

No. 50

1st Session, 14th Legislature, Alberta
8 Elizabeth II

BILL 50

A Bill to amend The Securities Act, 1955

HON. MR. MANNING

Explanatory Note

2. The definition of "security" is amended (a) to include a "participation certificate"; (b) to refer to certificates of interests in oil, gas or mining permits and reservations as well as leases of these minerals; (d) to include loans to private companies where it is contemplated that the loans may be repaid by subscription stock, etc., in a company; and to include fractional undivided interests in oil, gas or mining claims, as well as in leaseholds or real property where, in the latter case, the interest is a part of a common enterprise for profit. Section 2 (r) (vi) reads:

"(r) "security" includes

.....

(vi) without in any way restricting the generality of anything hereinbefore contained,

(A) any bond, debenture, share, stock, note, unit, unit certificate, certificate of share or interest, pre-organization certificate or subscription,

(B) any certificate of share or interest in a trust estate or association, profit sharing agreement or certificate,

(C) any certificate of interest in an oil, gas or mining lease,

(D) any certificate of interest in any patent or patent right, claim or royalty,

(E) any voting trust certificate, collateral trust certificate,

(F) any income or annuity contract not issued by an insurance company, and

(G) any bankers' share, trustees' share, investment contract, investment participating bond, or investment trust debenture, bond, debenture, share stock, note, unit or certificate bond upon any security,

whether any of the foregoing relate to a person, proposed company or company, as the case may be;"

3. Section 8, subsection (1) reads:

"8. (1) No person or company shall

(a) trade in any security unless he or it is registered as a broker, investment dealer, broker-dealer, security issuer or as a salesman of a registered broker, investment dealer, broker-dealer or security issuer,

(b) act as a partner or officer of or on behalf of any person or company in connection with a trade in any security by that person or company unless he or it is registered for trading in securities under this Act,

(c) act as a salesman of or on behalf of any person or company in connection with a trade in any security by that person or company unless he is registered as a salesman of the person or company and the person or company is registered as a broker, investment dealer, broker-dealer or security issuer, or

(d) act as investment counsel or securities adviser unless he or it is registered as an investment counsel or securities adviser,

and the registration has been made in accordance with the provisions of this Act and the regulations and the person or company has received written notice of his or its registration from the registrar."

4. Section 13, subsection (1) reads:

"13. (1) The registrar may, and when so directed by the commission shall, require any applicant or any registered person or company within a specified time to deliver a bond by a guarantee company approved by the commission in such form as the regulations prescribe and in such amount as the commission requires."

BILL

No. 50 of 1960

An Act to amend The Securities Act, 1955

(Assented to _____, 1960)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

1. *The Securities Act, 1955*, being chapter 64 of the Statutes of Alberta, 1955, is hereby amended.

2. Section 2, clause (*r*), subclause (vi) is amended

- (a) as to paragraph (A) by adding after the words "unit certificate," the words "participation certificate,"
- (b) as to paragraph (C) by adding at the end thereof the words "permit or reservation,"
- (c) by striking out the word "and" at the end of paragraph (F),
- (d) by adding after paragraph (G) the following:
 - (H) any agreement providing that money received will be repaid or treated as a subscription to shares, stock, units or interests at the option of the recipient or of any person or company, and
 - (i) any document or documents evidencing a fractional undivided interest in any oil, gas or mining lease, permit, reservation or claim, or where it is a part of a common enterprise for profit, in any leasehold or real property,

3. Section 8, subsection (1) is amended

- (a) by striking out the word "or" at the end of clause (c),
- (b) by adding at the end of clause (d) the word "or",
- (c) by adding immediately after clause (d) the following:
 - (e) advise others by means of a publication or writing with respect to the advisability of investing in or purchasing or selling a security specified therein unless the person or company is registered or is exempted from registration,

4. Section 13, subsection (1) is amended by striking out the words "by a guarantee company".

5. The purpose of this amendment is to require ten days' notice in writing to the commission where securities of its own issue are being distributed by a company. Section 20, subsection (2), clause (a) presently reads:

