



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 January 8, 2015, 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 January 6, 2015 with respect to Heritage Education Funds Inc. (“HEFI”);

AND WHEREAS HEFI entered into a Settlement Agreement with Staff dated January 6, 2015 (the “Settlement Agreement”) in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Settlement Agreement sets out that on August 13, 2012, the Commission issued a temporary section 127 order with HEFI’s consent, which imposed terms and conditions (“Terms and Conditions”) on HEFI’s registration;

AND WHEREAS the Settlement Agreement acknowledges HEFI’s co-operation with Staff and sets out the costs incurred by HEFI in retaining an independent consultant (the “Consultant”) to prepare and assist HEFI in implementing a plan to strengthen HEFI’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 Consultant’s plan dated October 12, 2012 (the “Consultant’s Plan”) and the addendums to the Consultant’s plan dated December 17, 2012, January 22, 2013, and October 1, 2013 (the “Addendums”) and that the OSC Manager reviewed the progress reports detailing HEFI’s progress with respect to the implementation of the Consultant’s Plan and the Addendums as revised by various progress reports;

AND WHEREAS the Settlement Agreement sets out that the Consultant confirmed by letter dated April 21, 2014 that HEFI has implemented the procedures and controls recommended by the Consultant to address each of the deficiencies identified in the compliance review report dated June 14, 2012 and to strengthen HEFI’s compliance system and 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 issued a Notice of Hearing dated January 8, 2015, setting out that it proposed to consider the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations and upon considering submissions from HEFI’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) this Settlement Agreement is approved;
- (b) pursuant to clause 4 of subsection 127(1) of the Act, no later than March 12, 2016, HEFI will provide the OSC Manager as defined in the Terms and Conditions with a report by the Consultant, based on a work plan to be agreed upon jointly by HEFI, the Consultant and the OSC Manager by no later than February 23, 2015, which reports on whether the revised policies and procedures and internal controls set out in the Consultant’s Plan and the Addendums as well as any subsequent revisions thereto are: (i) being followed by HEFI; (ii) working appropriately; and (iii) being adequately administered and enforced by HEFI,

such report to include a description of the Consultant's testing to support its conclusions for the 12 month period ending January 12, 2016; and

- (c) pursuant to clause 6 of subsection 127(1) of the Act, HEFI is reprimanded by the Commission.

DATED at Toronto, Ontario this 12th day of January, 2015

“Christopher Portner”
