



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
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 acknowledges KFFI’s co-operation with Staff and sets 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 sets 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 the OSC

Manager 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 the Commission issued a Notice of Hearing dated March 6, 2014, with respect to a hearing to consider the approval of the Settlement Agreement between Staff and KFFI;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations and upon considering submissions from KFFI's counsel and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than May 7, 2015, KFFI will provide the OSC Manager as defined in the Terms and Conditions with a report, based on a work plan to be agreed upon jointly by KFFI, the Consultant and the OSC Manager, which reports on whether the revised policies and procedures and internal controls set out in the Amended Consultant's Plan as well as any subsequent revisions thereto are: (i) being followed by KFFI; (ii) working appropriately and (iii) being adequately administered and enforced by KFFI, such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending March 7, 2015; and

(c) pursuant to clause 6 of subsection 127(1) of the Act, KFFI is reprimanded.

DATED at Toronto, Ontario this 7th day of March, 2014.

“James E. A. Turner”

James E. A. Turner