

1984 BILL 55

Second Session, 20th Legislature, 33 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 55

SECURITIES AMENDMENT ACT, 1984

THE MINISTER OF CONSUMER AND CORPORATE AFFAIRS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 55

1984

SECURITIES AMENDMENT ACT, 1984

(Assented to _____, 1984)

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

1 *The Securities Act is amended by this Act.*

2 *Section 1 is amended*

(a) *by adding the following after clause (a.1):*

(a.1) "board of directors" includes

- (i) the board of directors of a company,
- (ii) the board of directors of the general partner of a limited partnership,
- (iii) the board of directors of a promoter of an issuer that is not a company or a limited partnership, and
- (iv) when used in relation to any other issuer not referred to in subclauses (ii) and (iii) that is not a company, persons acting in a capacity similar to that of a board of directors of a company;

(b) *by adding the following after clause (c.1):*

(c.2) "control person" means any person or company or any combination of persons or companies or persons and companies holding

- (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or
- (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of that issuer;

(c) *by repealing clause (d.1) and substituting the following:*

(d.1) "decision", when used in relation to the Commission or the Director,

- (i) means a direction, decision, order or ruling made by the Commission or the Director under a power or right conferred by this Act or the regulations, and

Explanatory Notes

- 1 This Bill will amend chapter S-6.1 of the Statutes of Alberta, 1981.
- 2 Defines “board of directors”, “government incentive security” and “offering memorandum” and redefines “promoter”.
- Section 1(d.1), (e), (i), (m), (p.1), (q.1), (t.1)(iv), (x)(iv) and (z) presently read:

1 In this Act,

(d.1) “decision”, when used in relation to the Commission or the Director, means a direction, decision, order or ruling made by the Commission or the Director under a power or right conferred by this Act or the regulations;

(e) “Director” means the Director of the Commission;

(i) “insider” or “insider of a reporting issuer” means

(i) every director or senior officer of a reporting issuer,

(ii) every director or senior officer of a company that is itself an insider or subsidiary of a reporting issuer,

(iii) any person or company that

(A) beneficially owns, directly or indirectly, voting securities of a reporting issuer,

(B) exercises control or direction over voting securities of a reporting issuer, or

(C) beneficially owns, directly or indirectly, certain voting securities of a reporting issuer and exercises control or direction over certain other voting securities of a reporting issuer,

carrying more than 10% of the voting rights attached to all voting securities of the reporting issuer for the time being outstanding other than voting securities held by the person or company as underwriter in the course of a distribution, or

(iv) a reporting issuer if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities;

(m) “misrepresentation” means

- (ii) includes a direction made by the Director under section 96 of this Act;
- (d) in clause (e) by adding “and includes any Deputy Director of the Commission” after “the Commission”;
- (e) in clause (i)
 - (i) as to subclause (ii) by striking out “a company” and substituting “an issuer”;
 - (ii) by adding the following after subclause (ii):
 - (ii.1) every subsidiary of a reporting issuer,
 - (iii) by repealing subclause (iv) and substituting the following:
 - (iv) a reporting issuer if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities, but a reporting issuer is not an insider of itself if the securities that it has purchased, redeemed or otherwise acquired have been cancelled and returned to its authorized but unissued capital;
- (f) in clause (m)(ii) and (iii) by striking out “made” and substituting “stated”;
- (g) by adding the following after clause (m.1):
 - (m.2) “offering memorandum” means a document that describes the business and affairs of an issuer and that has been prepared for delivery to and review by prospective purchasers in order to assist them in making an investment decision in respect of securities being sold in a distribution to which section 81 or 97 would apply but for the availability of an exemption contained in section 107(1)(c), (d), (p), (q), (r), (s), (t), (t.1), (t.2), (t.3) or (z), but does not include an annual report, interim report, information circular, take-over bid circular, issuer bid circular, prospectus or other document the content of which is prescribed by a statute or a regulation other than this Act or the regulations under this Act;
- (h) in clause (p.1)
 - (i) by striking out “instrument of incorporation” and substituting “constating documents”;
 - (ii) by striking out “Companies Act (British Columbia)” and substituting “Company Act (British Columbia)”;
- (i) by repealing clause (q.1) and substituting the following:
 - (q.1) “promoter” means
 - (i) a person or company, acting alone or in conjunction with 1 or more other persons or companies or a combination of them, that, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, or
 - (ii) a person or company that, directly or indirectly, receives in consideration of services or property or both,

