SECURITIES LEGISLATION OF QUÉBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF PROMETIC LIFE SCIENCES INC. (the Issuer)

AND

CANACCORD GENUITY CORP. (the Agent) (the Issuer, together with the Agent, the Filers)

DECISION

Background

The securities regulatory authority or regulator in Québec and Ontario (the **Dual Exemption Decision Makers**) have received an application (the **Application**) from the Filers for a decision under the securities legislation of those jurisdictions (the **Legislation**) for the following relief (collectively, the **Dual Exemption**):

- (a) that the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies, deliver to the purchaser or its agent the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply to

the Agent or other registered investment dealer acting on behalf of the Agent as a selling agent (each a **Selling Agent**) in connection with any at-the-market distribution, as defined in *Regulation 44-102 respecting Shelf Distributions*, CQLR, c. V-1.1, r. 17 (**Regulation 44-102**), of common shares of the Issuer (the **Common Shares**) in Canada pursuant to an equity distribution agreement (the **Equity Distribution Agreement**) to be entered into between the Filers (the **ATM Distribution**); and

- (b) that the requirements (collectively, the **Prospectus Form Requirements**) to include in any amendment to the Shelf Prospectus (as defined below) or in a prospectus supplement:
- i. a forward-looking issuer certificate of the Issuer in the form specified in section 2.1 of Appendix A to Regulation 44-102;
 - ii. a forward-looking underwriter certificate in the form specified in section 2.2 of Appendix A to Regulation 44-102; and
 - iii. a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1, *Short Form Prospectus* (the **Statement of Purchaser's Rights**);

do not apply to any amendment of the Shelf Prospectus and to any prospectus supplement of the Issuer (the **Prospectus Supplement**) to be filed in respect of an ATM Distribution.

The securities regulatory authority or regulator in each of Québec and Ontario (the **Coordinated Exemptive Relief Decision Makers**) have also received an application from the Filers for a decision under the Legislation that the Application and this decision (together, the **Confidential Material**) be kept confidential and not be made public until the earliest of (i) the date on which the Filers enter into the Equity Distribution Agreement, (ii) the date on which any of the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential, and (iii) the date that is 90 days after the date of this decision (the **Confidentiality Sought**).

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

- (a) the Autorité des marchés financiers is the principal regulator for the Application (the **Principal Regulator**);
- (b) the Filers have provided notice that subsection 4.7(1) of *Regulation 11-102 respecting Passport System*, CQLR, c. V-1.1, r. 1 (**Regulation 11-102**), is intended to be relied upon in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island and Saskatchewan;
- (c) the decision is the decision of the Principal Regulator and the decision evidences the decision of the securities regulatory authority or regulator in Ontario; and
- (d) the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions*, CQLR, c. V-1.1, r. 3, *Regulation 11-102*, *Regulation 21-101 respecting Marketplace Operation*, CQLR, c. V-1.1, r. 5 (**Regulation 21-101**), and *Regulation 13-101 respecting the System for Electronic Document Analysis and Retrieval (SEDAR)*, CQLR, c. V-1.1, r. 2, have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Issuer

1. The Issuer is a corporation incorporated under the *Canada Business Corporations Act* with its head office in Laval, Québec.
2. The Common Shares are listed on the Toronto Stock Exchange (the **TSX**) and are also listed on the OTCQX International.
3. The Issuer is a reporting issuer in each province of Canada and is not in default of securities legislation in any jurisdiction of Canada.

The Agent

4. The Agent is a corporation incorporated under the laws of Ontario with its head office in Vancouver, British Columbia.
5. The Agent is registered as an investment dealer under the securities legislation of each province of Canada, is a member of the Investment Industry Regulatory Organization of Canada, and is a participating organization of the TSX.
6. The Agent is not in default of securities legislation in any jurisdiction of Canada.

Proposed ATM Distribution

7. Subject to mutual agreement on terms and conditions, the Filers propose to enter into the Equity Distribution Agreement providing for ATM Distributions.
8. The Issuer has filed a short form base shelf prospectus dated March 14, 2018 (the **Shelf Prospectus**). Prior to making an ATM Distribution, the Issuer will have filed a Prospectus Supplement in each province of Canada to qualify the sale of Common Shares under the Equity Distribution Agreement. The Prospectus Supplement will describe the terms of the ATM Distribution, including the terms of the Equity Distribution Agreement, and otherwise supplementing the disclosure in the Shelf Prospectus.
9. If the Equity Distribution Agreement is entered into, the Issuer will immediately:
 - (a) issue and file a news release pursuant to section 3.2 of Regulation 44-102 announcing the Equity Distribution Agreement and indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and specifying where and how purchasers under an ATM Distribution may obtain copies; and
 - (b) file the Equity Distribution Agreement on SEDAR.
10. Under the proposed Equity Distribution Agreement, the Issuer will not, during the period that the final receipt for the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of Regulation 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made.
11. The Issuer will conduct ATM Distributions through the Agent (as agent) through a marketplace as defined in Regulation 21-101 in Canada upon which the Common Shares are listed, quoted or otherwise traded (each a **Canadian Marketplace**).
12. The Agent will act as the sole agent of the Issuer in connection with the sale of Common Shares on any Canadian Marketplace pursuant to the Equity Distribution Agreement, directly by the Agent or through one or more Selling Agents, and will be paid an agency fee or commission by the Issuer in connection with such sales. The Agent will sign an underwriter's certificate in the Prospectus Supplement filed on SEDAR in the form set out in paragraph 30.
13. The Agent will effect the ATM Distributions on any Canadian Marketplace, either itself or through a Selling Agent. If such sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Agent. A purchaser's rights and remedies under applicable securities legislation against the Agent, as agent of an ATM Distribution through a Canadian Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.
14. The Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Issuer will represent to the Agent that the Shelf Prospectus, as supplemented by the Prospectus Supplement, including the documents incorporated by reference in the Shelf Prospectus (which shall include any news release that has been designated and filed as Designated News Release as outlined below) and any subsequent amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (together, the **Prospectus**), contains full, true and plain disclosure of all material facts relating to the Issuer and the Common Shares being distributed. The Issuer would, therefore, be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Issuer or the Common Shares.
15. After the date of the Prospectus Supplement and before the termination of the ATM Distribution, in the event that the Issuer disseminates a news release in respect of previously undisclosed information that, in the Issuer's determination, constitutes a "material fact" (as defined in the Legislation), the Issuer will identify such news release as a "designated news release" for the purposes of the Prospectus. This designation will be in writing on the face page of the version of

such news release that the Issuer files on SEDAR (any such news release, a **Designated News Release**). The Prospectus Supplement will provide that any such Designated News Release will be deemed to be incorporated by reference into the Prospectus. A Designated News Release will not be utilized to update disclosure in the Prospectus by the Issuer in the event of a “material change” (as defined in the Legislation).

16. If, after the Issuer delivers a sell notice to the Agent directing the Agent to sell Common Shares on the Issuer’s behalf pursuant to the Equity Distribution Agreement (a **Sell Notice**), the sale of the Common Shares specified in the Sell Notice, taking into consideration prior sales under all previous ATM Distributions, would constitute a material fact or material change, the Issuer will suspend sales under the Equity Distribution Agreement until either: (i) in the case of a material change, it has filed a material change report or amended the Prospectus, or (ii) circumstances have changed such that the sales would no longer constitute a material fact or material change.
17. In determining whether the sale of the number of Common Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account relevant factors including, without limitation: (i) the parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution, (ii) the percentage of outstanding Common Shares represented by the number of Common Shares proposed to be sold pursuant to the Sell Notice, (iii) sales under earlier Sell Notices, (iv) trading volume and volatility of Common Shares, (v) recent developments in the business, affairs or capital of the Issuer, and (vi) prevailing market conditions generally.
18. It is in the interest of the Filers to minimize the market impact of sales under an ATM Distribution. Therefore, the Agent will monitor closely the market’s reaction to trades made on any Canadian Marketplace pursuant to the ATM Distribution in order to evaluate the likely market impact of future trades. The Agent has experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agent has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Common Shares, the Agent will recommend against effecting the trade at that time.
19. The aggregate number of Common Shares sold on any trading day pursuant to an ATM Distribution will not exceed 25% of the aggregate trading volume of Common Shares traded on Canadian Marketplaces that day.

Disclosure of Common Shares Sold

20. The Issuer will disclose the number and average price of Common Shares sold pursuant to an ATM Distribution under the Prospectus, as well as gross proceeds, commission and net proceeds, in its annual and interim financial statements and management discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

21. Pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.
22. Delivery of a prospectus is not practicable in the circumstances of an ATM Distribution because neither the Agent nor a Selling Agent effecting the trade will know the identity of the purchasers.
23. The Prospectus (together with all documents incorporated by reference therein) will be filed and readily available electronically via SEDAR to all purchasers under ATM Distributions. As stated in paragraph 9 above, the Issuer will issue a news release that specifies where and how copies of the Shelf Prospectus and the Prospectus Supplement can be obtained.
24. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus under the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement, because purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission if there is a misrepresentation in the prospectus at the time of purchase, without regard as to whether or not the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Right of Action for Non-Delivery

25. Pursuant to the Legislation, an agreement to purchase a security in respect of a distribution to which the prospectus requirement applies is not binding on the purchaser if a dealer receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchase (the **Withdrawal Right**).

26. Pursuant to the Legislation, a purchaser of a security to whom a prospectus was required, but not in fact, sent or delivered in compliance with the Prospectus Delivery Requirement, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirement (the **Right of Action for Non-Delivery**).
27. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of an ATM Distribution because of the impracticability of delivering the Prospectus to a purchaser of Common Shares thereunder.

Prospectus Form Requirements

28. To reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement will include the following issuer certificate:

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities offered under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement, as required by the securities legislation of each of the provinces of Canada.

29. Also to reflect the fact that an ATM Distribution is a continuous distribution, the Prospectus Supplement will include the following underwriter certificate:

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

30. A different Statement of Purchaser's Rights than that required by the Legislation is necessary in order to allow the Prospectus to accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by the Issuer will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revision of the price, or damages for non-delivery of the prospectus, because the prospectus, prospectus supplements relating to Common Shares purchased by a purchaser and any amendment relating to the Common Shares purchased by such purchaser will not be delivered as permitted under a decision dated ●, 2018 and granted under National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities legislation in certain of the provinces of Canada also provides purchasers with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by the Issuer may have against the Issuer or the Agent for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery and the decision referred to above.

Purchasers should refer to any applicable provisions of securities legislation and the decision referred to above for the particulars of these rights or consult with a legal adviser.

31. The Prospectus Supplement will disclose that, in respect of ATM Distributions under the Prospectus Supplement, the statement prescribed in paragraph 31 above supersedes the Statement of Purchaser's Rights contained in the Shelf Prospectus.

Decision

Each of the Principal Regulator, the securities regulatory authority or regulator in Ontario and the Coordinated Exemptive Relief Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

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

- (a) during a 60-day period ending not earlier than 10 days prior to the commencement of an ATM Distribution, the Common Shares have traded, in total, on one or more Canadian Marketplaces, as reported on a consolidated market display: (i) an average of at least 100 times per trading day, and (ii) with an average trading value of at least \$1,000,000 per trading day;
- (b) the Issuer complies with the disclosure requirements set out in paragraph 20 and paragraphs 28 through 31 above; and
- (c) the Filers respectively comply with the representations made in paragraphs 9 through 19 above.

