



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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

**- AND -**

**IN THE MATTER OF  
CHILDREN'S EDUCATION FUNDS INC.**

**ORDER**

**WHEREAS** on September 14, 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") and with the consent of Children's Education Funds Inc. ("CEFI") that the terms and conditions (the "Terms and Conditions") set out in Schedule "A" to the Commission order dated September 14, 2012 be imposed on CEFI (the "Temporary Order");

**AND WHEREAS** on September 14, 2012, the Commission ordered that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission and ordered that the matter be brought back before the Commission on September 26, 2012 at 10:00 a.m.;

**AND WHEREAS** on September 20, 2012, the Commission issued a Notice of Hearing pursuant to section 127 in respect of a hearing to be held on September 26, 2012 at 10:00 a.m. to consider whether, in the opinion of the Commission, it was in the public interest, pursuant to subsection 127(7) and (8) of the Act to extend the Temporary Order;

**AND WHEREAS** on September 26, 2012, the Commission extended the Temporary Order against CEFI until December 7, 2012 and ordered that the matter be brought back before the Commission on December 6, 2012 at 10:00 a.m.;

**AND WHEREAS** the Terms and Conditions of the Temporary Order required CEFI to retain a consultant (the “Consultant”) to prepare and assist CEFI in implementing plans to strengthen their compliance systems and to retain a monitor (the “Monitor”) to review all applications of new clients and contact new clients as set out in the Terms and Conditions;

**AND WHEREAS** CEFI retained Compliance Support Services Inc. (“Compliance Support”) as both its Monitor and its Consultant;

**AND WHEREAS** Compliance Support filed its Consultant’s plan on October 2, 2012 and filed an addendum to the Consultant’s plan with the OSC Manager on November 12, 2012;

**AND WHEREAS** on December 6, 2012, Staff filed an Affidavit of Lina Creta sworn December 3, 2012 setting out the monitoring and consulting work completed to date by Compliance Support;

**AND WHEREAS** on December 6, 2012, the Commission approved a revised monitoring regime which consisted of a review of a random sample of 50% of applications from new clients of CEFI with an income less than \$50,000 and a random sample of 10% of applications from new clients with an income greater than \$50,000 for the purpose of ensuring adequate KYC Information in order to determine suitability of the investment and should the Monitor not be satisfied with the KYC Information for this purpose, to contact the new client;

**AND WHEREAS** on December 6, 2012, the Temporary Order was extended to March 1, 2013 and the hearing was adjourned to February 28, 2013 at 10:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Monitor and the Consultant and to consider whether any changes were required to the Terms and Conditions;

**AND WHEREAS** on February 28, 2013, the Commission varied the terms of the monitoring set out in paragraph 5 of the Terms and Conditions, extended the Temporary Order to May 13, 2013 and adjourned the hearing to May 10, 2013;

**AND WHEREAS** on May 10, 2013 Staff filed an Affidavit of Lina Creta sworn May 9, 2013 attaching the Progress report and Monitor reports filed with Staff since February 28, 2013 and correspondence between Staff and the Consultant;

**AND WHEREAS** the Consultant has provided a letter to the OSC Manager dated May 7, 2013 stating that the monitoring of CEFI’s new client applications is no longer necessary;

**AND WHEREAS** the parties request that the Temporary Order be varied to suspend the role and activities of the Monitor as provided by 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. As at the close of business on May 10, 2013, the role and activities of the Monitor as set out in paragraphs 5, 6, 8 and 9 of the Terms and Conditions as amended by Commission Orders dated December 6, 2012 and February 27, 2013, and the activity of CEFI as set out in paragraph 8 of the Terms and Conditions are suspended.
2. The Temporary Order is extended to July 22, 2013.
3. The hearing is adjourned to July 19, 2013 at 10:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant.

**DATED** at Toronto this 10<sup>th</sup> day of May, 2013.

*“James E. A. Turner”*

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James E.A. Turner