- (i) *an untrue statement of a material fact, or*
- (ii) *an omission to state a material fact that is required to be made, or*
- (iii) *an omission to state a material fact that is necessary to be made in order for a statement not to be misleading;*

(p.1) *“private company” means a company in whose instrument of incorporation*

- (i) *the right to transfer its shares is restricted,*
- (ii) *the number of its shareholders, exclusive of*
 - (A) *persons who are in its employment or that of an affiliate, and*
 - (B) *persons who, having been formerly in its employment or that of an affiliate, were, while in that employment, shareholders of the company and have continued to be shareholders of that company after termination of that employment,*

is limited to not more than 50 persons, 2 or more persons who are the joint registered owners of 1 or more shares being counted as 1 shareholder, and

- (iii) *any invitation to the public to subscribe for its securities is prohibited,*

and includes a company incorporated under the Companies Act (British Columbia) that is not a reporting company as defined in that Act;

(q.1) *“promoter” means*

- (i) *a person or company, acting alone or in conjunction with one or more other persons or companies or a combination of them, directly or indirectly, that takes the initiative*
 - (A) *in founding or organizing the business of the issuer, or*
 - (B) *in what the Director considers to be a substantial reorganization of the business of an issuer,*

or

- (ii) *a person or company that directly or indirectly, receives in consideration of services or property or both,*
 - (A) *10% or more of any class of securities of the issuer, or*
 - (B) *10% or more of the proceeds from the sale of any class of securities of a particular issue,*

in connection with

- (C) *the founding or organizing of the business of the issuer, or*
- (D) *what the Director considers to be a substantial reorganization of the business of the issuer,*

but does not include a person or company that receives securities or proceeds solely

- (E) *as underwriting commissions, or*
- (F) *in consideration of property,*

if that person or company does not otherwise take part in founding, organizing or substantially reorganizing the business;

(A) 10% or more of any class of securities of the issuer, or

(B) 10% or more of the proceeds from the sale of any class of securities of a particular issue,

in connection with the founding, organizing or substantial reorganizing of the business of the issuer, but does not include a person or company that receives securities or proceeds solely

(C) as underwriting commissions, or

(D) in consideration of property transferred to the issuer,

if that person or company does not otherwise take part in founding, organizing or substantially reorganizing the business;

(j) in clause (t.1)(iv)(B) by striking out “the existing companies merge into a new company” and substituting “one company merges with one or more other companies”;

(k) in clause (x)(iv) by striking out “any person or company or combination of persons or companies described in clause (f)(iii)” and substituting “a control person”;

(l) by repealing clause (z) and substituting the following:

(z) “voting security” means any security other than a debt security of an issuer carrying a voting right under all circumstances or under some circumstances that have occurred and are continuing.

3 Section 5 is amended

(a) by striking out “or” at the end of clause (a) and by adding the following after clause (a):

(a.1) by an affiliate of that person, or

(b) in clause (b) by adding “of that person” after “intermediary”.

4 Section 14(2) and (3) are amended by striking out “other than those matters referred to in sections 23 and 28 to 35 or under any other Act” and substituting “, or the regulations other than those matters referred to in sections 23 and 28 to 35 of this Act or under any other Act”.

5 Section 21(1) is repealed and the following is substituted:

21(1) Notwithstanding anything in this Act, where

(a) the Act permits the Commission or the Director to conduct a hearing or to make a decision after conducting a hear-

(t.1) “reporting issuer” means an issuer

(iv) that is the company whose existence continues following the exchange of securities of a company by or for the account of that company with another company or the holders of the securities of that other company in connection with

(A) a statutory amalgamation or arrangement, or

(B) a statutory procedure under which one company takes title to the assets of the other company that in turn loses its existence by operation of law or under which the existing companies merge in to a new company,

if one of the amalgamating or merged companies or the continuing company has been a reporting issuer for at least 12 months immediately prior to the amalgamation, merger or continuation;

(x) “trade” includes

(iv) any transfer, pledge or encumbrancing of securities of an issuer from the holdings of any person or company or combination of persons or companies described in clause (f)(iii) for the purpose of giving collateral for a bona fide debt;

(z) “voting security” means any security, other than a debt security, of an issuer carrying a voting right either under all circumstances or under some circumstances that have occurred and are continuing and includes a right, other than a call, to acquire a security.

