



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 August 10, 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 Knowledge First Financial Inc. (“KFFI”) that the terms and conditions set out in Schedule “A” to the Commission orders (the “Terms and Conditions”) be imposed on KFFI (the “Temporary Order”);

AND WHEREAS on August 21, 2012, the Commission extended the Temporary Order against KFFI until November 14, 2012;

AND WHEREAS the Terms and Conditions required KFFI to retain a consultant (the “Consultant”) to prepare and assist KFFI 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 defined and set out in the Terms and Conditions;

AND WHEREAS KFFI retained Deloitte & Touche LLP as its Monitor and retained Sanford Eprile & Company as its Consultant;

AND WHEREAS on September 24, 2012, KFFI brought an application for directions seeking interpretations of paragraphs 5 and 6 of the Terms and Conditions;

AND WHEREAS by order dated October 10, 2012, the Commission clarified the process to be followed by the Monitor including the suitability guidelines to be applied, set out the content of the Monitor's bi-weekly reports and extended the time for the Monitor to complete calls to New Clients and, in appropriate cases, to unwind New Clients' plans;

AND WHEREAS by order dated December 20, 2012, the Commission: (i) deleted and replaced paragraph 5 of the Terms and Conditions with paragraphs 5.1 and 5.2 which set out the sample of New Client applications to be reviewed by the Monitor and the sample of New Clients to be contacted by the Monitor; and (ii) extended the Temporary Order to March 22, 2013;

AND WHEREAS by order dated March 21, 2013, the Commission ordered that: (i) the role of the Monitor be suspended effective April 5, 2013; (ii) the Temporary Order be extended to June 20, 2013; and (iv) the hearing be adjourned to June 19, 2013 at 10:00 a.m.;

AND WHEREAS the Consultant has filed with the OSC Manager as required by the Terms and Conditions: (i) the Consultant's Plan dated October 10, 2012; (ii) an amended Consultant's Plan dated November 16, 2012; and (iii) ten progress reports;

AND WHEREAS by order dated June 18, 2013, the Commission ordered that: (i) the Temporary Order be extended to June 25, 2013; (ii) the hearing be adjourned to June 21, 2013 at 2:00 p.m.; and (iii) the hearing date of June 19, 2013 at 11:00 a.m. be vacated;

AND WHEREAS by order dated June 21, 2013, the Commission ordered that paragraphs 4, 5, 6, 7, 8, 9, 10, 11 and 12 of the Terms and Conditions be deleted and replaced with new paragraphs 11.1 and 12.1;

AND WHEREAS Staff filed the affidavit of Lina Creta sworn October 22, 2013 attaching the progress reports dated August 10 and October 4, 2013 and a reconciliation reports from the Consultant dated October 10 and 17, 2013;

AND WHEREAS the parties agree that paragraphs 1, 2, 3, 5.1, 5.2, 11.1, 12.1 and 13 of the Terms and Conditions should be deleted and therefore the Temporary Order is revoked;

AND WHEREAS the Consultant has confirmed that the amended Consultant's Plan has been implemented and confirmed that the Consultant has tested the implementation of the recommendations in the amended Consultant's Plan and it is working effectively;

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 remaining Terms and Conditions imposed by the Temporary Order, namely paragraphs 1, 2, 3, 5.1, 5.2, 11.1, 12.1 and 13, are deleted.
2. The Temporary Order is revoked.

DATED at Toronto this 23rd day of October, 2013.

"James E. A. Turner"

James E. A. Turner