"(2) Subject to the regulations, registration is not required to trade in (a) securities that are of its own issue and are distributed or issued by a company to the holders of its securities as a stock dividend or other distribution out of earnings or surplus, or securities, whether of its own issue or not, that are distributed or issued by a company to the holders of its securities as incidental to a bona fide reorganization or winding up of the company or distribution of its assets for the purpose of winding up its affairs, or the sale by a company to the holders of its securities of additional securities of its own issue, if no commission or other remuneration is paid or given to others in respect of such distribution, issuance or sale, except for ministerial or professional services or services performed by a person or company registered for trading in securities under this Act in connection with a bona fide reorganization of the company;"

6. In the cases where notice is required to be given by section 34, a hearing or review may be requested under section 35. Section 34 reads:

"34. A notice of every direction, decision, order or ruling of the commission

- (a) granting or refusing to grant registration to or renewing, refusing to renew, suspending, cancelling or changing the registration of any person or company, or
- (b) regarding trading or the right to trade in securities or any conditions or restrictions relating thereto,

shall be served upon the applicant or the person or company whose registration is thereby affected and upon such other person or company as in the opinion of the commission is primarily affected by the direction, decision, order or ruling, at the address appearing in the application or upon the records of the commission."

7. (a) The present heading reads:

**"PROSPECTING SYNDICATES AND SECURITIES ISSUED
BY A PERSON"**

(b) These subsections are being replaced by section 44b, *infra*.

(c) The new section 44a will provide a means whereby the securities created by the formation of certain types of syndicates, as therein set out, may be filed with the commission and sold publicly.

44a. (1) Definitions.

5. Section 20, subsection (2) is amended by striking out clause (a) and by substituting the following:

- (a) securities of its own issue that are distributed or issued by a company to the holders of its securities as a stock dividend or other distribution out of earnings or surplus, or securities, whether of its own issue or not, that are distributed or issued by the company to the holders of its securities as incidental to a *bona fide* re-organization or winding up of the company or distribution of its assets for the purpose of winding up its affairs, or the sale by a company to the holders of its securities of additional securities of its own issue, if the commission is notified in writing of the terms of the sale at least ten days before the sale is to be made, and no commission or other remuneration is paid or given to others in respect of the distribution, issuance or sale, except for ministerial or professional services or services performed by a person or company registered for trading in securities under this Act in connection with a *bona fide* re-organization of the company,

6. Section 34 is amended

- (a) by adding at the end of clause (b) the word "or",
 (b) by adding immediately after clause (b) the following:
 (c) refusing to accept a prospectus for filing,

7. Part VII is amended

- (a) by striking out the heading to the Part and substituting the following new heading:

**SECURITIES ISSUED BY A PERSON, BY A MINING
 SYNDICATE OR BY A COMMERCIAL SYNDICATE**

- (b) by striking out subsections (4) and (5) of section 44,
 (c) by adding immediately after section 44 the following:

44a. (1) In this section,

- (a) "commercial syndicate" means a combination of persons or companies or both persons and companies not exceeding twenty in number, formed, with a common view to profit, for the promotion of any mercantile, mechanical or manufacturing enterprise or any enterprise for the development of property, but does not include a mining syndicate;
 (b) "agreement" means the document wherein the terms and conditions of the association of the participants in the commercial syndicate are set out;

(2) The "commercial syndicate" agreements may be filed.

(3) Contents of agreements.

(c) "unit" includes any document or writing by which participants are to evidence their acceptance of the terms and conditions for association and the extent of their participation therein, by whatever name the writing is called in the agreement.

(2) A commercial syndicate agreement may, in the absolute discretion of the commission, be accepted for filing by the commission if the agreement complies with the requirements of subsection (3).