3 Section 5 presently reads:

5 A person is deemed to beneficially own securities that are beneficially owned

(a) by a company controlled by that person or by an affiliate of that company, or

(b) through a trustee, legal representative, agent or other intermediary.

4 Section 14(2) and (3) presently read:

(2) The Commission may authorize in writing any member of the Commission, including the Chairman or Vice-chairman, to do any act or thing required or permitted to be done by the Commission under this Act other than those matters referred to in sections 23 and 28 to 35 or under any other Act.

(3) The Commission may authorize in writing the Director to do any act or thing required or permitted to be done by the Commission under this Act other than those matters referred to in sections 23 and 28 to 35 or under any other Act.

5 Section 21(1) presently reads:

21(1) Where

(a) the Act permits the Commission or the Director to make a decision after giving a person or company an opportunity to have a hearing, and

ing or after giving a person or company an opportunity to have a hearing, and

(b) in the opinion of the Commission or the Director before whom the hearing is to be held, the length of time required for a hearing could be prejudicial to the public interest,

the Commission or the Director, as the case may be, may make an interim order without a hearing.

6 *Section 25(2) is repealed and the following is substituted:*

(2) To commence an appeal, the appellant shall, within 30 days from the day on which the written notice of the decision is served on the appellant, serve a written notice of appeal on the Registrar either personally or by registered mail.

(2.1) Notwithstanding subsection (2), the Commission may, on application by the appellant during the appeal period prescribed in subsection (2), extend the appeal period if in the opinion of the Commission it would not be prejudicial to the public interest to do so.

7 *Section 27(1) is repealed and the following is substituted:*

27(1) The Minister may establish a board with the name “Financial Disclosure Advisory Board” consisting of not more than 9 persons appointed by the Minister.

8 *Section 28(4)(e) is amended in subclauses (iv) and (v) by striking out “stock” and substituting “securities”.*

9 *Section 33 is amended by adding the following after subsection (4):*

(5) A person giving evidence at an investigation under this section may be represented by legal counsel.

10 *Section 37 is amended*

(a) *in subsection (1)(f), (g) and (h) by striking out “or securities” wherever it occurs and substituting “, securities or other property”;*

(b) *in subsection (4)*

(i) *in clause (a) by striking out “or security” and substituting “, securities or other property”;*

(ii) *by striking out “security” and substituting “securities, other property”;*

(b) in the opinion of the Commission or the Director before whom the hearing is to be held, the length of time required for a hearing could be prejudicial to the public interest,

the Commission or the Director, as the case may be, may make an interim order without conducting a hearing.

6 Section 25(2) presently reads:

(2) To commence an appeal the appellant shall, within 30 days or a longer period of time as determined by the Commission from the day on which the written notice of the decision is given, serve on the Registrar either personally or by registered mail a written notice of appeal.

7 Section 27(1) presently reads:

27(1) There shall be a board called the "Financial Disclosure Advisory Board" that shall consist of not more than 9 persons appointed by the Minister.

8 Section 28(4)(e)(iv) and (v) presently read:

(4) For the purposes of an investigation ordered under this section, the person appointed to make the investigation may with respect to the person or company that is the subject of the investigation, investigate, inquire into and examine

(e) the relationship that may at any time exist or have existed between that person or company and any other person or company by reason of

(iv) the loaning or borrowing of money, stock or other property,

(v) the transfer, negotiation or holding of stock,

9 Self explanatory.

10 Section 37(1)(f), (g) and (h), and (4) and (5) presently read:

37(1) The Commission,

may make an order doing one or more of the following:

(f) directing a person or company having on deposit, under control or for safekeeping any funds or securities of the person or company referred to in clauses (a) to (e) to hold the funds or securities;

(g) directing a person or company referred to in clauses (a) to (e) to refrain from withdrawing its funds or securities from any other person or company having any of them on deposit, under control or for safekeeping;

(c) in subsection (5) by striking out “fund or security” and substituting “funds, securities or other property”.

11 Section 52(2) is repealed and the following is substituted:

(2) The Commission may, if it appears to be in the public interest, make any decision

(a) that it considers is necessary to ensure that issuers whose securities are listed and posted for trading on a stock exchange comply with this Act and the regulations;

(b) respecting the manner in which a stock exchange carries on business;

(c) respecting any by-law, ruling, instruction or regulation of a stock exchange;

(d) respecting the trading on or through the facilities of a stock exchange;

(e) respecting any security that is listed and posted for trading on a stock exchange.