This decision will terminate 25 months from March 14, 2018.

“Lucie J. Roy”
Senior Director, Corporate Finance
Autorité des marchés financiers

The decision of the Coordinated Exemptive Relief Decision Makers under the Legislation is that the Confidentiality Sought is granted.

“Benoît Longtin”
Assistant Corporate Secretary
Autorité des marchés financiers

2.1.5 RBC Dominion Securities Inc.

Headnote

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

Statutes Cited

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

Instruments Cited

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

November 30, 2018

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

AND

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

AND

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

DECISION

Background

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

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

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

Interpretation

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

Representations

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

The Filer

1. The Filer is a corporation formed under the laws of Canada. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is registered as an investment dealer under the securities legislation of all the jurisdictions of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a dealer under the derivatives legislation of Québec.
3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the TSX Venture Exchange, an approved participant of the MX and a participating organization of the Toronto Stock Exchange.
4. The Filer is not in default of securities or commodity futures legislation in any jurisdiction of Canada.
5. RBC Capital Markets LLC (**RBCCM** or the **Designated Foreign Affiliate**) is a limited liability company formed under the laws of the State of Minnesota. The head office of RBCCM is located in New York, New York, United States.
6. The Filer and RBCCM are each a wholly-owned indirect subsidiary of The Royal Bank of Canada.
7. RBCCM is registered as a broker-dealer with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority. RBCCM is a registered futures commission merchant with the U.S. Commodity Futures Trading Commission and approved as a swap firm and a member of the National Futures Association.
8. RBCCM holds memberships and/or has third-party clearing relationships with commodity and financial futures exchanges and clearing associations, including the CME Group. It also carries positions reflecting trades executed on other exchanges through affiliates and/or third-party clearing brokers.

The MX Extended Trading Hours Amendments

9. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.
10. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours. As a result of these amendments, commencing October 9, 2018, trading of certain products on the MX commenced at 2:00 a.m. Eastern Time (**ET**) rather than the current 6:00 a.m. ET.
11. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or clients of the MX participant's affiliated corporations or subsidiaries.

Application of the dealer registration requirement to Designated Foreign Affiliate Employees

12. The Filer is an MX approved participant and RBCCM is an affiliated corporation. The Filer wishes to make use of certain designated employees of RBCCM (the **Designated Foreign Affiliate Employees**) to handle trading requests on the MX from the Filer's clients and clients of the Filer's affiliated corporations or subsidiaries during the MX's extended trading hours from 2:00 a.m. ET to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).
13. The dealer registration requirement under the Legislation requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the employees of RBCCM who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.
14. The Filer seeks an exemption from the dealer registration requirement because, in the absence of such exemption, each employee of RBCCM who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this would be duplicative since the Designated Foreign Affiliate Employees are certified under applicable US law, would be supervised by the Filer's designated supervisors and would otherwise be subject to the conditions set forth below. The Filer believes this would be unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees would be conducting on behalf of the Filer, namely only handling client orders, and only during the period from 2:00 a.m. ET to 6:00 a.m. ET.
15. The Filer has also applied to IIROC for an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2(a) and 18.2(c) and the requirement to enter into an employee or agent relationship

with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 and to register and complete proficiencies of a Trader under IIROC Dealer Member Rule 500.

16. The Filer anticipates that the IIROC Relief, if granted, will be subject to certain conditions, including:
 - (a) The Designated Foreign Affiliate Employees must be certified under the applicable laws of the US in a category that permits trading the types of products which they will be trading on the MX.
 - (b) The Designated Foreign Affiliate Employees will be permitted to accept and enter orders from clients of the Filer or clients of the Filer's affiliated corporations or subsidiaries during the period from 2:00 a.m. ET to 6:00 a.m. ET.
 - (c) The Filer retains all responsibilities for its client accounts.
 - (d) The actions of the Designated Foreign Affiliate Employees will be supervised by specific designated supervisors of the Filer (the **Designated Supervisors**), each of whom is qualified to supervise trading in futures contracts, futures contract options and options.
17. The Exemption Sought would apply to Designated Foreign Affiliate Employees who are designated and recorded on a list maintained by the Designated Supervisors, which list would be subject to review by IIROC upon request.
18. The Filer and RBCCM will enter into a services agreement pursuant to which
 - (a) RBCCM will, among other things, agree to designate members of its staff to serve as Designated Foreign Affiliate Employees who are properly registered, licensed, certified or authorized in their home jurisdiction and sufficiently skilled and familiar to undertake such trading and front office activity, and further agree that the activities of the Designated Foreign Affiliate Employees permitted under this exemptive relief shall be supervised by the Designated Supervisors of the Filer; and
 - (b) the Filer will assume all responsibility for the actions of the Designated Foreign Affiliate Employees and of RBCCM that relate to the Filer's clients regarding this trading on MX, and the Filer will acknowledge that it will be liable under IIROC rules for such actions.
19. All MX trading rules will apply to orders entered by the Designated Foreign Affiliate Employees.
20. Other than individual registration, all other existing Canadian regulatory requirements would continue to apply to this arrangement, including without limitation:
 - (a) the Filer's client accounts would continue to be carried on the books of the Filer;
 - (b) all communications with the Filer's clients will continue to be in the name of the Filer; and
 - (c) the Filer's client account monies, security and property will continue to be held by the Filer or its approved custodian.
21. The Filer will establish and maintain written policies and procedures that address the performance and supervision requirements relating to MX extended trading hours.
22. The Filer will disclose this extended trading hours arrangement to clients for its MX trading services.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted so long as:

- (a) the Designated Foreign Affiliate and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of the Designated Foreign Affiliate is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;

Decisions, Orders and Rulings

- (b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or clients of the Filer's affiliated corporations or subsidiaries on behalf of the Filer during the period from 2:00 a.m. ET to 6:00 a.m. ET;
- (c) the Filer retains all responsibilities for its client accounts;
- (d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;
- (e) the Filer and the Designated Foreign Affiliate enter into a services agreement substantially as described in paragraph 18, and such agreement remains in effect; and
- (f) the Filer has applied for and obtained from IIROC an exemption from the registered representative requirements that are found in the IIROC Dealer Member Rules, and any other requirements of IIROC that IIROC reasonably determines is applicable to the Firm and the Designated Foreign Affiliate Employees in connection with conducting the Extended Hours Activities (collectively, the **IIROC Relief**) and remains in compliance with the terms and conditions of the IIROC Relief.

"William Furlong"
Commissioner
Ontario Securities Commission

"Deborah Leckman"
Commissioner
Ontario Securities Commission

2.1.6 Fortis Inc. et al.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Application for exemptive relief to permit issuer and underwriter, acting as agent for the issuer, to enter into an equity distribution agreement to make "at the market" (ATM) distributions of common shares over the facilities of the TSX, the NYSE or other marketplaces – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreements on SEDAR – application for relief from prospectus delivery requirement – delivery of prospectus not practicable in circumstances of an ATM distribution – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal and remedies of rescission or damages for non-delivery of the prospectus – application for relief from certain prospectus form requirements – relief granted to permit modified forward-looking certificate language – relief granted on terms and conditions set out in decision document – decision will terminate 25 months after the issuance of a receipt for the shelf prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71, 147.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, Part 8 and Item 20 of Form 44-101F1.
National Instrument 44-102 Shelf Distributions, ss. 6.3 and 6.7, Part 9 and ss. 2.1 and 2.2 of Appendix A.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

November 30, 2018

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

AND

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

AND

**IN THE MATTER OF
FORTIS INC.
(THE ISSUER),
SCOTIA CAPITAL INC.,
TD SECURITIES INC.,
MORGAN STANLEY CANADA LIMITED AND
WELLS FARGO SECURITIES CANADA, LTD.
(COLLECTIVELY, THE CANADIAN AGENTS)**

AND

**SCOTIA CAPITAL (USA) INC.,
TD SECURITIES (USA) LLC,
MORGAN STANLEY & CO. LLC AND
WELLS FARGO SECURITIES, LLC
(COLLECTIVELY, THE U.S. AGENTS AND
TOGETHER WITH THE CANADIAN AGENTS, THE AGENTS, AND
TOGETHER WITH THE ISSUER, THE FILERS)**

DECISION

Background

The Ontario Securities Commission (the **Decision Makers**), being the principal regulator in the Jurisdiction, has received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) for the following relief (the **Exemptions Sought**):

- (a) that the requirement that a dealer not acting as agent of the purchaser who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies deliver to the purchaser the latest prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) and any amendment to the prospectus (the **Prospectus Delivery Requirement**) does not apply to the Agents or any other TSX participating organization or other marketplace participant acting as selling agent for the Agents (each, a **Selling Agent**) in connection with any at-the-market distribution (each, an **ATM Distribution** and collectively, the **ATM Offering**), as defined in National Instrument 44-102 – *Shelf Distributions (NI 44-102)* of common shares (**Common Shares**) of the Issuer in Canada and the United States (U.S.) pursuant to an equity distribution agreement (the **Equity Distribution Agreement**) to be entered into between the Issuer and the Agents; and
- (b) that the requirements to include in a base shelf prospectus or prospectus supplement or an amendment thereto:
 - (i) a forward-looking issuer certificate of the Issuer in the form specified in section 2.1 or section 2.4, as applicable, of Appendix A to NI 44-102;
 - (ii) a forward-looking underwriter certificate in the form specified by section 2.2 or section 2.4, as applicable, of Appendix A to NI 44-102; and
 - (iii) a statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in Item 20 of Form 44-101F1 – *Short Form Prospectus*;

(collectively, the **Prospectus Form Requirements**) do not apply to the Shelf Prospectus (as defined below), the Prospectus Supplement (as defined below) or an amendment thereto provided that the Issuer include in the Prospectus Supplement or an amendment thereto the form of issuer certificate and form of underwriter certificate and include in the Prospectus Supplement or an amendment thereto the revised description of a purchaser's statutory rights of withdrawal and remedies for rescission or damages described below, in each case (other than with respect to the underwriter certificate) superseding and replacing the corresponding language in the Shelf Prospectus solely with regards to the ATM Offering.

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

- (a) the Ontario Securities Commission is the principal regulator for the Application based on the "most significant connection" test articulated under section 3.6(6)(c) of National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*; and
- (b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (collectively and together with the Jurisdiction, the **Reporting Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*, in MI 11-102 or in NI 44-102 have the same meaning if used in this decision, unless otherwise defined herein. All dollar figures in this decision refer to Canadian dollars.

Representations

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

The Issuer

1. The Issuer is a corporation continued under the *Corporations Act* (Newfoundland and Labrador). The head office of the Issuer is in St. John's, Newfoundland and Labrador.

