

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

and

IN THE MATTER OF SENTRY INVESTMENTS INC. and SEAN DRISCOLL

**APPLICATION
OF CI INVESTMENTS INC.**

(For Variation of a Decision Under Section 144 of the *Securities Act*, RSO 1990, c. S.5)

A. ORDER SOUGHT

The Applicant, CI Investments Inc., requests that the Ontario Securities Commission make the order in the form attached as Schedule “A” (the “Variation Order”).

B. GROUNDS

The grounds for the request are:

1. On April 5, 2017, the Ontario Securities Commission (the “Commission”) made an order approving a Settlement Agreement entered into by Sentry Investments Inc. (“Sentry”) with Staff of the Commission dated March 31, 2017 (the “Order”) in relation to proceedings that had been commenced by the issuance of a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in connection with allegations set out in the Statement of Allegations of Staff (“Staff”) dated March 31, 2017;
2. The Order requires, among other things, that Sentry pay an administrative penalty and costs of the Commission’s investigation in specified amounts, and that it continue to submit to a review of its practices and procedures in accordance with an Undertaking given by Sentry to the Commission (“Sentry Undertaking”) attached as Schedule “A” to the Order;

3. The Sentry Undertaking required, in part, that Sentry retain a Consultant to examine and make recommendations to be included in a plan (the "Plan") regarding certain areas of Sentry's operations, internal controls, practices, policies, and procedures, including the areas of sales practices, transfer agency, fund accounting, and trust accounting. The Sentry Undertaking also required the Consultant to submit written progress reports every 90 days regarding the implementation of the Plan until the Plan had been fully implemented to the satisfaction of a Manager in the Compliance and Registrant Regulation Branch of the Commission (the "OSC Manager");

4. On August 9, 2017, CI Financial Corp. entered into an agreement to acquire Sentry Investments Corp. and its subsidiary, Sentry (the "Transaction"). At that time, Sentry was registered in Ontario as an investment fund manager, an exempt market dealer and mutual fund dealer and a commodity trading manager, and was the manager of the Sentry Funds;

5. CI Financial Corp. is a reporting issuer in Ontario. It owns 100% of the shares of CI Investments Inc. ("CI"), which is registered in Ontario as an investment fund manager, a portfolio manager, an exempt market dealer and commodity trading counsel and commodity trading manager;

6. On October 2, 2017, CI Financial Corp. announced that it had completed the Transaction;

7. Since that date, the Consultant that was retained by Sentry in connection the Sentry Undertaking continues to be retained by CI for the purpose of fulfilling Sentry's Undertaking and complying with the Order;

8. On January 1, 2018, the Sentry mutual fund sales function was integrated with CI's mutual fund sales function;

9. On June 1, 2018, Sentry was amalgamated with CI. As at that date, responsibility for fund accounting, trust accounting and transfer agency for the Sentry Funds transferred to CI;

10. On June 1, 2018, Sentry was amalgamated with CI. As at that date, responsibility for fund accounting, trust accounting and transfer agency functions for the Sentry Funds transferred to CI; CI understood that as at that date, the Plan had been fully

implemented including the implementation of revised policies, procedures and training materials relating to Sentry's operations, including mutual fund sales practices;

11. Subsequent to the Order, the Consultant provided progress reports to the OSC Manager with respect to the implementation of the Plan.

12. On June 4, 2018 (the "Confirmation Date"), CI received confirmation from the OSC Manager that the Plan ("Plan") described in the Sentry Undertaking had been fully implemented;

13. On September 24, 2018, CI announced that its Sentry branded investment funds had been switched to CI's administrative platform. By that date, the Sentry Funds had been fully integrated into CI;

14. CI has been in discussion with Staff since December 2017 concerning the impact of the Transaction on the Sentry Undertaking and CI's commitment to ensuring that the spirit of the Sentry Undertaking and the Order was respected notwithstanding the change in circumstances;

15. Sentry paid the amounts that it was required to pay as a term of the Settlement Agreement and Order;

16. Staff and CI consent to the issuance of the Variation Order;

17. It would not be prejudicial to the public interest for the Commission to make the Variation Order; and

18. Section 144 of the Act.

C. EVIDENCE

The Applicant intends to rely on the following evidence at the hearing:

1. Affidavit of Anne Ramsay sworn August 22, 2019.

DATED this 23 day of August, 2019

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SCHEDULE "A"

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

and

IN THE MATTER OF SENTRY INVESTMENTS INC. and SEAN DRISCOLL

ORDER (Section 144)

WHEREAS:

