



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
HERITAGE EDUCATION FUNDS INC.**

ORDER

WHEREAS on August 13, 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”), with the consent of Heritage Education Funds Inc. (“HEFI”), that the terms and conditions set out in Schedule “A” to the Commission order (the “Terms and Conditions”) be imposed on HEFI (the “Temporary Order”);

AND WHEREAS on August 21, 2012, the Commission extended the Temporary Order until November 23, 2012;

AND WHEREAS the Terms and Conditions required HEFI to retain a consultant (the “Consultant”) to prepare and assist HEFI in implementing plans to strengthen their compliance systems, and to retain a monitor (the “Monitor”) to review applications of New Clients and contact New Clients as defined and set out in the Terms and Conditions;

AND WHEREAS HEFI retained Deloitte & Touche LLP (“Deloitte”) as its Monitor and its Consultant;

AND WHEREAS by Order dated October 10, 2012, the Commission clarified certain matters with respect to the Temporary Order;

AND WHEREAS on November 22, 2012, the Commission ordered that the Temporary Order be extended to December 21, 2012 and that the hearing be adjourned to December 20, 2012;

AND WHEREAS on December 20, 2012, the Commission ordered that certain of the Terms and Conditions be amended and that the Temporary Order be extended to March 22, 2013;

AND WHEREAS on January 28, 2013, the Manager of the Compliance and Registrant Regulation Branch (the “OSC Manager”) approved the compliance plan dated January 14, 2013 (the “Plan”) submitted by the Consultant;

AND WHEREAS on March 21, 2013, the Commission ordered that the Temporary Order be extended to April 19, 2013;

AND WHEREAS on April 8, 2013, HEFI filed a motion with the Commission to vary the terms of the Temporary Order by, among other matters, suspending the on-going monitoring by the Monitor of HEFI’s compliance with the Terms and Conditions (the “Motion”);

AND WHEREAS on April 18, 2013, the Commission heard oral submissions from the parties and ordered that: (i) the Motion be dismissed; (ii) the Temporary Order be extended to May 31, 2013, or until such further order of the Commission; (iii) the hearing be adjourned to May 27, 2013 at 11:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Monitor and the Consultant; and (iv) the Monitor, Staff and HEFI may seek further direction from the Commission, if necessary or desirable;

AND WHEREAS on May 23, 2013, the Commission issued an order on consent of the parties that: (i) the Temporary Order be extended to June 17, 2013 or until such further order of the Commission; (ii) the hearing be adjourned to June 14, 2013 at 10:00 a.m.; and (iii) the hearing date of May 27, 2013 be vacated;

AND WHEREAS by letter dated June 12, 2013, the OSC Manager approved Compliance Support Services to replace Deloitte as Consultant subject to three conditions;

AND WHEREAS on June 14, 2013, the Commission ordered that: (i) the Temporary Order be extended to July 22, 2013; and (ii) the hearing be adjourned to July 18, 2013 at 10:00 a.m.;

AND WHEREAS on July 17, 2013, the Commission ordered that: (i) the Temporary Order be extended to September 9, 2013; (ii) the hearing be adjourned to September 6, 2013 at 10:00 a.m.; and (iii) the hearing date of July 18, 2013 at 10:00 a.m. be vacated;

AND WHEREAS on September 6, 2013, the Commission ordered that: (i) the role and activities of the Monitor and HEFI set out in paragraphs 5, 6, 7 and 8 of the Terms and Conditions, as amended by Commission order dated December 20, 2012, be suspended as of the start of business on September 16, 2013; (ii) the resumption of any future monitoring shall take place on the recommendation of the Consultant with the agreement of the OSC Manager and the parties may seek the direction from the Commission; (iii) the Temporary Order be extended to October 22, 2013; and (iv) the hearing be adjourned to October 18, 2013 at 10:00 a.m.;

AND WHEREAS on October 15, 2013, the Commission ordered that: (i) the hearing date of October 18, 2013 at 10:00 a.m. be vacated; (ii) the Temporary Order be extended to December 19, 2013 or until such further order of the Commission; and (iii) the hearing is adjourned to December 16, 2013 at 10:00 a.m.;

AND WHEREAS on December 12, 2013, the Commission ordered that: (i) the hearing date of December 16, 2013 be vacated; (ii) paragraphs 11 and 12 of the Terms and Conditions be deleted and replaced with new paragraphs 11.1 and 12.1; (iii) the Temporary Order be extended to March 7, 2014; and (iv) the hearing be adjourned to March 5, 2014 at 10:00 a.m. for the purpose of providing the Commission with an update on the work completed by Compliance Support Services;

AND WHEREAS on March 5, 2014, Staff filed an affidavit of Lina Creta sworn March 4, 2014 setting out the work completed by the Consultant;

AND WHEREAS on March 5, 2014, the Commission ordered that: (i) the Temporary Order be extended to April 28, 2014; and (ii) the hearing be adjourned to April 23, 2014 at 9:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Consultant and to consider vacating the Temporary Order;

AND WHEREAS on April 23, 2014, Staff filed an affidavit of Lina Creta sworn April 22, 2014 attaching the Consultant's attestation letter dated April 21, 2014 and the Consultant's Chart of Progress Against Action Plan Spreadsheet dated March 31, 2014;

AND WHEREAS on April 23, 2014, the Commission ordered: (i) the Temporary Order be extended to May 20, 2014; and (ii) the hearing be adjourned to May 16, 2014 at 10:00 a.m. to consider any issues that prevent Staff from agreeing to an Order vacating the remaining Terms and Conditions imposed by the Temporary Order;

AND WHEREAS Staff, HEFI and the Consultant continue to discuss the implementation of the Consultant's Plan; Staff has requested further information and the Consultant has advised that it will use its best efforts to provide the requested information within two weeks;

AND WHEREAS the parties consent to 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. The Temporary Order as amended by previous Commission orders is extended to June 9, 2014 or until such further order of the Commission.
2. The hearing is adjourned to June 6, 2014 at 10:00 a.m. to consider vacating the remaining Terms and Conditions imposed by the Temporary Order.
3. The hearing date of May 16, 2014 at 10:00 a.m. is vacated.

DATED at Toronto this 15th day of May, 2014.

“James E. A. Turner”

James E. A. Turner