Decisions, Orders and Rulings

2. The Issuer is a reporting issuer in each province of Canada and is not in default of securities legislation in any jurisdiction of Canada.
3. The Common Shares are listed on the Toronto Stock Exchange (the **TSX**) and the New York Stock Exchange (the **NYSE**).
4. The Issuer is subject to reporting obligations under the United States *Securities Exchange Act of 1934*, as amended (the **U.S. Exchange Act**), and files its continuous disclosure documents with the Securities and Exchange Commission (the **SEC**) in the U.S.
5. On March 26, 2018, the Issuer filed a prospectus supplement in Canada and the U.S. relating to an ATM Offering (the **Current ATM Offering**), in reliance on the exemptive relief order granted by the Decision Makers on March 23, 2018. The Current ATM Offering expired on November 29, 2018 when the Issuer filed a preliminary short form base shelf prospectus and a registration statement on Form F-10 (the **Registration Statement**) with the SEC under the multi-jurisdictional disclosure system.
6. The (final) short form base shelf prospectus (the **Shelf Prospectus**) will provide for the distribution from time to time of Common Shares, first preference shares, second preference shares, subscription receipts and debt securities. Following the issuance by the Decision Makers of a receipt for the Shelf Prospectus, the Issuer expects to enter into an Equity Distribution Agreement with the Agents and file a prospectus supplement in each of the provinces of Canada and with the SEC to qualify the distribution of Common Shares in connection with the ATM Offering (the **Prospectus Supplement**).

The Agents

7. Scotia Capital Inc. is a corporation incorporated under the laws of the Province of Ontario, with its head office in Toronto, Ontario.
8. TD Securities Inc. is a corporation incorporated under the laws of the Province of Ontario, with its head office in Toronto, Ontario.
9. Morgan Stanley Canada Limited is a corporation incorporated under the laws of Canada, with its head office in Toronto, Ontario.
10. Wells Fargo Securities Canada, Ltd. is a limited company incorporated under the laws of the Province of Nova Scotia, with its head office in Toronto, Ontario.
11. Each of the Canadian Agents is registered as an investment dealer under the securities legislation in each province of Canada, is a member of the Investment Industry Regulatory Organization of Canada and is a participating organization of the TSX.
12. Scotia Capital (USA) Inc. is a corporation formed under the laws of the State of New York, with its head office in New York, New York.
13. TD Securities (USA) LLC is a limited liability company formed under the laws of the State of Delaware, with its head office in New York, New York.
14. Morgan Stanley & Co. LLC is a limited liability company formed under the laws of the State of Delaware, with its head office in New York, New York.
15. Wells Fargo Securities, LLC is a limited liability company formed under the laws of the State of Delaware, with its head office in Charlotte, North Carolina.
16. Each of the U.S. Agents is a broker-dealer registered with the SEC under the U.S. Exchange Act.
17. None of the Agents are in default of any requirements under applicable securities legislation in any of the jurisdictions of Canada.

Proposed ATM Distribution

18. Subject to mutual agreement on terms and conditions, the Filers propose to enter into the Equity Distribution Agreement for the purpose of the ATM Offering involving the periodic sale of Common Shares by the Issuer through the Agents, as agents, under the shelf prospectus procedures prescribed by Part 9 of NI 44-102.

19. If the Equity Distribution Agreement is entered into, the Issuer will immediately do both of the following:
 - (a) issue and file a news release pursuant to section 3.2 of NI 44-102 announcing the Equity Distribution Agreement and indicating that the Shelf Prospectus and the Prospectus Supplement have been filed on SEDAR and specifying where and how purchasers of Common Shares under the ATM Offering may obtain copies; and
 - (b) file the Equity Distribution Agreement on SEDAR.
20. Prior to making an ATM Distribution, the Issuer will have filed, (a) in each province of Canada, the Shelf Prospectus and will have received a receipt for the Shelf Prospectus from the Decision Makers, and (b) any required amendment to the Registration Statement with the SEC. Shortly thereafter, the Issuer will file, in each province of Canada and with the SEC, the Prospectus Supplement describing the terms of the ATM Offering, including the terms of the Equity Distribution Agreement and otherwise supplementing the disclosure in the Shelf Prospectus.
21. Under the proposed Equity Distribution Agreement, the Issuer may conduct one or more ATM Distributions subject to the 10% limitation set out in subsection 9.1(1) of NI 44-102.
22. The Issuer will not, during the period that the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of NI 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made.
23. The Issuer will conduct ATM Distributions only through one or more of the Agents (as agent) directly or via a Selling Agent, and only through (i) the TSX, (ii) the NYSE, or (iii) another marketplace (as defined in National Instrument 21-101 – *Marketplace Operation*) upon which the Common Shares are listed, quoted or otherwise traded (each, a **Marketplace**).
24. The Canadian Agents will act as the sole agents of the Issuer in connection with an ATM Distribution directly or through one or more Selling Agents on the TSX or any other Marketplace in Canada (a **Canadian Marketplace**), and will be paid an agency fee or commission by the Issuer in connection with such sales. If sales are effected through a Selling Agent, the Selling Agent will be paid a seller's commission for effecting the trades on behalf of the Canadian Agents. The Canadian Agents will each sign an agent's certificate, in the form set out in paragraph 41 below, in the Prospectus Supplement.
25. A purchaser's rights and remedies under applicable securities legislation against the Canadian Agents, as agents of an ATM Distribution through a Canadian Marketplace, will not be affected by a decision to effect the sale directly or through a Selling Agent.
26. The aggregate number of Common Shares sold on one or more Canadian Marketplaces pursuant to an ATM Distribution on any trading day will not exceed 25% of the trading volume of the Common Shares on all Canadian Marketplaces on that day.
27. The Equity Distribution Agreement will provide that, at the time of each sale of Common Shares pursuant to an ATM Distribution, the Issuer will represent to the Agents that the Shelf Prospectus, as supplemented by the Prospectus Supplement, including the documents incorporated by reference in the Shelf Prospectus (which shall include any news release that has been designated and filed as a Designated News Release (as defined below)) and any subsequent amendment or supplement to the Shelf Prospectus or the Prospectus Supplement (together, the **Prospectus**), contains full, true and plain disclosure of all material facts relating to the Issuer and the Common Shares being distributed. The Issuer will, therefore, be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Issuer or the Common Shares.
28. During the period after the date of the Prospectus Supplement and before the termination of any ATM Distribution, if the Issuer disseminates a news release disclosing information that, in the Issuer's determination, constitutes a "material fact" (as such term is defined in the Legislation), the Issuer will identify such news release as a "designated news release" for the purposes of the Prospectus. This designation will be made on the face page of the version of such news release filed on SEDAR (any such news release, a **Designated News Release**). The Prospectus Supplement will provide that any such Designated News Release will be deemed to be incorporated by reference into the Prospectus. A Designated News Release will not be used to update disclosure in the Prospectus by the Issuer in the event of a "material change" (as such term is defined in the Legislation).
29. If, after the Issuer delivers a sell notice to the Agents directing the Agents to sell Common Shares on the Issuer's behalf pursuant to the Equity Distribution Agreement (a **Sell Notice**), the sale of the Common Shares specified in the Sell Notice, taking into consideration prior sales under the ATM Offering, would constitute a material fact or material change, the

Issuer will suspend sales under the Equity Distribution Agreement until either: (a) it has filed a Designated News Release or material change report, as applicable, or amended the Prospectus; or (b) circumstances have changed such that a sale would no longer constitute a material fact or material change.

30. In determining whether the sale of the number of Common Shares specified in a Sell Notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation:
- (a) the parameters of the Sell Notice, including the number of Common Shares proposed to be sold and any price or timing restrictions that the Issuer may impose with respect to the particular ATM Distribution;
 - (b) the percentage of the outstanding Common Shares that the number of Common Shares proposed to be sold pursuant to the Sell Notice represents;
 - (c) sales under earlier Sell Notices;
 - (d) trading volume and volatility of the Common Shares;
 - (e) recent developments in the business, operations or capital of the Issuer; and
 - (f) prevailing market conditions generally.
31. It is in the interest of the Issuer and the Agents to minimize the market impact of sales under an ATM Distribution. Therefore, the Agents will closely monitor the market's reaction to trades made on any Marketplace pursuant to an ATM Distribution in order to evaluate the likely market impact of future trades. The Agents have experience and expertise in managing sell orders to limit downward pressure on trading prices. If the Agents have concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Common Shares, the Agents will recommend against effecting the trades pursuant to the sell order at that time.

Disclosure of Common Shares Sold in ATM Offering

32. The Issuer will disclose the number and average price of Common Shares sold pursuant to ATM Distributions, as well as gross proceeds, commissions and net proceeds, in its annual and interim financial statements and management discussion and analysis filed on SEDAR.

Prospectus Delivery Requirement

33. Pursuant to the Prospectus Delivery Requirement, a dealer effecting a trade of securities offered under a prospectus is required to deliver a copy of the prospectus (including the applicable prospectus supplement(s) in the case of a base shelf prospectus) to the purchaser within prescribed time limits.
34. Delivery of a prospectus is not practicable in the circumstances of an ATM Distribution, because neither the Agents nor a Selling Agent effecting the trade will know the identity of the purchasers.
35. The Prospectus will be filed and readily available electronically via SEDAR to all purchasers under ATM Distributions. As stated in paragraph 19 above, the Issuer will issue a news release that specifies where and how copies of the Prospectus may be obtained.
36. The liability of an issuer or an underwriter (or others) for a misrepresentation in a prospectus pursuant to the civil liability provisions of the Legislation will not be affected by the grant of an exemption from the Prospectus Delivery Requirement because purchasers of securities offered by a prospectus during the period of distribution have a right of action for damages or rescission, without regard to whether or not the purchaser relied on the misrepresentation or in fact received a copy of the prospectus.

Withdrawal Right and Right of Action for Non-Delivery

37. Pursuant to the Legislation, an agreement of purchase and sale in respect of a distribution to which the prospectus requirement applies is not binding upon the purchaser if the dealer from whom the purchaser purchases the security receives, not later than midnight on the second day (exclusive of Saturdays, Sundays and holidays) after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a written or telegraphic notice evidencing the intention of the purchaser not to be bound by the agreement of purchase and sale (the **Withdrawal Right**).

38. Pursuant to the Legislation, a purchaser of securities to whom a prospectus was required to be sent or delivered in compliance with the Prospectus Delivery Requirement, but was not so sent or delivered, has a right of action for rescission or damages against the dealer who did not comply with the Prospectus Delivery Requirement (the **Right of Action for Non-Delivery**).
39. Neither the Withdrawal Right nor the Right of Action for Non-Delivery is workable in the context of the ATM Offering because of the impracticability of delivering the Prospectus to a purchaser of Common Shares thereunder.

Modified Certificates and Statements

40. To reflect the fact that the ATM Offering is a continuous distribution, the Prospectus Supplement and any amendment thereto will include the following issuer certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102), such issuer certificate to supersede and replace the issuer certificate to be included in the Shelf Prospectus solely with regard to the ATM Offering:

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

41. The Prospectus Supplement and any amendment thereto will include the following underwriter certificate (with appropriate modifications in respect of the filing of an amendment prescribed by section 2.4 of Appendix A to NI 44-102):

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

42. A different statement of purchasers' rights than that required by the Legislation is necessary so that the Prospectus Supplement will accurately reflect the relief granted from the Prospectus Delivery Requirement. Accordingly, the Prospectus Supplement will state the following, with the date reference completed:

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by us will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus supplement, the accompanying prospectus and any amendment thereto relating to Common Shares purchased by such purchaser because the prospectus supplement, the accompanying prospectus and any amendment thereto relating to the Common Shares purchased by such purchaser will not be delivered as permitted under a decision dated ●, 2018 and granted pursuant to National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions.