(3) The agreement shall contain

- (a) the name under which the commercial syndicate will carry out its enterprise,
- (b) the general nature of the enterprise intended to be carried out,
- (c) the date on which the enterprise will be started,
- (d) the names and usual places of residence of the persons or companies interested in having the commercial syndicate established, and the participants in the agreement at the time of filing,
- (e) the amount of capital that the participants have contributed and the capital that will be sought from others who subsequently participate in the syndicate,
- (f) the particulars of any transaction effected or in contemplation involving the participation of any persons or companies in the syndicate for a consideration other than cash,
- (g) the maximum amount that may be charged or taken by any person or company as commission upon the sale of units of the syndicate,
- (h) the maximum amount or number of units of the syndicate, or the maximum participation therein, that may be issued or authorized in consideration of the transfer to the syndicate of any property or right or interest in or in respect of any real property, or for any services, licences, franchises, inventions, patents or other things or rights to be used or acquired by the syndicate,
- (i) the location within the Province of the head office of the syndicate and an undertaking that the head office will at all times during the continuance of the agreement be maintained in the Province and that any change in the address of the head office will be immediately notified to all participants in the syndicate and to the commission,
- (j) an undertaking that a person holding any real or personal property for the syndicate will execute a declaration of trust in favour of the syndicate with respect to the property,

(4) Salesmen to be designated.

(5) Limited liability of participants by sale of securities of syndicate.

(6) Registration of salesmen.

(7) Non-application of The Partnership Act.

- (k) a condition that the administrative expenses of the syndicate including in addition to any other items, salaries, office expenses, advertising and commissions paid or to be paid by the syndicate with respect to obtaining further participation therein, will be limited to such percentage of the total amount received by the syndicate from all units sold therein for cash, as may be approved by the commission,
- (l) an undertaking that the statement of the receipts and disbursements of the syndicate will be furnished to the commission on demand and to each participant annually,
- (m) an undertaking that ninety per cent of the units of the syndicate to be issued for properties or consideration other than cash will be held in escrow for release upon the consent of the commission, and that any release of units will not be in excess of the units sold for cash, and
- (n) an undertaking that no securities of the commercial syndicate other than those of its own issue and no properties, or other rights or things held by the syndicate or held in trust for the syndicate, will be disposed of or allowed to lapse unless the same is approved by two-thirds of the participants in the syndicate.

(4) When an agreement has been accepted by the commission for filing, the commercial syndicate may designate from time to time the persons therein who will sell units of the syndicate to the public, and shall inform the commission of the methods of selling that the syndicate proposes to adopt.

(5) Where an agreement is accepted for filing by the commission the persons or companies, not being parties to the setting up of the syndicate, who participate in the commercial syndicate by the purchase of units of the syndicate are not liable for the debts of the commercial syndicate except in respect of the amounts contributed by them to the capital thereof.

(6) The persons designated to sell units of the commercial syndicate shall obtain registration by the commission as securities salesmen for the syndicate's securities and are subject to such rules and regulations as the commission may prescribe to control and regulate or prohibit the activities of salesmen of securities issued by commercial syndicates.

(7) Where a commercial syndicate agreement is accepted for filing by the commission under this section, the requirements of *The Partnership Act*

44b. (1) Present section 44(4) modified to refer to registered salesmen of commercial syndicate and to include "person".

(2) Present section 44(5) in substance but made permissive upon conditions.

(3) Registered salesmen of commercial syndicate.

8. Section 45, subsection (3), clause (v) reads, as relevant:

"(3) The prospectus required under subsection (1) shall also set forth:

.....
(v) in the case of companies other than extra-provincial companies, a certification in one of the following forms:

"This company is not authorized to expend moneys received from the sale of securities unless the minimum subscription set forth in this prospectus is subscribed. All moneys received by the company in respect of the minimum subscription, less any amount permitted to be paid as commission on the sale of securities, will be held in trust by the company to be repaid if the minimum subscription is not subscribed."

or

"A certificate authorizing the company to expend moneys received from the sale of securities was issued to the company by the commission on the day of 19 .
(The date must be stated)",
which shall be signed by the directors and promoters of the company,".

