Order

Genus Capital Management Inc.

Securities Act, **RSBC 1996, c. 418**

¶ 1   The Executive Director of the British Columbia Securities Commission has entered into a settlement agreement with Genus Capital Management Inc. (Genus), a copy of that agreement is attached as Schedule A.

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¶ 2   Pursuant to the *Securities Act*, RSBC 1996, c. 418 (Act), the Executive Director orders that:

1.   Genus is reprimanded under section 161(1)(j) of the Act for:

(a)   failing to file the requisite exempt distribution reports and pay associated fees with respect to distributions of securities of the Genus Funds in 2009 and 2010;

(b)   failing under the circumstances to establish and implement a compliance system in accordance with National Instrument 31-103 that was sufficient to provide reasonable assurances that Genus, and each individual acting on its behalf, complied with securities legislation; and

(c)   failing to discharge these obligations despite repeated compliance guidance and reminders from Commission staff, and contrary to Genus' own assurances that it would discharge its obligations;

2.   under section 161(1)(i) of the Act that Genus make changes to its practices and its policies and procedures manual in order to ensure compliance with all regulatory requirements, including but not limited to:

(a)   filing of exempt distribution reports in accordance with National Instrument 45-106 and B.C. Instrument 45-505;

(b)   when necessary, filing the requisite notice in accordance with B.C. Instrument 45-505; and

(c)   revising the description of CCO duties and responsibilities to include the review of all information received from, or published

by, the Commission, and implementation of compliance procedures that account for such information; and

3.   under section 161(1)(h) of the Act that Genus submit its revised policies and procedures manual to the Executive Director by July 31, 2012 for review and final approval.

¶ 3   May 2, 2012

Paul C. Bourque

¶ 4   Paul C. Bourque, Q.C.
Executive Director