Securities legislation in certain of the provinces of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by us may have against us or the Agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus supplement, the accompanying prospectus and any amendment thereto relating to securities purchased by a purchaser and any amendment contain a misrepresentation will remain unaffected by the non-delivery and the decision referred to above.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province and the decision referred to above for the particulars of these rights or consult with a legal adviser.

43. The Prospectus Supplement will disclose that, solely with regards to the ATM Offering, the statement prescribed in paragraph 42 above supersedes and replaces the statement of purchasers' rights to be included in the Shelf Prospectus.

Decision

The Decision Makers are satisfied that this decision satisfies the test set out in the Legislation for the Decision Makers to make the decision.

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

- (a) at least one of the following is true:
 - (i) during the 60-day period ending not earlier than 10 days prior to the commencement of an ATM Distribution, the Common Shares have traded, in total, on one or more Marketplaces, as reported on a consolidated market display:
 - (A) an average of at least 100 times per trading day, and
 - (B) with an average trading value of at least \$1,000,000 per trading day; or
 - (ii) at the commencement of an ATM Distribution, the Common Shares are subject to Regulation M under the U.S. Exchange Act and are an "actively-traded security" as defined thereunder;
- (b) the Issuer does not, during the period that the Shelf Prospectus is effective, distribute by way of one or more ATM Distributions a total market value of Common Shares that exceeds 10% of the aggregate market value of Common Shares, such aggregate market value calculated in accordance with section 9.2 of NI 44-102 and as at the last trading day of the month before the month in which the first ATM Distribution is made;
- (c) the Issuer complies with the disclosure requirements set out in paragraphs 32, 40 through 43 above; and
- (d) the Issuer and Agents respectively comply with the representations made in paragraphs 19, 23, 24 and 26 through 31 above.

This decision will terminate on the date that is 25 months from the date on which the receipt for the Shelf Prospectus is issued.

As to the Exemptions Sought from the Prospectus Delivery Requirement:

"William J Furlong"
Commissioner
Ontario Securities Commission

"Deborah Leckman"
Commissioner
Ontario Securities Commission

As to the Exemptions Sought from the Prospectus Delivery Requirement and the Prospectus Form Requirements:

"Michael Balter"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Muchoki Fungai Simba (also previously known as Henderson MacDonald Alexander Butcher)

FILE NO.: 2018-6

IN THE MATTER OF
MUCHOKI FUNGAI SIMBA
(also previously known as
Henderson MacDonald Alexander Butcher)

D. Grant Vingoe, Vice-Chair and Chair of the Panel

November 27, 2018

ORDER

WHEREAS the Ontario Securities Commission (**Commission**) held a hearing in writing to consider the sanctions and costs that the Commission should impose on the respondent as a result of the findings in the Commission's Reasons and Decision on the merits, issued August 8, 2018;

ON READING the materials filed by and the submissions of Staff of the Commission; with no one appearing for Muchoki Fungai Simba (**Simba**), although properly served;

IT IS ORDERED THAT:

1. Pursuant to paragraph 2 of subsection 127(1) of the Act, Simba is prohibited from trading in any securities or derivatives for 10 years, with the exception that he may trade in RRSP and RRIF accounts in which Simba has sole and legal beneficial ownership, after the administrative penalty and costs at clauses (6) and (7) ordered against him are paid in full;
2. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, Simba is prohibited from acquiring any securities for 10 years, with the exception that he may acquire securities in RRSP and RRIF accounts in which Simba has sole and legal beneficial ownership, after the administrative penalty and costs at clauses (6) and (7) ordered against him are paid in full;
3. Pursuant to paragraph 3 of subsection 127(1) of the Act, all exemptions contained in Ontario securities law do not apply to Simba for 10 years;
4. Pursuant to paragraph 6 of subsection 127(1) of the Act, Simba is reprimanded;
5. Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Simba is prohibited from becoming or acting as a registrant, an investment fund manager or a promoter for 15 years;
6. Pursuant to paragraph 9 of subsection 127(1) of the Act, Simba shall pay an administrative penalty in the amount of \$100,000 for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
7. Pursuant to section 127.1 of the Act, Simba shall pay costs in the amount of \$35,871.51;
8. Notwithstanding any other provisions in this Order, in the event that any of the payments set out in clauses (6) or (7) are not made in full, the provisions of clauses (1), (2), (3), and (5) shall continue in force until such payments are made in full without any limitation as to time period.

"D. Grant Vingoe"

2.2.2 Dalradian Resources Inc. – s. 1(6) of the OBCA

Headnote

Applicant deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16 as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)**

AND

**IN THE MATTER OF
DALRADIAN RESOURCES INC.
(the Applicant)**

**ORDER
(Subsection 1(6) of the OBCA)**

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is an “offering corporation” as defined in subsection 1(1) of the OBCA.
2. The Applicant has no intention to seek public financing by way of an offering of securities.
3. On September 21, 2018 the Applicant was granted an order (the “**September 21 Order**”) pursuant to subclause 1(10)(a)(ii) of the Securities Act (Ontario) that it is not a reporting issuer in Ontario and is not a reporting issuer or the equivalent in any other jurisdiction in Canada in accordance with the simplified procedure set out in National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications*. The representations set out in the September 21 Order continue to be true.

AND UPON the Commission being satisfied that to grant this order would not be prejudicial to the public interest;

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

DATED at Toronto on this 23rd day of November 2018.

“Mark Sandler”
Commissioner
Ontario Securities Commission

“Anne Marie Ryan”
Commissioner
Ontario Securities Commission

2.2.3 Money Gate Mortgage Investment Corporation et al.

FILE NO.: 2017-79

IN THE MATTER OF
MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP.,
MORTEZA KATEBIAN and
PAYAM KATEBIAN

Timothy Moseley, Vice-Chair and Chair of the Panel

December 4, 2018

ORDER

WHEREAS on December 3, 2018, the Ontario Securities Commission (the **Commission**) held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario;

ON HEARING the submissions of the representatives for Staff of the Commission and for Money Gate Corp., Morteza Katebian and Payam Katebian;

IT IS ORDERED THAT no later than December 17, 2018, Money Gate Corp., Morteza Katebian and Payam Katebian are to file amended witness statements and updated hearing briefs in relation to any oral or documentary evidence they wish to adduce at the hearing on the merits, arising out of the amendments made to the Statement of Allegations effective October 31, 2018 or disclosure provided by Staff on November 16, 2018, if appropriate.

“Timothy Moseley”

2.2.4 Amarillo Gold Corporation – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer is already a reporting issuer in British Columbia and Alberta – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in British Columbia and Alberta are substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11)(b).

**IN THE MATTER OF
THE SECURITIES ACT,
RSO 1990, c. S. 5, AS AMENDED
(the Act)**

AND

**IN THE MATTER OF
AMARILLO GOLD CORPORATION
(the Applicant)**

**ORDER
(Section 1(11)(b))**

UPON the application of the Applicant to the Ontario Securities Commission (the "**Commission**") for an order pursuant to Section 1(11)(b) of the Act that, for the purposes of Ontario securities law, the Applicant is a reporting issuer in Ontario;

AND UPON considering the application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant is a company incorporated under the *Business Corporations Act* (British Columbia), with its registered office located at 725 Granville Street, Suite 400, Vancouver, BC, V7Y 1G5 and its head office located at 82 Richmond Street East, Suite 201, Toronto, ON, M5C 1P1.
2. The authorized share capital of the Applicant consists of an unlimited number of common shares (the "**Common Shares**") and preferred shares, of which 114,455,208 Common Shares are issued and outstanding as of the date hereof.
3. The Applicant has been a reporting issuer under the *Securities Act* (British Columbia) (the "**BC Act**") since May 8, 1984 and a reporting issuer under the *Securities Act* (Alberta) (the "**AB Act**") since December 31, 2004.
4. The Applicant is not currently a reporting issuer in any jurisdiction other than British Columbia and Alberta. The British Columbia Securities Commission is the Applicant's current principal regulator and will continue to act as such after the Applicant becomes a reporting issuer in Ontario.
5. The Applicant is not on the lists of defaulting reporting issuers maintained pursuant to the BC Act or the AB Act, and is not in default of any requirement of either the BC Act or the AB Act or the rules and regulations made thereunder.
6. The continuous disclosure requirements of the BC Act and the AB Act are substantially the same as the continuous disclosure requirements under the Act.
7. The continuous disclosure documents filed by the Applicant under the BC Act and the AB Act are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). The Applicant's first electronic filing on SEDAR occurred on November 5, 1997.
8. The Common Shares are listed and posted for trading on the TSX Venture Exchange (the "**Exchange**") under the trading symbol "AGC". The Common Shares are also currently traded on the OTCQB in the United States under the stock symbol "AGCBF" and Alpha under the symbol "AGC".
9. The Applicant is not in default of any of the rules, regulations or policies of the Exchange.

10. Pursuant to the policies of the TSX-V, a listed-issuer, which is not otherwise a reporting issuer in Ontario, must assess whether it has a “significant connection to Ontario” (as defined in the policies of the TSX-V) and, upon becoming aware that it has a significant connection to Ontario, promptly make a bona fide application to the Commission to be deemed a reporting issuer in Ontario.
11. The Applicant has determined that it has a significant connection to Ontario. Following the Applicant’s most recent shareholders meeting, which was held on September 12, 2018, two of the six members of the Applicant’s board of directors are Ontario residents, representing one-third of the Applicant’s directors. All of the Applicant’s senior officers, being the President and Chief Executive Officer, the Executive Chairman and the Chief Financial Officer and Corporate Secretary, are currently residents of Ontario.
12. The Applicant does not have a shareholder which holds sufficient securities of the Applicant to affect materially the control of the Applicant.
13. Neither the Applicant nor any of its officers or directors, has:
 - (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
 - (b) entered into a settlement agreement with a Canadian securities regulatory authority; or
 - (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
14. Neither the Applicant nor any of its officers or directors, is or has been subject to:
 - (a) any known ongoing or concluded investigations by:
 - (i) a Canadian securities regulatory authority; or
 - (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or
 - (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or appointment of a receiver, receiver manager or trustee, within the preceding 10 years.
15. None of the officers or directors of the Applicant, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:
 - (a) any cease trade order or similar order, or order that denied access to any exemptions under Ontario securities law, for a period more than 30 consecutive days, within the preceding 10 years; or
 - (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

AND UPON the Commission being satisfied that granting this Order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to Section 1(11)(b) of the Act that the Applicant is a reporting issuer for the purposes of Ontario securities laws.

DATED at Toronto, Ontario on this 28th day of November 2018.

“Michael Balter”
Manager, Corporate Finance
Ontario Securities Commission

2.4 Rulings

2.4.1 RBC Dominion Securities Inc. – s. 38(1) of the CFA

Headnote

Application for a ruling pursuant to section 38 of the Commodity Futures Act granting relief from the dealer registration requirement in section 22 of the CFA to allow the Filer, an investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC), to use employees of a Designated Foreign Affiliate of the Filer for After-Hours Trading in commodity futures contracts and commodity futures options on the Bourse de Montreal Inc. – Relief granted, subject to terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss. 22(1), 38(1).