9. Section 46, subsection (2) reads:

"(2) The report shall be made by a person who in the opinion of the commission is a qualified mining engineer, geologist or prospector, shall be certified by the mining engineer, geologist or prospector and shall set forth

- (a) his address and occupation,
- (b) his qualifications,
- (c) any interest that he may have either directly or indirectly or that he may expect to receive either directly or indirectly in the property or securities,
- (d) whether or not the report is based on personal examination,
- (e) the date of any such examination, and
- (f) where not personally examined, the source of the information contained in the report."

10. (a) Section 50, subsection (2) reads, as relevant:

"(2) The financial statements or consolidated financial statements, as the case may be, shall contain

.....
(b) if profits have been earned or losses sustained, a statement with respect to net profits and the nature and source thereof, or net losses, as the case may be,

(i) in respect of the last three completed financial years, year by year, and any part of a subsequent financial year that is included in the balance sheet, and for such additional periods, not exceeding seven years, as the commission may require where, in the opinion of the commission, such further disclosure is desirable, or

(ii) if the company has been carrying on business for less than three years, then for such time as the company has been carrying on business,

which shall be accompanied by a report of the auditors of the company stating whether, in their opinion, the statement fairly represents the earnings for the periods."

as to filing and as to certificates do not apply and the provisions of that Act shall be read subject to this section.

44b. (1) Except a salesman of a commercial syndicate registered as such under section 9, and subject to subsection (2), no person registered for trading in securities under this Act shall trade in a security issued by a prospecting syndicate or commercial syndicate, or other person, either as agent for the syndicate, or other person, or as principal.

(2) A person or company registered for trading in securities under this Act, other than a salesman of a commercial syndicate registered under section 44a, may trade in a security issued by a person, other than a prospecting syndicate or commercial syndicate, if

- (a) written permission, upon such terms as the commission may require, has been obtained from the commission, and
- (b) information satisfactory to the commission and relating to that person and the security has been accepted for filing by the commission.

(3) Notwithstanding section 8, the salesman of a commercial syndicate registered as such under section 44a may trade in the securities of the commercial syndicate subject to the rules and regulations of the commission in that behalf and subject to any special conditions made by the commission upon the registration of the salesman.

8. Section 45, subsection (3), clause (v) is amended by striking out the words "which shall be signed by the directors and promoters of the company,".

9. Section 46, subsection (2) is amended by striking out the words "in the opinion of the commission is a qualified mining engineer, geologist or prospector," and by substituting the words "is a qualified mining engineer, geologist or prospector, in the opinion of the commission, and acceptable to the commission,".

10. Section 50 is amended

- (a) as to subsection (2), clause (b)
 - (i) by striking out the word "three" in subclause (i) and by substituting the word "five",
 - (ii) by striking out the word "seven" in subclause (i) and by substituting the word "five",
 - (iii) by striking out the word "three" in subclause (ii) and by substituting the word "five",

(b) Section 50, subsection (3) reads:

"(3) Where before the date of the prospectus under section 45 a mining company that has been carrying on business for less than three years acquired either directly or by ownership or otherwise control of a business that has been carried on for a period longer than the business of the mining company, the requirements of clause (b) of subsection (2) apply as if the company had been carrying on business for the same period as the business of which it has acquired control."

(c) Section 50, subsection (4) reads:

"(4) If the proceeds or any part of the proceeds of the securities offered in the prospectus required under section 45 are or is to be applied directly or indirectly in the purchase of a business, the requirements of clause (b) of subsection (2) apply to the net profits or net losses, as the case may be, of both the company and the business."

(d) New. Self-explanatory.

II. This amendment, which relates to the minimum subscription certificate accompanying the prospectus of a provincial industrial company, is comparable to the amendment in respect of the same matter and relating to a provincial mining company. (Cf. note to clause 7 of this Bill.)