12 Section 65 is amended

(a) in subsection (1)(c) by adding the following after subclause (iii):

(iii.1) a subsidiary of any of the parties referred to in subclause (i), (ii) or (iii) if the financial institution, the Federal Business Development Bank or the insurance company, as the case may be, beneficially owns all of the voting securities of that subsidiary,

(b) by repealing subsection (1)(e) and substituting the following:

(e) a trade if

(i) the purchaser purchases as principal, and

(ii) it is in a security that has an aggregate acquisition cost to the purchaser of not less than \$25 000,

(h) directing a person or company referred to in clauses (a) to (e) to hold all funds or securities of clients or others in his possession or control in trust for any interim receiver, custodian, trustee, receiver, receiver and manager or liquidator appointed under the Bankruptcy Act (Canada), the Judicature Act, the Companies Act, the Business Corporations Act, the Winding-up Act (Canada) or section 38 of this Act.

(4) A person or company in receipt of an order given under subsection (1) that is in doubt as to

(a) the application of the order to any funds or security, or

(b) a claim being made to that person or company by any person or company not named in the order,

may apply to the Commission for direction as to the disposition of the funds, security or claim.

(5) On the application of a person or company directly affected by a direction given in an order made under subsection (1)(f), (g) or (h), the Commission may make an order revoking that direction or consenting to the release of any fund or security in respect of which the order was made under subsection (1)(f), (g) or (h).

11 Section 52(2) presently reads:

(2) The Commission may, if it appears to it to be in the public interest, make any decision

(a) respecting the manner in which a stock exchange carries on business,

(b) respecting any by-law, ruling, instruction or regulation of a stock exchange,

(c) respecting the trading on or through the facilities of a stock exchange, or

(d) respecting any security that is listed and posted for trading on a stock exchange,

that it considers is necessary to ensure that issuers whose securities are listed and posted for trading on the stock exchange comply with this Act and the regulations.

12 Section 65(1)(c), (e), (f), (p), (s), (t.1), (v), (v.1), (v.2), (v.3), (v.6), (v.7), (w), (x) and (y) and (2) presently read:

65(1) Subject to the regulations, registration is not required in respect of the following trades:

(c) a trade if the party purchasing as principal and not as an underwriter is

(i) a financial institution,

(ii) the Federal Business Development Bank incorporated under the Federal Business Development Bank Act (Canada),

(iii) an insurance company,

(iv) the Government of Alberta, the Government of Canada or the government of any other province, or

but this exemption is not available unless an offering memorandum is received by the purchaser before an agreement of purchase and sale is entered into with that purchaser;

(c) *in subsection (1)(f) by striking out “any person, company or combination of persons or companies described in section 1(f)(iii)” and substituting “a control person”;*

(d) *by repealing subsection (1)(p) and substituting the following:*

(p) a trade in a security of a company that is exchanged by or for the account of the company with another company or the holders of the securities of that other company in connection with

(i) a statutory amalgamation or arrangement, or

(ii) a statutory procedure under which one company takes title to the assets of another company that in turn loses its existence by operation of law or under which one company merges with one or more other companies,

whether or not the securities are issued by the amalgamated or successor company;

(e) *by adding the following after subsection (1)(s):*

(s.1) a trade in a security of an issuer consisting of the purchase, redemption or acquisition by the issuer of a security of the issuer;

(f) *by repealing subsection (1)(t.1) and substituting the following:*

(t.1) a trade made in the security of an issuer where each of the parties to the trade is a control person of that issuer;

(g) *by repealing subsection (1)(v), (v.1), (v.2) and (v.3) and substituting the following:*

(v) a trade made by an issuer with a view to the sale of securities of its own issue if

(i) the sales made in all jurisdictions including Alberta are made to not more than a total of 50 purchasers;

(ii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iii) before an agreement of purchase and sale is entered into, each purchaser receives an offering memorandum that complies with the requirements of the regulations,