November 30, 2018

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C.20, AS AMENDED
(the CFA)**

AND

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

**RULING
(Subsection 38(1) of the CFA)**

UPON the application (the **Application**) of the Filer to the Ontario Securities Commission (the **Commission**) for a ruling of the Commission, pursuant to subsection 38(1) of the CFA, that the Designated Foreign Affiliate Employees (as defined below) of the Filer are not subject to the dealer registration requirement in the CFA when conducting Extended Hours Activities (as defined below) on the Bourse de Montréal Inc. (the **MX**), subject to the terms and conditions set out below (the **Exemption Sought**);

AND WHEREAS for the purposes of this ruling (the **Decision**):

- (i) **“dealer registration requirement in the CFA”** means the provisions of section 22 of the CFA that prohibit a person or company from trading in Exchange-Traded Futures unless the person or company satisfies the applicable provisions of section 22(1)(a) of the CFA;
- (ii) **“Exchange-Traded Future”** means a commodity futures contract or a commodity futures option as those terms are defined in subsection 1(1) of the CFA; and
- (iii) terms used in this Decision that are defined in the OSA, and not otherwise defined in this Decision or in the CFA, shall have the same meaning as in the OSA, unless the context otherwise requires;

AND UPON considering the Application and the recommendation of staff of the Commission;

AND UPON the Filer having represented to the Commission as follows:

The Filer

1. The Filer is a corporation formed under the laws of Canada. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is registered as an investment dealer under the securities legislation of all the jurisdictions of Canada; is registered as a futures commission merchant under the commodity futures legislation of Ontario and Manitoba; and is registered as a dealer under the derivatives legislation of Québec.
3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**) and the TSX Venture Exchange, an approved participant of the MX and a participating organization of the Toronto Stock Exchange.

4. The Filer is not in default of securities or commodity futures legislation in any jurisdiction of Canada.
5. RBC Capital Markets, LLC (**RBCCM** or the **Designated Foreign Affiliate**) is a limited liability company formed under the laws of the State of Minnesota. The head office of RBCCM is located in New York, New York, United States.
6. The Filer and RBCCM are each a wholly-owned indirect subsidiary of The Royal Bank of Canada.
7. RBCCM is registered as a broker-dealer with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority. RBCCM is a registered futures commission merchant with the U.S. Commodity Futures Trading Commission and approved as a swap firm and a member of the National Futures Association.
8. RBCCM holds memberships and/or has third-party clearing relationships with commodity and financial futures exchanges and clearing associations, including the CME Group. It also carries positions reflecting trades executed on other exchanges through affiliates and/or third-party clearing brokers.

The MX Extended Trading Hours Amendments

9. The MX, based in Montréal, Québec, operates an exchange for options, commodity futures contracts and commodity futures options, and offers access to trading in those to market participants in Canada.
10. On July 9, 2018, the MX announced that the MX had approved amendments to its rules and procedures in order to accommodate the extension of the MX's trading hours. As a result of these amendments, commencing October 9, 2018, trading of certain products on the MX commenced at 2:00 a.m. Eastern Time (**ET**) rather than the current 6:00 a.m. ET.
11. As set out in MX Circular 111-18, in order to accommodate this earlier trading, the MX amended its rules to allow participants on the MX to have employees of affiliated corporations, including foreign affiliates, become an approved person of the MX participant and thus be able to handle trading requests originating from the MX participant's clients or clients of the MX participant's affiliated corporations or subsidiaries.

Application of the dealer registration requirement in the CFA to Designated Foreign Affiliate Employees

12. The Filer is an MX approved participant and RBCCM is an affiliated corporation. The Filer wishes to make use of certain designated employees of RBCCM (the **Designated Foreign Affiliate Employees**) to handle trading requests on the MX from the Filer's clients and clients of the Filer's affiliated corporations or subsidiaries during the MX's extended trading hours from 2:00 a.m. ET to 6:00 a.m. ET each day on which the MX is open for trading (the **Extended Hours Activities**).
13. The dealer registration requirement in the CFA requires an individual to be registered to act as a dealing representative on behalf of a registered firm. The Exemption Sought is intended to provide the Filer with an exemption from (i) the requirement that the Filer use only registered dealing representatives to conduct the Extended Hours Activities; and (ii) the requirement that the employees of RBCCM who will be conducting the Extended Hours Activities be registered as dealing representatives of the Filer.
14. The Filer seeks an exemption from the dealer registration requirement in the CFA because, in the absence of such exemption, each employee of RBCCM who was to trade on behalf of the Filer would be required to become individually registered and licensed in Canada. The Filer believes this would be duplicative since the Designated Foreign Affiliate Employees are certified under applicable US law, would be supervised by the Filer's designated supervisors and would otherwise be subject to the conditions set forth below. The Filer believes this would be unduly onerous in light of the limited trading activities the Designated Foreign Affiliate Employees would be conducting on behalf of the Filer, namely only handling client orders, and only during the period from 2:00 a.m. ET to 6:00 a.m. ET.
15. The Filer has also applied to IIROC for an exemption from the registered representative requirements that are found in IIROC Dealer Member Rules 18.2(a) and 18.2(c) and the requirement to enter into an employee or agent relationship with the person conducting securities related business on its behalf that is found in IIROC Dealer Member Rule 39.3 and to register and complete proficiencies of a Trader under IIROC Dealer Member Rule 500.
16. The Filer anticipates that the IIROC Relief, if granted, will be subject to certain conditions, including:
 - (a) The Designated Foreign Affiliate Employees must be certified under the applicable laws of the US in a category that permits trading the types of products which they will be trading on the MX.
 - (b) The Designated Foreign Affiliate Employees will be permitted to accept and enter orders from clients of the Filer or clients of the Filer's affiliated corporations or subsidiaries during the period from 2:00 a.m. ET to 6:00 a.m. ET.

- (c) The Filer retains all responsibilities for its client accounts.
 - (d) The actions of the Designated Foreign Affiliate Employees will be supervised by specific designated supervisors of the Filer (the **Designated Supervisors**), each of whom is qualified to supervise trading in futures contracts, futures contract options and options.
17. The Exemption Sought would apply to Designated Foreign Affiliate Employees who are designated and recorded on a list maintained by the Designated Supervisors, which list would be subject to review by IIROC upon request.
18. The Filer and RBCCM will enter into a services agreement pursuant to which
- (a) RBCCM will, among other things, agree to designate members of its staff to serve as Designated Foreign Affiliate Employees who are properly registered, licensed, certified or authorized in their home jurisdiction and sufficiently skilled and familiar to undertake such trading and front office activity, and further agree that the activities of the Designated Foreign Affiliate Employees permitted under this exemptive relief shall be supervised by the Designated Supervisors of the Filer; and
 - (b) the Filer will assume all responsibility for the actions of the Designated Foreign Affiliate Employees and of RBCCM that relate to the Filer's clients regarding this trading on MX, and the Filer will acknowledge that it will be liable under IIROC rules for such actions.
20. All MX trading rules will apply to orders entered by the Designated Foreign Affiliate Employees.
21. Other than individual registration, all other existing Canadian regulatory requirements would continue to apply to this arrangement, including without limitation:
- (a) the Filer's client accounts would continue to be carried on the books of the Filer;
 - (b) all communications with the Filer's clients will continue to be in the name of the Filer; and
 - (c) the Filer's client account monies, security and property will continue to be held by the Filer or its approved custodian.
22. The Filer will establish and maintain written policies and procedures that address the performance and supervision requirements relating to MX extended trading hours.
23. The Filer will disclose this extended trading hours arrangement to clients for its MX trading services.

AND UPON the Commission and the Director being satisfied that it would not be prejudicial to the public interest to do so;

IT IS RULED pursuant to subsection 38(1) of the CFA that the Exemption Sought is granted, so long as:

- (a) the Designated Foreign Affiliate and the Designated Foreign Affiliate Employees are registered, licensed, certified or authorized under the applicable laws of the foreign jurisdiction in which the head office or principal place of business of the Designated Foreign Affiliate is located in a category that permits trading the type of products which the Designated Foreign Affiliate Employees will be trading on the MX;
- (b) the Designated Foreign Affiliate Employees are permitted to accept and enter orders from clients of the Filer or clients of the Filer's affiliated corporations or subsidiaries on behalf of the Filer during the period from 2:00 a.m. ET to 6:00 a.m. ET;
- (c) the Filer retains all responsibilities for its client accounts;
- (d) the actions of the Designated Foreign Affiliate Employees will be supervised by the Designated Supervisors, each of whom is qualified to supervise trading in futures contracts, futures contract options and options;
- (e) the Filer and the Designated Foreign Affiliate enter into a services agreement substantially as described in paragraph 18, and such agreement remains in effect; and
- (f) the Filer has applied for and obtained from IIROC an exemption from the registered representative requirements that are found in the IIROC Dealer Member Rules, and any other requirements of IIROC that IIROC reasonably determines is applicable to the Firm and the Designated Foreign Affiliate Employees in connection with

conducting the Extended Hours Activities (collectively, the IIROC Relief) and remains in compliance with the terms and conditions of the IIROC Relief.

“William Furlong”
Commissioner
Ontario Securities Commission

“Deborah Leckman”
Commissioner
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions

3.1.1 Muchoki Fungai Simba (also previously known as Henderson MacDonald Alexander Butcher) – ss. 127(1), 127.1

**IN THE MATTER OF
MUCHOKI FUNGAI SIMBA
(also previously known as
Henderson MacDonald Alexander Butcher)**

**REASONS AND DECISION ON SANCTIONS AND COSTS
(Subsection 127(1) and Section 127.1 of the
Securities Act, RSO 1990, c S.5)**

Citation: Simba (Re), 2018 ONSEC 56

Date: 2018-11-27

File No. 2018-6

Hearing: In Writing

Decision: November 27, 2018

Panel: D. Grant Vingoe Vice-Chair and Chair of the Panel

Appearances: Alvin Qian For Staff of the Commission

No one appearing on behalf of Muchoki Fungai Simba

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- II. SANCTIONS AND COSTS HEARING
- III. LEGAL FRAMEWORK
- IV. ANALYSIS ON SANCTIONS
- V. CONCLUSION AS TO SANCTIONS
- VI. COSTS
- VII. CONCLUSION

REASONS AND DECISION ON SANCTIONS AND COSTS

I. INTRODUCTION AND OVERVIEW

- [1] In its decision on August 8, 2018¹ (the **Merits Decision**), the Ontario Securities Commission (the **Commission**) found that Muchoki Fungai Simba (**Simba** or the **Respondent**) engaged in unregistered trading and unregistered advising in securities and acted contrary to the public interest.

¹ *Simba (Re)*, 2018 ONSEC 41, (2018), 41 OSCB 6487.

- [2] Simba did not appear or make submissions in the hearing on the merits in this matter, which was converted into a written hearing, and indicated to Staff of the Commission (**Staff**) that he did not intend to participate in the hearing process.
- [3] Between January 6, 2014 and March 16, 2015, Simba placed over 440 buy/sell orders for equities and options in an investor's locked-in retirement account (**LIRA**), incurring a loss of \$56,009.26. Simba had unfettered access to the LIRA and executed all purchases and sales of securities in the account at his discretion. During this time, Simba was not registered in any capacity under Ontario securities law.
- [4] Simba had previously been sanctioned by the Mutual Fund Dealers Association of Canada (**MFDA**) and permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any member of the MFDA.
- [5] Prior to the hearing on the merits, Simba paid the investor \$5,000 as partial compensation for his losses.