- (b) as to subsection (3) by striking out the word "three" and by substituting the word "five",
- (c) as to subsection (4) by adding at the end thereof the words "and the prospectus shall be accompanied by
 - (a) a *pro forma* statement combining the net profits or net losses of the business or businesses with those of the company or companies covered by the earnings statement for the years and period mentioned in clause (b) of subsection (2), and
 - (b) a *pro forma* balance sheet showing the assets to be acquired and the liabilities to be assumed and the assets and liabilities of the company or companies covered by the balance sheet referred to in clause (a) of subsection (2), as at the date at which the balance sheet is made up or, if the commission so requires, a statement showing the assets to be acquired and the liabilities to be assumed,
 and clause (b) of subsection (2) applies to the *pro forma* statement and balance sheet required by this subsection.",
- (d) by adding immediately after subsection (4) the following:
 - (5) The commission may require the prospectus of a mining company to be accompanied by a *pro forma* balance sheet showing, as at the date at which the balance sheet required under subsection (1) is made up,
 - (a) the assets and liabilities of the company, and
 - (b) unless the commission otherwise directs, the assets and liabilities of all its subsidiaries,
 and giving effect to the sale, issue or redemption of securities issued or to be issued by the company and to such other transactions as the commission may require.
 - (6) Every profit and loss statement, balance sheet, *pro forma* balance sheet and *pro forma* statement, mentioned in subsection (2), (4) or (5), and any other financial statement accompanying the prospectus, shall be drawn up in such manner and contain such information, as the commission may require.
 - (7) There shall be filed with the commission, in such form as the commission may require, a consent by the auditors of the company to use the report given pursuant to the requirements of subsection (2).

11. Section 53, subsection (3), clause (i1) is amended by striking out the words "which shall be signed by the directors and promoters of the company;".

12. (a) This amendment, which is made in respect of the statement of the net profits and net losses accompanying the prospectus of a provincial industrial company, is comparable to the amendment made in respect of provincial mining companies' prospectuses, by clause 9 (a) of this Bill.

(b) Cf. clause 10 (b) of this Bill. Section 57, subsection (3) reads:

"(3) Where, before the date of the prospectus under section 53, an industrial company that has been carrying on business for less than three years acquired, either directly or by ownership of shares or otherwise, control of a business that has been carried on for a period longer than the business of the industrial company, the requirements of clause (b) of subsection (2) apply as if the company had been carrying on business for the same period as the business of which it has acquired control."

(c) Section 57, subsection (4) reads:

"(4) If the proceeds or any part of the proceeds of the securities offered in the prospectus required under section 53 are or is to be applied directly or indirectly in the purchase of a business, the requirements of clause (b) of subsection (2) apply to the net profits or net losses, as the case may be, of both the company and the business."

(d) New. Self-explanatory.

13. This relates to the minimum subscription certificate of provincial investment companies. Cf. clause 7 of this Bill (mining companies) and clause 10 (industrial companies) and notes thereto.

14. (a) This amendment relates to the net profits and net loss statements accompanying the prospectus of an investment company. Cf. clauses 9 (a) (mining companies) and clause 11 (a) (industrial companies) and notes thereto.

(b) Compare clauses 10 (b) and 12 (b) of this Bill. This relates to investment company prospectuses.

12. Section 57 is amended

- (a) as to subsection (2), clause (b)
 - (i) by striking out the word "three" in subclause (i) and by substituting the word "five",
 - (ii) by striking out the word "seven" in subclause (i) and by substituting the word "five",
 - (iii) by striking out the word "three" in subclause (ii) and by substituting the word "five",
- (b) as to subsection (3) by striking out the word "three" and by substituting the word "five",
- (c) as to subsection (4) by adding at the end thereof the words "and the prospectus shall be accompanied by
 - (a) a *pro forma* statement combining the net profits or net losses of the business or businesses with those of the company or companies covered by the earnings statement for the years mentioned in clause (b) of subsection (2), and
 - (b) a *pro forma* balance sheet showing the assets to be acquired and the liabilities to be assumed and the assets and liabilities of the company or companies covered by the balance sheet referred to in clause (a) of subsection (2) as at the date at which the balance sheet is made up or, if the commission so requires, a statement showing the assets to be acquired and the liabilities to be assumed,
 and clause (b) of subsection (2) applies to the *pro forma* statement and balance sheet required by this subsection.",
- (d) by adding immediately after subsection (4) the following:
 - (5) There shall be filed with the commission, in such form as the commission may require, a consent by the auditors of the company to use the report given pursuant to the requirements of subsection (2).