(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser

(A) purchases as principal, and

(B) is a sophisticated purchaser as defined in the regulations,

- (v) a municipal corporation or public board or commission in Canada;
- (e) a trade if
- (i) the purchaser purchases as principal, and
 - (ii) it is in a security which has an aggregate acquisition cost to the purchaser of not less than \$97 000;
- (f) a trade from the holdings of any person, company or combination of persons or companies described in section 1(f)(iii) for the purpose of giving collateral for a bona fide debt;
- (p) a trade in a security of a company that is exchanged by or for the account of the company with another company or the holders of the securities of that other company in connection with
- (i) a statutory amalgamation or arrangement, or
 - (ii) a statutory procedure under which one company takes title to the assets of the other company which in turn loses its existence by operation of law or under which the existing companies merge into a new company;
- (s) a trade by an issuer in a security of its own issue as consideration for a portion or all of the assets of any person or company, if the fair value of the assets so purchased is not less than \$100 000;
- (t.1) a trade made in the security of an issuer where each of the parties to the trade is a person or company that is, as regards the issuer, a person or company referred to in section 1(f)(iii);
- (v) a trade made by an issuer with a view to the sale of securities of its own issue if
- (i) solicitations in all jurisdictions including Alberta are made to not more than 50 prospective purchasers resulting in sales to not more than 25 purchasers,
 - (ii) each purchaser purchases as principal,
 - (iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,
 - (iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that
 - (A) is not a promoter of the issuer whose securities are being offered, and
 - (B) is a registered adviser or a registered dealer,
 able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,
 - (v) the offer and sale of the securities are not accompanied by an advertisement,
 - (vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer, and

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,

(vii) no promoter of the issuer, other than a registered dealer, has acted as a promoter of any other issuer where

(A) that other issuer is trading or has traded in securities of its own issue pursuant to this exemption or a similar exemption in another jurisdiction within the previous 12 months, and

(B) the proceeds obtained by the issuer in this trade are used or intended to be used in respect of the same property, project or program as are the proceeds obtained by that other issuer in the trade referred to in paragraph (A),

and

(viii) the distribution is the first distribution by the issuer under this exemption;

(v.1) a trade made by an issuer with a view to the sale of securities of its own issue if

(i) the sales made in all jurisdictions including Alberta are made to not more than a total of 50 purchasers,

(ii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iii) before an agreement of purchase and sale is entered into, each purchaser receives an offering memorandum that complies with the requirements of the regulations,

(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser

(A) purchases as principal, and

(B) is a sophisticated purchaser as defined in the regulations,

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,

(vii) no promoter of the issuer, other than a registered dealer, has acted as a promoter of any other issuer where

(vii) the distribution is the first distribution by that issuer under this exemption;

(v.1) a trade made by an issuer with a view to the sale of securities of its own issue if

(i) solicitations in all jurisdictions including Alberta are made to not more than 50 prospective purchasers resulting in sales to not more than 25 purchasers,

(ii) each purchaser purchases as principal,

(iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that

(A) is not a promoter of the issuer whose securities are being offered, and

(B) is a registered adviser or a registered dealer,

able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,

(vii) a period of 12 months has lapsed since the completion of its distribution under the exemption contained in clause (v), and

(viii) in the distribution under this exemption, in any 12-month period, the amount paid for the securities of that issuer by all the purchasers under this exemption does not exceed in total the amount of \$3 000 000;

(v.2) a trade made by a promoter of an issuer or by an issuer in a government incentive security of the issuer's own issue if

(i) solicitations in all jurisdictions including Alberta are made to not more than 75 prospective purchasers resulting in sales to not more than 50 purchasers,

(ii) each purchaser purchases as principal,

(iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that

(A) is not a promoter of the issuer whose securities are being offered, and

(A) that other issuer is trading or has traded in securities of its own issue pursuant to this exemption or a similar exemption in another jurisdiction within the previous 12 months, and

(B) the proceeds obtained by the issuer in this trade are used or intended to be used in respect of the same property, project or program as are the proceeds obtained by that other issuer in the trade referred to in paragraph (A),

and

(viii) a period of 12 months has elapsed since the completion of its distribution under the exemption contained in clause (v) or under this exemption;

(h) by repealing subsection (1)(v.6) and (v.7);

(i) by repealing subsection (1)(w), (x) and (y) and substituting the following:

(w) a trade made by an issuer of equity securities pursuant to a plan

(i) made available by that issuer to every holder

(A) of a class of publicly traded securities of the issuer, and

(B) whose last address is shown on the books of the issuer as being in Alberta,

(ii) that permits the holder to direct that dividends or interest payable in respect of securities of the issuer's own issue be applied to the purchase from the issuer of