II. SANCTIONS AND COSTS HEARING

- [6] This is a hearing to consider the sanctions and costs that the Commission should impose on Simba as a result of the findings in the Merits Decision.
- [7] Following a motion by Staff, this Panel ordered on August 27, 2018 that the sanctions and costs hearing be conducted in writing. Staff delivered its written submissions and provided an affidavit supporting its request for costs. Simba did not participate in this sanctions hearing.
- [8] Staff submit the following sanctions and costs against Simba are appropriate and in the public interest in the circumstances of this case:
- a. that he be prohibited from trading in any securities or derivatives for a period of 10 years;
 - b. that he be prohibited from acquiring any securities or derivatives for a period of 10 years;
 - c. that any exemptions contained in Ontario securities law not apply to Simba for a period of 10 years;
 - d. that he be prohibited from becoming or acting as a registrant, an investment fund manager, or promoted for a period of 15 years;
 - e. that he pay an administrative penalty of \$100,000;
 - f. that he be reprimanded; and
 - g. that he be ordered to pay costs in the amount of \$35,871.51.
- [9] Staff submit that exceptions for any registered retirement savings plan (**RRSP**) and/or registered retirement income funds (**RRIF**) in which the Respondent has sole and legal beneficial ownership be permitted for the trading and acquisition prohibitions upon payment of the administrative penalty and costs, if ordered.
- [10] Staff further submit that if the administrative penalty and costs are not paid before the expiration of the market bans and restrictions as requested above, the market bans and restrictions continue to be in force, without limitation as to time period, until the penalty and costs have been paid.

III. LEGAL FRAMEWORK

- [11] Section 127 of the Act establishes the sanctions the Commission may impose, which include administrative penalties, disgorgement and various prohibitions.
- [12] In determining the appropriate sanctions to be imposed, I am guided by the purposes of the Act, which include protecting investors from unfair, improper or fraudulent practices and fostering fair and efficient capital markets and confidence in those markets.
- [13] The sanctions imposed must be preventative and protective, with a view to preventing likely future harm to Ontario capital markets. They are not intended to be punitive.²

² *Mithras Management Ltd (Re)* (1990), 13 OSCB 1600 at 1610-1611; *Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 (CanLII), [2001] 2 SCR 132 at paras 42-43.

- [14] The Commission has considered a non-exhaustive list of factors in determining which sanctions are appropriate, including the following:
- a. the seriousness of the conduct;
 - b. the respondents' experience in the marketplace;
 - c. the level of the respondents' activity in the marketplace;
 - d. any mitigating factors;
 - e. the restraint any sanctions may have on the ability of the respondents to participate without check in the capital markets; and
 - f. whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets (specific and general deterrence).
- [15] The Supreme Court of Canada has recognized that it is appropriate for the Commission to consider general deterrence in making orders in the public interest that are both protective and preventative.³ The weight given to general deterrence will "vary from case to case and is a matter within the discretion of the Commission".⁴
- [16] In addition, the Supreme Court of Canada emphasized that "[n]o one factor should be considered in isolation because to do so would skew the textured and nuanced evaluation conducted by the Commission in crafting an order in the public interest."⁵

IV. ANALYSIS ON SANCTIONS

- [17] Simba's participation in cashing out a retiree from a guaranteed pension and then effecting trades, resulting in substantial losses, without the required registration and during the continuation of the MFDA ban is egregious conduct requiring significant sanctions to deter him from future misconduct.
- [18] This misconduct diminished the financial wellbeing of the harmed investor during the investor's retirement. The payment of \$5,000 by Simba to this investor provided minor compensation in relation to the losses of \$56,009.26 incurred.
- [19] In terms of the applicable sanctioning factors, misconduct involving a senior retiree is particularly serious. Simba's prior experience in the industry and presumed awareness of its registration requirements must also be taken into account. Detering an individual, who has already been sanctioned by the MFDA, from engaging in future misconduct, as well as sending a message of general deterrence to others who have left the industry following bans from self-regulatory organizations or other securities authorities, are also important considerations in this case.
- [20] On the basis of these factors, I agree that Staff's recommended sanctions are appropriate and proportionate to the wrongdoing.
- [21] I agree with Staff that since the harm that Simba has inflicted relates directly to the retirement investments of a harmed investor, I do not believe that Simba should be entitled to trade in RRSP and RRIF accounts until his penalty and costs are paid in full without regard to the time periods otherwise applicable to the market bans and restrictions that are imposed. The ability to trade in RRSP and RRIF accounts may otherwise enable Simba to trade quite extensively when his conduct has contributed to the financial insecurity of a senior retiree, who, through misplaced trust and lack of investment experience, was vulnerable to Simba's misconduct.
- [22] Providing that Simba's ability to trade in RRSP and RRIF accounts do not apply until the full amount of the administrative penalty and costs are paid, regardless of the passage of time, should provide an incentive to Simba to satisfy this sanction and costs. I will therefore order, as requested by Staff, that Simba's ability to trade in such accounts be available only after the full amount of the administrative penalty and costs have been paid, regardless of the passage of time.

³ *Cartaway Resources Corp (Re)*, 2004 SCC 26, [2004] 1 SCR 672 at para 60 (**Cartaway**).

⁴ *Cartaway* at para 64.

⁵ *Cartaway* at para 64.

[23] The administrative penalty shall, pursuant to paragraph 9 of subsection 127(1) of the Act, be designated for allocation or for use by the Commission in accordance with subsections 3.4(2)(b)(i) or (ii) of the Act.

V. CONCLUSION AS TO SANCTIONS

[24] The sanctions that have been ordered are necessary to deter Simba from further violations of the registration requirements of Ontario securities laws. The treatment of the retirement account carve-out will have a specific deterrent effect when the misconduct involves serious harm to vulnerable investors, in this case a senior retiree whose retirement investments have been significantly diminished.

VI. COSTS

[25] Section 127.1 of the Act gives the Commission the discretion to order a person or company to pay costs of an investigation and/or hearing if the Commission is satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest. A costs order is not a sanction but rather a means to recover the costs of an investigation and/or hearing.

[26] In support of its claims for costs, Staff submitted a bill of costs for one Staff member, Litigation Counsel, which includes the total number of hours worked accompanied by copies of weekly document summaries supporting the number of hours claimed. Staff advised that the bill of costs excludes any time spent by law clerks, students-at-law, and assistants and reduces time claimed to account for inefficiencies and mentoring or training of new Staff members. Staff seeks a total of \$31,980.00 for Staff fees. Staff further seeks \$3,891.51 in disbursements for a process server, court reporter and witness fees, for total costs of \$35,871.51.

[27] I conclude that the amount sought for costs is reasonable in the circumstances.

VII. CONCLUSION

[28] For the reasons above, I will issue an order as follows:

- a. Pursuant to paragraph 2 of subsection 127(1) of the Act, Simba is prohibited from trading in any securities or derivatives for 10 years, with the exception that he may trade in RRSP and RRIF accounts in which Simba has sole and legal beneficial ownership after the administrative penalty and costs at subparagraphs (f) and (g) ordered against him are paid in full;
- b. Pursuant to paragraph 2.1 of subsection 127(1) of the Act, Simba is prohibited from acquiring any securities for 10 years, with the exception that he may acquire securities in RRSP and RRIF accounts in which Simba has sole and legal beneficial ownership after the administrative penalty and costs at subparagraphs (f) and (g) ordered against him are paid in full;
- c. Pursuant to paragraph 3 of subsection 127(1) of the Act, all exemptions contained in Ontario securities law do not apply to Simba for 10 years;
- d. Pursuant to paragraph 6 of subsection 127(1) of the Act, Simba is reprimanded;
- e. Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Simba is prohibited from becoming or acting as a registrant, an investment fund manager or a promoter for 15 years;
- f. Pursuant to paragraph 9 of subsection 127(1) of the Act, Simba shall pay an administrative penalty in the amount of \$100,000 for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;
- g. Pursuant to section 127.1 of the Act, Simba shall pay costs in the amount of \$35,871.51;
- h. Notwithstanding any other provision in this Order, in the event that any of the payments set out in paragraphs (f) or (g) are not made in full, the provisions of paragraphs (a), (b), (c), and (e) shall continue in force until such payments are made in full without any limitation as to time period.

Dated at Toronto this 27th day of November, 2018.

“D. Grant Vingoe”

3.2 Director's Decisions

3.2.1 Maria Psihopedas – s. 31

IN THE MATTER OF MARIA PSIHOPEDAS

OPPORTUNITY TO BE HEARD BY THE DIRECTOR UNDER SECTION 31 OF THE *SECURITIES ACT* (ONTARIO)

Decision

1. For the reasons outlined below, my decision is to accept the recommendation of staff (Staff) of the Ontario Securities Commission (the OSC or the Commission) to revoke and replace the March 7, 2018 Director's decision and register Maria Psihopedas (Psihopedas or the Applicant) as a dealing representative sponsored by PFSL Investments Canada Ltd. (PFSL), a mutual fund dealer, subject to the following terms and conditions:
 - a. Within six months of her registration becoming effective, she is required to successfully complete the Ethics and Professional Conduct Course offered by the IFSE Institute (the EPC), and
 - b. If the term and condition above has been satisfied, the registrant shall promptly update the National Registration Database to reflect her successful completion of the EPC and provide Staff with information of her successful completion of the EPC.

Overview

2. On March 7, 2018, following an opportunity to be heard (OTBH) under section 31 of the *Securities Act* (Ontario) (the Act) the Director refused an application for registration as a mutual fund dealing representative with PFSL submitted on behalf of Psihopedas.
3. The findings of the March 7, 2018 decision related to integrity as a result of not accurately disclosing a matter on the Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* (Form F4) and the Applicant's interaction with Staff and the Director. The Applicant was self-represented at the OTBH.
4. Psihopedas retained counsel and applied under section 8 of the Act for a hearing and review of the Director's decision refusing her registration application.
5. Through the section 8 hearing and review process, Applicant's counsel obtained and submitted newly obtained information that is directly pertinent to the Applicant's statements made during the March 7, 2018 OTBH. The newly submitted information had not been previously provided to Staff or to the Director.
6. Based on the newly submitted information, Staff is now of the view that the Applicant is suitable for registration, subject to recommended terms and conditions.
7. The section 8 hearing panel proposed that the resolution to this matter be pursued before the Director as opposed to the Commission.
8. My decision is based on the written submissions of Alexandra Grishanova of Crawley, MacKewen and Brush, LLP counsel for Applicant and Mark Skuce, Senior Legal Counsel, OSC.

Law and Reasons

9. Subsection 27(1) of the Act provides that the Director shall register a person, unless it appears to the Director that the person is not suitable for registration under the Act, or that the registration is otherwise objectionable.
10. Subsection 27(3) of the Act provides that the Director may impose terms and conditions on the registration of any person or company.

The Applicant's Submissions

11. An affidavit submitted by the Applicant through the section 8 hearing and review process, included newly submitted information received through a Freedom of Information request. The documents support statements made by Psihopedas during the OTBH and addresses the primary issue of integrity.

Reasons: Decisions, Orders and Rulings

12. Following questions from the Director, counsel for the Applicant provided information from an independent party that substantiates the statements made by the Applicant in her affidavit.
13. The Applicant requests that the newly submitted information be considered.