13. Section 61, subsection (3), clause (k1) is amended by striking out the words "which shall be signed by the directors and promoters of the company;".

14. Section 65 is amended

- (a) as to subsection (2), clause (c)
 - (i) by striking out the word "three" in subclause (i) and by substituting the word "five",
 - (ii) by striking out the word "seven" in subclause (i) and by substituting the word "five",
 - (iii) by striking out the word "three" in subclause (ii) and by substituting the word "five",
- (b) as to subsection (3) by striking out the word "three" and by substituting the word "five",

(c) Cf. clauses 10 (c) and 12 (c). Section 65, subsection (4) reads:

"(4) If the proceeds or any part of the proceeds of the securities offered in the prospectus required under section 61 are or is to be applied directly or indirectly in the purchase of a business, the requirements of clause (c) of subsection (2) apply to the net profit or net losses, as the case may be, of both the company and the business."

(d) New. See clause 10 (d) relating to mining companies and cf. section 58 of the Act in respect of industrial companies.

15. New. Parts VIII, IX and X are the Parts dealing with the prospectus requirements.

- (c) as to subsection (4) by adding at the end thereof the words "and the prospectus shall be accompanied by
- (a) a *pro forma* statement combining the net profits or net losses of the business or businesses with those of the company or companies covered by the earnings statement referred to in clause (c) of subsection (2), and
 - (b) a *pro forma* balance sheet showing the assets to be acquired and the liabilities to be assumed and the assets and liabilities of the company or companies covered by the balance sheet referred to in clause (a) of subsection (2), as at the date at which the balance sheet is made up or, if the commission so requires, a statement showing the assets to be acquired and the liabilities to be assumed,
- and clause (c) of subsection (2) applies to the *pro forma* statement and balance sheet required by this subsection.",
- (d) by adding immediately after subsection (4) the following:
- (5) The commission may require the prospectus of an investment company to be accompanied by a *pro forma* balance sheet showing, as at the date at which the balance sheet required under subsection (1) is made up,
 - (a) the assets and liabilities of the company, and
 - (b) unless the commission otherwise directs, the assets and liabilities of all its subsidiaries,
 and giving effect to the sale, issue or redemption of securities issued or to be issued by the company and to such other transactions as the commission may require.
 - (6) Every profit and loss statement, balance sheet, *pro forma* balance sheet and *pro forma* statement, mentioned in subsection (2), (4) or (5), and any other financial statement accompanying the prospectus, shall be drawn up in such manner, and contain such information, as the commission may require.
 - (7) There shall be filed with the commission, in such form as the commission may require, a consent by the auditors of the company to use the report given pursuant to the requirements of subsection (2).

15. The following section is added immediately after section 68:

16. Section 71 is revised to state more clearly the power of the commission thereunder. Section 71 reads:

"71. The commission, in its discretion may accept for filing any prospectus, financial statement or report or amended prospectus, financial statement or report submitted for filing under Part VIII, IX or X, as the case may be, and direct the registrar to issue a receipt therefor unless it appears to the commission

- (a) that the prospectus, or any financial statement or report that is required to accompany the prospectus
 - (i) fails to comply in any substantial respect with any of the requirements of Part VIII, IX or X, as the case may be,
 - (ii) contains any statement, promise or forecast that is misleading, false or deceptive, or
 - (iii) has the effect of concealing material facts,
- (b) that an unconscionable consideration has been paid or given or is intended to be paid or given
 - (i) for promotional purposes, or
 - (ii) for the acquisition of property,
- (c) that the proceeds from the sale of the securities that are to be paid into the treasury of the company, together with other resources of the company, are insufficient to accomplish the objects indicated in the prospectus, or
- (d) that such escrow or pooling agreement as the commission deems necessary or advisable with respect to securities issued for a consideration other than cash has not been entered into."

