



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
KNOWLEDGE FIRST FINANCIAL INC.**

ORDER

WHEREAS on March 6, 2014, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in relation to the Statement of Allegations filed by Staff of the Commission (“Staff”) on March 5, 2014 with respect to Knowledge First Financial Inc. (“KFFI”);

AND WHEREAS KFFI entered into a Settlement Agreement dated March 5, 2014 (the “Settlement Agreement”) in relation to certain of the matters set out in the Statement of Allegations;

AND WHEREAS the Settlement Agreement acknowledged KFFI’s co-operation with Staff and set out the costs incurred by KFFI in retaining an independent consultant (the “Consultant”) to prepare and assist KFFI in implementing a plan to strengthen KFFI’s “compliance system” within the meaning of section 11.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

AND WHEREAS the Settlement Agreement set out that a manager in the Compliance and Registrant Regulation Branch of the Commission (the “OSC Manager”)

approved the amended Consultant's plan dated November 16, 2012 and that Staff reviewed the progress reports detailing KFFI's progress with respect to the implementation of the amended Consultant's plan as revised by various progress reports (the "Amended Consultant's Plan");

AND WHEREAS the Settlement Agreement set out that the Consultant confirmed by letter dated October 17, 2013 that the Amended Consultant's Plan had been fully implemented;

AND WHEREAS on March 7, 2014, the Commission ordered: (a) the Settlement Agreement be approved; (b) by no later than May 7, 2015, KFFI will provide the OSC Manager as defined in the Terms and Conditions with a report on whether the revised policies and procedures and internal controls set out in the Amended Consultant's Plan are: (i) being followed by KFFI; (ii) working appropriately and (iii) being adequately administered and enforced by KFFI; and (c) KFFI be reprimanded;

AND WHEREAS on June 6, 2014, KFFI made a motion to the Commission to vary the KFFI Settlement Agreement to delete the heading that read "PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST" and replace it with "PART IV – CONDUCT TO BETTER SERVE THE PUBLIC INTEREST" (the "Variation Motion");

AND WHEREAS on June 13, 2014, the Commission ordered the Variation Motion be dismissed and requested that Staff, in fairness to KFFI, reconsider whether to amend the Settlement Agreement as requested by KFFI;

AND WHEREAS the parties have signed an Amended Settlement Agreement dated February 12, 2015 (the "Amended Settlement Agreement") which sets out the same facts and terms of settlement as the Settlement Agreement but replaces the heading that read "PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST" with "PART IV – CONDUCT TO BETTER SERVE THE PUBLIC INTEREST";

AND WHEREAS the parties consent to the terms of this Order approving the Amended Settlement Agreement and agree that the sanctions provided for in the Order dated March 7, 2014 remain in full force and effect;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order without the requirement of another public hearing;

IT IS HEREBY ORDERED THAT:

- (a) the Amended Settlement Agreement is approved.

DATED at Toronto, Ontario this 18th day of February, 2015

“James E. A. Turner”

James E. A. Turner