Staff's Submissions

14. Staff is of the view that the newly submitted information filed by Psihopedas provides a reasonable explanation for statements made to them and to the Director during the March 7, 2018 OTBH.
15. Staff is now satisfied that the Applicant was not attempting to mislead them and do not question the Applicant's integrity at this time.

Joint Submission by Applicant and Staff

16. Staff and Applicant's counsel request that the March 7, 2018 Director's decision be reconsidered and replaced with a decision to approve Psihopedas' application for registration, subject to terms and conditions for an education course.

Findings

17. Having reviewed the newly submitted information and received independent support of the information provided, I believe the findings from the March 7, 2018 Director's decision are no longer valid. The issue related to integrity is no longer present.
18. Therefore, my decision is to approve Psihopedas' application as a dealing representative of a mutual fund dealer, effective immediately.
19. While the newly submitted information addressed the primary finding related to integrity, the Applicant should appreciate the importance of providing accurate information to the regulator on a go-forward basis. A course regarding ethics and conduct would assist with this understanding.
20. To this end, it is my decision to impose the following terms and conditions on the Applicant's registration:
 - a. The registrant is required to successfully complete the EPC within six months of her registration becoming effective, and
 - b. If the term and condition above has been satisfied, the registrant shall promptly update the National Registration Database to reflect her successful completion of the EPC and provide Staff with information of her successful completion of the EPC.
21. Finally, the March 7, 2018 Director's Decision is revoked and will be removed from the Director's Decision webpage of the OSC website and replaced with this Director's decision.

"Debra Foubert, J.D."
Director, Compliance and Registrant Regulation Branch
Ontario Securities Commission

November 21, 2018

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

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

Failure to File Cease Trade Orders

Company Name	Date of Order	Date of Revocation
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order	Date of Lapse
THERE IS NOTHING TO REPORT THIS WEEK.		

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Performance Sports Group Ltd.	19 October 2016	31 October 2016	31 October 2016		

Company Name	Date of Order	Date of Lapse
Katanga Mining Limited	15 August 2017	

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Chapter 7

Insider Reporting

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

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

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

Chapter 11

IPOs, New Issues and Secondary Financings

INVESTMENT FUNDS

Issuer Name:

Desjardins Québec Balanced Fund
SocieTerra Growth Portfolio
Principal Regulator – Quebec

Type and Date:

Amendment #5 to Final Simplified Prospectus dated
November 26, 2018

Received on November 27, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Desjardins Investments Inc.

Project #2724968

Issuer Name:

FDP Emerging Markets Equity Portfolio
Principal Regulator – Quebec

Type and Date:

Amendment #3 to Final Simplified Prospectus dated
November 29, 2018

Received on November 29, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Professionals' Financial – Mutual Funds Inc.

Promoter(s):

Professionals' Financial – Mutual Funds Inc.

Project #2748571

Issuer Name:

Desjardins Alt Long/Short Equity Market Neutral ETF
Principal Regulator – Quebec

Type and Date:

Preliminary Long Form Prospectus dated November 27,
2018

NP 11-202 Preliminary Receipt dated November 29, 2018

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Desjardins Global Asset Management Inc.

Project #2849025

Issuer Name:

Fidelity U.S. Focused Stock Fund
Fidelity U.S. All Cap Fund
Fidelity AsiaStar® Fund
Fidelity Far East Fund
Fidelity Global Concentrated Equity Fund
Fidelity Global Natural Resources Fund
Fidelity Global Asset Allocation Fund
Fidelity Tactical Strategies Fund
Fidelity Growth Portfolio
Fidelity ClearPath® 2040 Portfolio
Fidelity ClearPath® 2055 Portfolio
Fidelity ClearPath® Income Portfolio
Fidelity American High Yield Fund
Fidelity U.S. Money Market Fund
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
November 28, 2018

Received on November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC

Fidelity Investments Canada Limited

Promoter(s):

N/A

Project #2822465

Issuer Name:

Evolve Active Global Fixed Income ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
November 27, 2018

Received on November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Evolve Funds Group Inc.

Project #2830246

Issuer Name:

Fidelity Canadian Disciplined Equity® Class
North American Equity Class
Fidelity U.S. Focused Stock Class
Fidelity Event Driven Opportunities Currency Neutral Class
Fidelity Global Disciplined Equity® Class
Fidelity Global Concentrated Equity Class
Principal Regulator – Ontario

Type and Date:

Amendment #2 to Final Simplified Prospectus and
Amendment #4 to AIF dated November 28, 2018
Received on November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Fidelity Investments Canada ULC

Project #2729743

Issuer Name:

Fidelity Global Growth and Value Class (formerly, Fidelity
Core Global Equity Class)
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
November 28, 2018
Received on November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Fidelity Investments Canada ULC

Promoter(s):

Fidelity Investments Canada ULC

Project #2767463

Issuer Name:

Horizons Global Risk Parity ETF
Horizons Managed Global Opportunities ETF
Horizons Active Global Dividend ETF
Horizons Active Emerging Markets Dividend ETF
Horizons Active Cdn Dividend ETF
Horizons Active US Dividend ETF
Horizons Active Floating Rate Senior Loan ETF
Horizons Active A.I. Global Equity ETF
Horizons Global Currency Opportunities ETF
Horizons Active Intl Developed Markets Equity ETF
Principal Regulator – Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated
December 3, 2018
Received on December 3, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Horizons ETFs Management (Canada) Inc.

Project #2718407

Issuer Name:

Mackenzie Credit Absolute Return Fund
Mackenzie Global Long/Short Equity Fund
Mackenzie Global Macro Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 30,
2018

NP 11-202 Preliminary Receipt dated December 3, 2018

Offering Price and Description:

Series A, F, FB, O, PW, PWFB and PWX units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Mackenzie Financial Corporation

Project #2853423

Issuer Name:

Mackenzie Global Growth Balanced Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 30,
2018

NP 11-202 Preliminary Receipt dated December 3, 2018

Offering Price and Description:

Series A, AR, D, F, F5, F8, FB, FB5, O, PW, PWFB,
PWFB5, PWR, PWT5, PWT8, PWX, PWX8, T5 and T8
units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Mackenzie Financial Corporation

Project #2853426

Issuer Name:

Middlefield Healthcare & Life Sciences ETF
Middlefield REIT INDEXPLUS ETF
Principal Regulator – Alberta (ASC)

Type and Date:

Preliminary Long Form Prospectus dated November 22,
2018

NP 11-202 Preliminary Receipt dated November 27, 2018

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

Middlefield Capital Corporation

Promoter(s):

Middlefield Limited.

Project #2847445

Issuer Name:

NewGen Alternative Income Fund
Principal Regulator – Ontario

Type and Date:

Preliminary Simplified Prospectus dated November 23, 2018
NP 11-202 Preliminary Receipt dated November 27, 2018

Offering Price and Description:

Class F, Class G and Class I Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

NewGen Asset Management Limited.

Project #2848054

Issuer Name:

SmartBe Global Value Momentum Trend Index ETF
Principal Regulator – Alberta (ASC)

Type and Date:

Preliminary Long Form Prospectus dated November 30, 2018
NP 11-202 Preliminary Receipt dated December 3, 2018

Offering Price and Description:

series L units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2853464

Issuer Name:

BlackRock Diversified Monthly Income Portfolio
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated November 15, 2018
NP 11-202 Receipt dated November 27, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2809447

Issuer Name:

BMG BullionFund
BMG Gold BullionFund
BMG Silver BullionFund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 27, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Bullion Management Services Inc.

Promoter(s):

N/A

Project #2833024

Issuer Name:

BMO SIA Focused Canadian Equity Fund
BMO SIA Focused North American Equity Fund
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 29, 2018
NP 11-202 Receipt dated November 30, 2018

Offering Price and Description:

series A, F, D, I, ETF Series and Advisor Series

Underwriter(s) or Distributor(s):

BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #2832377

Issuer Name:

Evolve Active Global Fixed Income ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated November 27, 2018
NP 11-202 Receipt dated November 29, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Evolve Funds Group Inc.

Project #2830246

Issuer Name:

GC One Equity Portfolio
GC One Fixed Income Portfolio
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 29, 2018
NP 11-202 Receipt dated November 30, 2018

Offering Price and Description:

Series A units net asset value

Underwriter(s) or Distributor(s):

Worldsource Financial Management Inc.
Worldsource Securities Inc.

Promoter(s):

N/A

Project #2833750

Issuer Name:

Horizons Blockchain Technology & Hardware Index ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
November 22, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Horizons ETFs Management (Canada) Inc.

Project #2740774

Issuer Name:

Horizons S&P/TSX 60 Index ETF
Principal Regulator – Ontario

Type and Date:

Amendment #2 to Final Long Form Prospectus dated
November 22, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Horizons ETFs Management (Canada) Inc.

Project #2799066

Issuer Name:

Horizons Enhanced Income Energy ETF
Principal Regulator – Ontario

Type and Date:

Amendment #3 to Final Long Form Prospectus dated
November 22, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2739811

Issuer Name:

Horizons Seasonal Rotation ETF
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Long Form Prospectus dated
November 22, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #2797351

Issuer Name:

Mackenzie Canadian All Cap Dividend Class
Mackenzie Canadian All Cap Value Class
Mackenzie Canadian Bond Fund
Mackenzie Canadian Growth Balanced Class
Mackenzie Canadian Growth Balanced Fund
Mackenzie Canadian Growth Class
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Symmetry Fixed Income Portfolio
Symmetry Growth Portfolio
Symmetry Growth Portfolio Class
Symmetry Moderate Growth Portfolio
Symmetry Moderate Growth Portfolio Class
Principal Regulator – Ontario

Type and Date:

Final Simplified Prospectus dated November 23, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

Series LB, Series LF, Series LF5, Series LM, Series LP, Series LW, Series LW5, Series LW6 and Series LX securities

Underwriter(s) or Distributor(s):

LBC Financial Services Inc.

Promoter(s):

Mackenzie Financial Corporation

Project #2827888

Issuer Name:

NEI Jantzi Social Index® Fund (formerly Meritas Jantzi Social Index® Fund)
NEI U.S. Equity Fund (formerly OceanRock U.S. Equity Fund)
NEI International Equity Fund (formerly Meritas International Equity Fund)
NEI Select Income Portfolio (formerly OceanRock Income Portfolio)
NEI Select Growth & Income RS Portfolio (formerly Meritas Growth & Income Portfolio)
NEI Select Growth & Income Portfolio (formerly OceanRock Growth & Income Portfolio)
NEI Select Maximum Growth RS Portfolio (formerly Meritas Maximum Growth Portfolio)
Principal Regulator – Ontario

Type and Date:

Amended and Restated to Final Simplified Prospectus dated October 29, 2018

NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

Series A, F, I, O, P and PF units

Underwriter(s) or Distributor(s):

Credential Asset Management Inc.

Promoter(s):

OceanRock Investments Inc.

