



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

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

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

- AND -

**IN THE MATTER OF
HERITAGE EDUCATION FUNDS INC.**

ORDER

WHEREAS on August 13, 2012, the Ontario Securities Commission (the “Commission”) ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the “Act”), with the consent of Heritage Education Funds Inc. (“HEFI”), that the terms and conditions set out in Schedule “A” to the Commission order (the “Terms and Conditions”) be imposed on HEFI (the “Temporary Order”);

AND WHEREAS on August 21, 2012, the Commission extended the Temporary Order until November 23, 2012;

AND WHEREAS the Terms and Conditions required HEFI to retain a consultant (the “Consultant”) to prepare and assist HEFI in implementing plans to strengthen their compliance systems, and to retain a monitor (the “Monitor”) to review applications of New Clients and contact New Clients as defined and set out in the Terms and Conditions;

AND WHEREAS HEFI retained Deloitte & Touche LLP (“Deloitte”) as its Monitor and its Consultant;

AND WHEREAS by Order dated October 10, 2012, the Commission clarified certain matters with respect to the Temporary Order;

AND WHEREAS by Order dated November 22, 2012, the Commission ordered that the Temporary Order be extended to December 21, 2012 and that the hearing be adjourned to December 20, 2012;

AND WHEREAS by Order dated December 20, 2012, the Commission amended certain of the Terms and Conditions and extended the Temporary Order to March 22, 2013;

AND WHEREAS by Order dated January 28, 2013, the Manager of the Compliance and Registrant Regulation Branch (the "OSC Manager") approved the compliance plan dated January 14, 2013 (the "Plan") submitted by the Consultant;

AND WHEREAS on March 21, 2013, the Commission ordered that the Temporary Order be extended to April 19, 2013;

AND WHEREAS on April 8, 2013, HEFI filed a motion with the Commission to vary the terms of the Temporary Order by, among other matters, suspending the on-going monitoring by the Monitor of HEFI's compliance with the Terms and Conditions (the "Motion");

AND WHEREAS on April 18, 2013, the Commission heard oral submissions from the parties and issued an Order which: (i) dismissed the Motion; (ii) extended the Temporary Order to May 31, 2013, or until such further order of the Commission; (iii) adjourned the hearing to May 27, 2013 at 11:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Monitor and the Consultant; and (iv) provided that the Monitor, Staff and HEFI may seek further direction from the Commission, if necessary or desirable;

AND WHEREAS on May 23, 2013, the Commission issued an order on consent of the parties that: (i) the Temporary Order be extended to June 17, 2013, or until such further order of the Commission; (ii) the hearing be adjourned to June 14, 2013 at 10:00 a.m.; and (iii) the hearing date of May 27, 2013 be vacated;

AND WHEREAS by letter dated June 12, 2013, the Manager approved Compliance Support Services to replace Deloitte as Consultant subject to three conditions;

AND WHEREAS on June 14, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 22, 2013; and (ii) the hearing be adjourned to July 18, 2013 at 10:00 a.m.;

AND WHEREAS on July 17, 2013, the Commission ordered that: (i) the Temporary Order be extended to September 9, 2013; (ii) the hearing be adjourned to September 6, 2013 at 10:00 a.m.; and (iii) the hearing date of July 18, 2013 at 10:00 a.m. be vacated;

AND WHEREAS on September 6, 2013, the Commission ordered that: (i) the role and activities of the Monitor and HEFI set out in paragraphs 5, 6, 7 and 8 of the Terms and Conditions, as amended by Commission order dated December 20, 2012, be suspended as of the start of business on September 16, 2013; (ii) the resumption of any future monitoring shall take place on the recommendation of the Consultant with the agreement of the OSC Manager and the parties may seek direction from the Commission; (iii) the Temporary Order be extended to October 22, 2013; and (iv) the hearing be adjourned to October 18, 2013 at 10:00 a.m.;

AND WHEREAS on October 15, 2013, the Commission ordered that: (i) the hearing date of October 18, 2013 at 10:00 a.m. be vacated; (ii) the Temporary Order be extended to December 19, 2013 or until such further order of the Commission; and (iii) the hearing be adjourned to December 16, 2013 at 10:00 a.m.;

AND WHEREAS the parties consent to the terms of this Order;

AND WHEREAS the Commission considers that it is in the public interest to make this Order;

IT IS HEREBY ORDERED pursuant to section 127 of the Act that:

1. The hearing date of December 16, 2013 at 10:00 a.m. is vacated.
2. Paragraph 11 of the Terms and Conditions is deleted and replaced with:
“11.1 The Consultant shall submit Progress Reports on a bimonthly basis, with the next such report to be submitted no later than February 3, 2014, until the Plan has been fully implemented.”

3. Paragraph 12 of the Terms and Conditions is deleted and replaced with:
“12.1 HEFI is permitted to open new branches provided the Consultant has provided a letter in writing to the OSC Manager, in respect of each proposed new branch location, confirming that the new branch location has a suitable branch manager and that HEFI has sufficient compliance resources to oversee the proposed new branch location.”
4. The Temporary Order is extended to March 7, 2014 or until such further order of the Commission.
5. The hearing is adjourned to March 5, 2014 at 10:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant and to consider the possible extension of the Temporary Order.

DATED at Toronto this 12th day of December, 2013.

“James E. A. Turner”

James E. A. Turner