



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

---

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

**-and-**

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

M. Cecilia Williams, Commissioner and Chair of the Panel  
Mary Anne De Monte-Whelan, Commissioner  
Craig Hayman, Commissioner

**FILE NO.:** 2018-28  
2020-7

March 10, 2020

**ORDER**

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

WHEREAS on March 10, 2020, 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, to consider the Joint Request for a Settlement Hearing filed by Issam El-Bouji (**Bouji**), Global RESP Corporation (**Global RESP**) and Global Growth Assets Inc. (**GGAI**) and Staff of the Commission (**Staff**) for approval of a settlement agreement dated as of March 3, 2020 (the **Settlement Agreement**);

ON READING the Statement of Allegations dated May 24, 2018 with respect to Bouji and the Statement of Allegations dated March 4, 2020 with respect to Global RESP and GGAI, and the Settlement Agreement and on hearing the submissions of the representatives for the parties, including that (i) Global RESP shall commence the process to surrender its registration as a scholarship plan dealer and consented to the immediate suspension of its registration pending surrender and provided Staff with a signed consent to this effect; (ii) GGAI opened a bank account in its name, for the exclusive purpose of compensating the Underpaid Beneficiaries as described in subparagraph (b)(i) below, to be held separate and apart from GGAI's own property and held by a Canadian financial institution in a designated trust account in trust for the Underpaid Beneficiaries (the **Special Purpose Account**); (iii) Global RESP and GGAI made a joint, voluntary payment of \$300,000 to the Special Purpose Account; and (iv) Bouji delivered a certified cheque in the amount of \$190,000 to Staff before the commencement of the Settlement Hearing on accounts of costs ordered in paragraph (g) below;

**IT IS ORDERED THAT:**

- (a) the Settlement Agreement is approved;

(b) pursuant to paragraph 1 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), the following terms and conditions are imposed on GGAI's registration:

(i) on a joint and several basis with Global RESP, GGAI shall compensate the beneficiaries of subscribers who subscribed to units in the Global Educational Trust Plan pursuant to prospectuses dated November 25, 2002, August 26, 2003 and August 23, 2004 (the **2002 to 2004 Beneficiaries**) who have not received a full reimbursement of enrolment fees owing to them and have no Educational Assistance Payment (**EAP**) balance remaining as of the date of this Order (the **Underpaid Beneficiaries**);

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

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

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

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

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

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

- (iii) GGAI shall ensure that an amount equal to the full amount of enrolment fees paid in connection with each contract has been reimbursed to the Underpaid Beneficiaries and shall take all reasonable efforts to do so within nine months of the date of this Order;
- (iv) subject to any applicable unclaimed property legislation, in the event that GGAI has used all reasonable efforts but has not been successful in locating one or more of the Underpaid Beneficiaries after five years from the date of this Order, the total amounts owing to such beneficiaries shall be donated to the charity Pathways to Education;
- (v) until Global RESP and GGAI complete all payments to the Special Purpose Account to the satisfaction of a Manager in the Compliance and Registrant Regulation (**CRR**) Branch of the Commission (the **OSC Manager**) (the **Interim Period**), the following capital controls (the **Capital Controls**) shall apply to GGAI:

- 1. GGAI shall not, without the prior written consent of Staff:
  - a. reduce its capital in any manner including by redemption, re-purchase or cancellation of any of its shares;
  - b. reduce or repay any indebtedness to any director, officer, partner, shareholder, related company, affiliate or associate, or any other indebtedness which has been subordinated; or

---

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

c. directly or indirectly make any payments by way of loan, advance, bonus, dividend, repayment of capital or other distribution of assets to any director, officer, partner, shareholder, related company, affiliate or associate;

(vi) after the Interim Period:

1. Bouji shall place ownership in GGAI in an irrevocable blind trust to be administered by a federally regulated trust company; and

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

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

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

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

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

4. GGAI's Board of Directors shall submit written progress reports demonstrating GGAI's compliance with the Enrolment Fee Obligation to

---

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

the OSC Manager every six months from the date of this Order to a date that is satisfactory to the OSC Manager;

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

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

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

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

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

3. upon the OSC Manager's approval of the Plan, GGAI shall require the Consultant to submit written progress reports (**Progress Reports**) to the OSC Manager detailing GGAI's progress with respect to implementation of the Plan, to the satisfaction of the OSC Manager. The

Consultant shall submit Progress Reports no less frequently than every three months from the date the Plan is approved until the Plan has been fully implemented;

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

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

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

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

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

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

- (i) GGAI shall not act as investment fund manager for any investment fund other than the Global Iman Fund and the Global Plans;<sup>3</sup>
- (ii) GGAI is prohibited from distributing units in the Global Plans with the exception that it shall be permitted to distribute units to current subscribers for existing plans with the same beneficiary if: (i) the units are distributed pursuant to the terms of an existing contract; or (ii) the units are distributed at the request of the current subscriber through a registered dealer;
- (iii) for the purpose of (ii) above, GGAI shall not directly or indirectly solicit current subscribers to purchase additional units and GGAI shall prohibit the registered dealer(s) from soliciting current subscribers to purchase additional units;
- (iv) GGAI shall continue to maintain an independent<sup>4</sup> board of directors except that the term and condition on GGAI's registration found at paragraph 1(e)(i) of the Commission order dated April 16, 2014 in the Matter of Issam El-Bouji, et al. is lifted and replaced with the requirement that 90 days from the date of this Order, the independent board shall be comprised exclusively of three independent external board members and the independent directors are to be approved by the OSC Manager; and
- (v) GGAI shall not permit Bouji or other members of the Bouji family<sup>5</sup> (the **Bouji Family**) to provide any service of any kind to GGAI or to any service providers of GGAI<sup>6</sup>, or to participate in the operations or management of GGAI, whether as an employee, an independent contractor, unpaid service provider, or any capacity whatsoever. Without restricting the generality of the foregoing, GGAI shall not permit members of the Bouji Family directly or indirectly to:

---

<sup>3</sup> The Global Plans include the AES Plan, the GET Plan, and the LES Plan.

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

<sup>5</sup> Members of the Bouji family include all relatives of Bouji either by blood or marriage.

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

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



Family to act as a consultant, advisor or supplier of any services to GGAI;

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

---

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

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

"M. Cecilia Williams"

M. Cecilia Williams

"Mary Anne De Monte-Whelan"

Mary Anne De Monte-Whelan

"Craig Hayman"

Craig Hayman