Project #2740993

Issuer Name:

Ninepoint Alternative Health Fund (formerly Ninepoint UIT Alternative Health Fund)
Ninepoint Gold and Precious Minerals Fund (formerly, Sprott Gold and Precious Minerals Fund)
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated November 26, 2018

NP 11-202 Receipt dated November 30, 2018

Offering Price and Description:

Series A, Series F, Series I, Series D, Series PTF and Series QF Units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

Ninepoint Partners LP

Project #2745066

Issuer Name:

Purpose Tactical Investment Grade Bond Fund
Principal Regulator – Ontario

Type and Date:

Amendment #1 to Final Simplified Prospectus dated
November 14, 2018

NP 11-202 Receipt dated November 27, 2018

Offering Price and Description:

–

Underwriter(s) or Distributor(s):

Redwood Asset Management Inc.

Promoter(s):

Purpose Investments Inc.

Project #2823273

NON-INVESTMENT FUNDS

Issuer Name:

Century Metals Inc.
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 30, 2018

NP 11-202 Preliminary Receipt dated December 3, 2018

Offering Price and Description:

Distribution by Century Global Commodities Corporation as a Dividend-in-Kind of 10,000,000 Common Shares of the Company
7,061,999 Common Shares Issuable Upon the Deemed Exercise of 7,061,999 Special Warrants

Underwriter(s) or Distributor(s):

–

Promoter(s):

Central Global Commodities Corporation

Project #2853551

Issuer Name:

Fortis Inc.
Principal Regulator – Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 29, 2018
NP 11-202 Preliminary Receipt dated November 30, 2018

Offering Price and Description:

\$2,500,000,000.00
COMMON SHARES
FIRST PREFERENCE SHARES
SECOND PREFERENCE SHARES
SUBSCRIPTION RECEIPTS
DEBT SECURITIES

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2851629

Issuer Name:

Energy Fuels Inc.
Principal Regulator – Ontario

Type and Date:

Preliminary Shelf Prospectus dated November 30, 2018

NP 11-202 Preliminary Receipt dated December 3, 2018

Offering Price and Description:

Common Shares
Preferred Shares
Warrants
Subscription Receipts
Debt Securities
Units
US\$150,000,000.00

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2853555

Issuer Name:

SLANG Worldwide Inc. (formerly Fire Cannabis Inc.)
Principal Regulator – Ontario

Type and Date:

Preliminary Long Form Prospectus dated November 29, 2018

NP 11-202 Preliminary Receipt dated November 30, 2018

Offering Price and Description:

43,998,590 Common Shares and 21,999,295 Warrants issuable without payment upon the conversion of 43,998,590 Subscription Receipts

Underwriter(s) or Distributor(s):

Canacoord Genuity Corp.
Clarus Securities Inc.
GMP Securities L.P.
Paradigm Capital Inc.

Promoter(s):

Peter W.J. Miller
William Levy
Joel Leetzow
Keith Stein
Mario Boscarino
Mihalis Belantis
Project #2853077

Issuer Name:

407 International Inc.
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated November 30, 2018
NP 11-202 Receipt dated November 30, 2018

Offering Price and Description:

\$1,600,000,000.00
Medium-Term Notes (Secured)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc,
CIBC World Markets Inc,
Casgrain & Company Limited
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc,

Promoter(s):

–

Project #2843812

Issuer Name:

Allied Properties Real Estate Investment Trust
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated November 27, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

\$1,500,000,000.00 – Debt Securities

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2843559

Issuer Name:

CLS Holdings USA, Inc.
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated November 30, 2018
NP 11-202 Receipt dated November 30, 2018

Offering Price and Description:

33,463,837 Common Shares and 33,463,837 Warrants
issuable upon deemed exercise of 30,421,670 Special
Warrants

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.

Promoter(s):

–

Project #2802520

Issuer Name:

MedMen Enterprises Inc. (formerly Ladera Ventures Corp.)
Principal Regulator – British Columbia

Type and Date:

Final Short Form Prospectus dated November 28, 2018
NP 11-202 Receipt dated November 29, 2018

Offering Price and Description:

\$75,020,000.00 – 13,640,000 Units
Price: \$5.50 per Unit

Underwriter(s) or Distributor(s):

Canaccord Genuity Corp.
Eight Capital
Cormack Securities Inc.

Promoter(s):

Adam Bierman
Andrew Modlin

Project #2840653

Issuer Name:

NBS Capital Inc.
Principal Regulator – Ontario

Type and Date:

Final CPC Prospectus dated November 27, 2018
NP 11-202 Receipt dated November 30, 2018

Offering Price and Description:

Offering of \$500,000.00 – 5,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Industrial Alliance Securities Inc.

Promoter(s):

–

Project #2830482

Issuer Name:

Planet 13 Holdings Inc.
Principal Regulator – Ontario

Type and Date:

Final Short Form Prospectus dated November 28, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

\$25,005,000.00 – 8,335,000 Units
Price: \$3.00 per Unit

Underwriter(s) or Distributor(s):

Beacon Securities Limited
Canaccord Genuity Corp.
Cormack Securities Inc.

Promoter(s):

–

Project #2840389

Issuer Name:

POET Technologies Inc.
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated November 28, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

US\$50,000,000.00
Common Shares
Debt Securities
Convertible Securities
Subscription Receipts
Warrants
Rights
Units

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2831324

Issuer Name:

Superior Plus Corp.
Principal Regulator – Ontario

Type and Date:

Final Shelf Prospectus dated November 27, 2018
NP 11-202 Receipt dated November 28, 2018

Offering Price and Description:

\$1,500,000,000.00
Common Shares
Preferred Shares
Warrants
Subscription Receipts
Debt Securities

Underwriter(s) or Distributor(s):

–

Promoter(s):

–

Project #2844578

Issuer Name:

Starlight Hybrid Global Real Assets Trust
Principal Regulator – Ontario

Type and Date:

Final Long Form Prospectus dated November 28, 2018
NP 11-202 Receipt dated November 29, 2018

Offering Price and Description:

Minimum: \$20,000,000.00 of Series A Units and/or Series
C Units and/or Series F Units
Maximum: \$100,000,000.00 of Series A Units and/or Series
C Units and/or Series F Units

Underwriter(s) or Distributor(s):

CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
RAYMOND JAMES LTD.
INDUSTRIAL ALLIANCE SECURITIES INC.
MANULIFE SECURITIES INCORPORATED
DESJARDINS SECURITIES INC.
MACKIE RESEARCH CAPITAL CORPORATION

Promoter(s):

STARLIGHT INVESTMENTS CAPITAL GP INC.

Project #2830296

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Consent to Suspension (Pending Surrender)	Ross Smith Asset Management ULC	Portfolio Manager, Investment Fund Manager and Exempt Market Dealer	November 29, 2018
Change of Registration Category	Layline Capital Inc.	From: Portfolio Manager To: Portfolio Manager and Commodity Trading Manager	November 30, 2018
Change of Registration Category	Oberon Capital Corporation	From: Exempt Market Dealer To: Exempt Market Dealer, Restricted Portfolio Manager and Investment Fund Manager	November 30, 2018

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Chapter 13

SROs, Marketplaces, Clearing Agencies and Trade Repositories

13.2 Marketplaces

13.2.1 Canadian Securities Exchange – Public Interest Rule Amendment – Policy 6 Distributions – Notice and Request for Comments

CANADIAN SECURITIES EXCHANGE

PUBLIC INTEREST RULE AMENDMENT

POLICY 6 DISTRIBUTIONS

NOTICE AND REQUEST FOR COMMENTS

The Canadian Securities Exchange (CSE or “Exchange”) is proposing amendments to Policy 6 – *Distributions* in accordance with s. 6(a) of Appendix C (“Process for the Review and Approval of Rules and Information Contained in Form 21-101F1 and the Exhibits Thereto”) of the CSE Recognition Order, as amended and s. 3.2(2) of National Instrument 21-101 *Marketplace Operation*.

The proposed amendments will introduce a requirement for resale restrictions on securities issued pursuant to a specific prospectus exemption. National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”) includes subsection 2.24 *Employee, executive officer, director and consultant* (“s.2.24”). While shares issued pursuant to s.2.24 are subject to a seasoning period described in National Instrument 45-102 *Resale of Securities*, the seasoning period has passed if the issuer has been a reporting issuer for at least 4 months. Policy 6 *Distributions* would be amended by adding, in the General section, additional language to section 1.4 to require a 4 month hold period on all shares issued pursuant to the s.2.24 exemption regardless of whether the seasoning period applied. Resale restrictions must also be disclosed in a news release describing the share issuance.

A copy of the CSE Notice is published on our website at www.osc.gov.on.ca.

13.2.2 Canadian Securities Exchange – Amendments to Trading System Functionality and Features – Notice of Approval

CANADIAN SECURITIES EXCHANGE

NOTICE OF APPROVAL

AMENDMENTS TO TRADING SYSTEM FUNCTIONALITY AND FEATURES

INTRODUCTION

In accordance with the *Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto* ("Protocol"), CNSX Markets Inc. ("CSE") has adopted, and the Ontario Securities Commission ("OSC") has approved, significant changes to the CSE Trading System.

On August 9th, 2018, the CSE published Notice 2018-006 – Request for Comment – Significant Change Subject to Public Comment – Amendments to Trading System Functionality and Features, describing several new order types proposed by the CSE. The period for public comment expired on September 10th, 2018.

CSE received one comment letter pertaining to Broker Preferencing for Non-attributed Dark Orders – a summary of that comment letter and the CSE response is attached as Appendix "A". There were no comments on the following: At the Touch Pegged Orders, CSE Limit on Open ("LOO") Orders, and Seek Dark – Price Improved Only Orders.

DESCRIPTION OF THE AMENDMENTS

The changes included new order types and enhancements to existing order types.

Notice 2018-006 proposed five amendments:

<https://thecse.com/en/about/publications/notices/notice-2018-006-significant-change-subject-to-public-comment-amendments>

The OSC has approved four of the proposed amendments, namely:

- At the Touch Pegged Orders;
- Broker Preferencing for Non-attributed Dark Orders;
- LOO Orders; and
- Seek Dark – Price Improved Only Orders.

The Pegged Order Max Qty order type is not addressed in this notice.

IMPLEMENTATION

It is expected that the new order types will be implemented in the first quarter of 2019.

Appendix A

Notice 2018-006 - Significant Change Subject to Public Comment

Amendments to Trading System Functionality and Features

Summary of Comments Received Regarding Broker Preferencing for Non-attributed Dark Orders

Summary of Respondents' Comments	CSE Response
Broker Preferencing for Non-attributed Dark Orders	
Respondent 2 expressed the view that anonymous broker preferencing in place on Canadian marketplaces and proposed by CSE is inconsistent with the accepted practice in the lit market of making attribution the trade-off for the benefit of broker preferencing.	Canadian market structure has already incorporated anonymous broker preferencing. As such, to meet customer demand, equivalent and competitive functionality is necessary.

13.3 Clearing Agencies

13.3.1 CDS – Technical Amendments to CDS Procedures – Housekeeping Changes – Notice of Effective Date

NOTICE OF EFFECTIVE DATE

TECHNICAL AMENDMENTS TO CDS PROCEDURES – HOUSEKEEPING CHANGES

OCTOBER 2018

The Ontario Securities Commission is publishing *Notice of Effective Date – Technical Amendments to CDS Procedures – Housekeeping Changes – October 2018*. The CDS procedure amendments were reviewed and non-disapproved by CDS's strategic development review committee (SDRC) on November 22, 2018.

A copy of the CDS Notice is on our website <http://www.osc.gov.on.ca>.

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