1. On April 5, 2017, the Ontario Securities Commission (the "Commission") made an order approving a Settlement Agreement ("Settlement Agreement") entered into by Sentry Investments Inc. ("Sentry") with Staff of the Commission dated March 31, 2017 (the "Order") in relation to proceedings that had been commenced by the issuance of a Notice of Hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with allegations set out in the Statement of Allegations of Staff ("Staff") dated March 31, 2017;
2. The Order requires that Sentry pay an administrative penalty and costs of the Commission's investigation in specified amounts, and that it continue to submit to a review of its practices and procedures in accordance with an Undertaking given by Sentry to the Commission ("Sentry Undertaking") attached as Schedule "A" to the Order;
3. The Sentry Undertaking required, in part, that Sentry retain a Consultant to examine and make recommendations to be included in a plan (the "Plan") regarding certain areas of Sentry's operations, internal controls, practices, policies, and procedures, including the areas of sales practices, transfer agency, fund accounting, and trust accounting. The Sentry Undertaking also required the Consultant to submit written progress reports every 90 days regarding the implementation of the Plan until the Plan had been fully implemented to the satisfaction of a Manager in the Compliance and Registrant Regulation Branch of the Commission (the "OSC Manager").
4. On August 9, 2017, CI Financial Corp. entered into an agreement to acquire Sentry Investments Corp. and its subsidiary, Sentry (the "Transaction"). At that time, Sentry was registered in Ontario as an investment fund manager, an exempt market dealer and mutual fund dealer and a commodity trading manager, and was the manager of the Sentry Funds;
5. CI Financial Corp. is a reporting issuer in Ontario. It owns 100% of the shares of CI Investments Inc. ("CI"), which is registered in Ontario as an investment fund manager, a portfolio manager, an exempt market dealer and commodity trading counsel and commodity trading manager;
6. On October 2, 2017, CI Financial Corp. announced that it had completed the Transaction;
7. Since that date, the Consultant that was retained by Sentry in connection the Sentry Undertaking continues to be retained by CI for the purpose of fulfilling Sentry's Undertaking and complying with the Order;

8. On January 1, 2018, the Sentry mutual fund sales function was integrated with CI's mutual fund sales function;
9. On June 1, 2018, Sentry was amalgamated with CI. As at that date, responsibility for fund accounting, trust accounting and transfer agency functions for the Sentry Funds transferred to CI; CI understood that as at that date, the Plan had been fully implemented including the implementation of revised policies, procedures and training materials relating to Sentry's operations, including mutual fund sales practices.
10. On June 4, 2018 (the "Confirmation Date"), CI received confirmation from the OSC Manager that the Plan had been fully implemented;
11. On September 24, 2018, CI announced that its Sentry branded investment funds had been switched to CI's administrative platform. By that date, the Sentry Funds had been fully integrated into CI;
12. CI has been in discussion with Staff since December 2017 concerning the impact of the Transaction on the Sentry Undertaking and CI's commitment to ensuring that the spirit of the Sentry Undertaking and the Order was respected notwithstanding the change in circumstances;
13. Sentry has paid the amounts that it was required to pay as a term of the Settlement Agreement and Order;
14. Staff and CI consent to the variation of the Order on the terms set out herein; and
15. The Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED THAT:

1. Paragraph 3(a) of the Order is varied and replaced to provide as follows:
 - (i) CI shall cause the Consultant to submit by December 31, 2019 a letter (the "Attestation Letter"), expressing its conclusions on whether the revised internal controls, policies and procedures relating to sales practices set out in the Plan (as have now been incorporated into CI's internal controls, policies and procedures) were working appropriately and adequately followed, administered and enforced for the 9-month period commencing July 1, 2018;
 - (ii) CI shall cause the Consultant to submit by December 31, 2019 a letter (the "Transition Letter") expressing its conclusions on whether the transition of the Sentry Funds to CI occurred without error and whether the functions related to transfer agency, fund accounting and trust accounting have been fully integrated into CI;
 - (iii) CI shall cause the Consultant to include with the Attestation Letter and the Transition Letter (collectively, the "Letters") a description of the testing performed to support the conclusions contained in each of the respective Letters;
 - (iv) CI shall cause the Consultant to submit such additional reports as may be requested by the OSC Manager for the purpose of satisfying the OSC Manager that the conclusions expressed in the Letters are valid;
 - (v) CI shall provide the Consultant with reasonable access to all of CI's books and records necessary to complete its mandates and shall require its officers, directors and employees to cooperate fully with the Consultant with respect to its work; and