68a. (1) Where a company wishes to raise additional capital by the issue of treasury shares after its initial financing, it may apply to the commission, at least ten days before any such issue of treasury shares, to designate the shares for trading through a recognized stock exchange.

(2) Upon receiving such information and such documents or material as it may require, the commission may designate the shares for trading through a recognized stock exchange or may refuse to do so, as it sees fit.

(3) Parts VIII, IX and X do not apply to securities designated by the commission under this section for trading through a recognized stock exchange if the securities are listed and posted for trading on the stock exchange and sold through the stock exchange.

16. Section 71 is struck out and the following is substituted:

71. (1) The commission may, in its absolute discretion, accept for filing any prospectus, financial statement or report, or amended prospectus, financial statement or report, submitted for filing under Part VIII, IX or X, as the case may be.

(2) The commission shall not accept for filing any prospectus, financial statement or report mentioned in subsection (1) if it appears to the commission

- (a) that the prospectus, or any financial statement or report that is required to accompany the prospectus
 - (i) fails to comply in any substantial respect with any of the requirements of Part VIII, IX or X, as the case may be,
 - (ii) contains any statement, promise or forecast that is misleading, false or deceptive, or
 - (iii) has the effect of concealing material facts,
- (b) that an unconscionable consideration has been paid or given or is intended to be paid or given
 - (i) for promotional purposes, or
 - (ii) for the acquisition of property,
- (c) that the proceeds from the sale of the securities that are to be paid into the treasury of the company, together with other resources of the company, are insufficient to accomplish the objects indicated in the prospectus, or
- (d) that such escrow or pooling agreement as the commission deems necessary or advisable with respect to securities issued for a consideration other than cash has not been entered into.

(3) Where the commission accepts for filing any prospectus, financial statement or report mentioned in subsection (1), the commission shall direct the registrar to issue a receipt therefor.

17. Section 78 reads:

"78. Every broker who has acted as agent for a customer in the purchase or sale of a security upon a stock exchange shall promptly send or deliver to the customer a written confirmation of the transaction, which shall set forth

- (a) the quantity and description of the security,
- (b) the consideration,
- (c) the name of the person or company from or to or through whom the security was bought or sold,
- (d) the day, and the name of the stock exchange, upon which the transaction took place, and
- (e) the commission charged in respect of the purchase or sale."

18. This amendment provides that the Minimum Subscription Part does not apply to extra-provincial companies.

19. Section 108, subsection (1) is amended to remove an incongruity. Section 108 (1) reads as follows:

"108. (1) Where a magistrate or justice of another province issues a warrant for the arrest of any person on a charge of violating any provision of this Act or any similar statute of that province, any magistrate or justice of Alberta within whose jurisdiction that person is or is suspected to be may, upon satisfactory proof of the handwriting of the magistrate or justice who issues the warrant make an endorsement thereon in the form prescribed by the regulations."

17. Section 78 is amended

- (a) by renumbering the section as subsection (1),
- (b) by adding immediately after the renumbered subsection (1) the following:

(2) Clause (c) of subsection (1) need not be complied with if the written confirmation contains a statement that the name of the person or company from or to, or through whom the security was bought or sold will be furnished to the customer upon request.

18. Part XIII is amended by adding the following section immediately after the heading "Minimum Subscription":

91a. This Part does not apply to companies incorporated otherwise than by or pursuant to any general or special Act of the Legislature.

19. Section 108, subsection (1) is amended by striking out the words "of this Act" and by substituting the words "of any Securities Act of that other province".

20. This Act comes into force on the day upon which it is assented to.

No. 50

FIRST SESSION

FOURTEENTH LEGISLATURE

8 ELIZABETH II

1960

BILL

An Act to amend The Securities Act,
1955

Received and read the

First time.....

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