(A) publicly traded equity securities of the issuer's own issue, or

(B) other securities of the issuer not referred to in paragraph (A) that are redeemable at the option of the holder,

and

(iii) that may permit the holder to make optional cash payments to purchase additional securities of the issuer in addition to the securities that may be purchased by that holder under subclause (ii) where, in any financial year of the issuer, the aggregate number of securities issued pursuant to the optional cash payment under the plan does not exceed 2% of the issued and outstanding securities of the class to which the plan relates as at the commencement of the financial year;

(x) a trade by

(i) an offeree defined in section 131(1)(e) in securities that are being disposed of to a person or company making a take-over bid or issuer bid, or

- (B) is a registered adviser or a registered dealer,
 able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,
- (v) the offer and sale of the securities are not accompanied by an advertisement,
- (vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer, and
- (vii) the distribution is the first distribution of the government incentive security by that promoter or issuer;
- (v.3) a trade made by a promoter of an issuer or by an issuer in a government incentive security of the issuer's own issue if
- (i) solicitations in all jurisdictions including Alberta are made to not more than 75 prospective purchasers resulting in sales to not more than 50 purchasers,
- (ii) each purchaser purchases as principal,
- (iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,
- (iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that
- (A) is not a promoter of the issuer whose securities are being offered, and
- (B) is a registered adviser or a registered dealer,
 able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,
- (v) the offer and sale of the securities are not accompanied by an advertisement,
- (vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,
- (vii) a period of 12 months has lapsed since the completion of its distribution under the exemption contained in clause (v.2), and
- (viii) in the distribution under this exemption, in any 12-month period, the amount paid for the securities of that issuer by all the purchasers under this exemption does not exceed in total the amount of \$3 000 000;
- (v.6) a trade in securities of an issuer previously disposed of pursuant to the exemption contained in clause (v.2) if each of the parties to the trade is one of the not more than 50 purchasers referred to in clause (v.2);
- (v.7) a trade in securities of an issuer previously disposed of pursuant to an exemption contained in clause (v.3) if each of the parties to the-

- (ii) a security holder in securities that are being disposed of to an issuer in respect of a transaction described in clause (p);
- (y) a trade by an issuer with
 - (i) a senior officer or director of the issuer,
 - (ii) a senior officer or director of an affiliate of the issuer,
 - (iii) a spouse, parent, brother, sister or child of any persons referred to in subclause (i) or (ii),
 - (iv) a company all of whose voting securities are beneficially owned by one or more of the persons referred to in subclause (i), (ii) or (iii), or
 - (v) close friends or business associates of a promoter of the issuer, or a company all of whose voting securities are beneficially owned by a single close friend or a single business associate of a promoter of the issuer where
 - (A) the trade is made with not more than 50 purchasers,
 - (B) there is not an invitation to the public to subscribe for the securities, and
 - (C) no promoter of the issuer, other than a registered dealer, has acted as a promoter of any other issuer if
 - (I) that other issuer has traded in securities of its own issue pursuant to this exemption within the previous 12 months, and
 - (II) the proceeds obtained by the issuer in this trade are used or intended to be used in respect of the same property, project or program as are the proceeds obtained by that other issuer in the trade referred to in subparagraph (I);
- (y.1) a trade made through the facilities of a stock exchange recognized by the Commission for the purposes of this section if
 - (i) the trade is made in whole or in part by means of telephone or other telecommunications equipment linking the facilities of that stock exchange with the facilities of another stock exchange recognized by the Commission for the purposes of this section,
 - (ii) the trade is made in a security of a class or type designated by the Commission as exempt for the purposes of this section, and
 - (iii) each of the parties to the trade is registered as a dealer or in a similar capacity under the securities legislation of a province of Canada;

trade is one of the not more than 50 purchasers referred to in clause (v.3);

(w) a trade by an issuer of voting securities pursuant to a plan

(i) made available by that issuer to every holder

(A) of a class of publicly traded securities of the issuer, and

(B) whose last address is shown on the books of the issuer as being in Alberta,

and

(ii) that permits the holder to direct by express election annually that dividends or interest paid in respect of securities of the issuer's own issue be applied to the purchase from the issuer of

(A) publicly traded voting securities of the issuer's own issue, or

(B) other securities of the issuer not referred to in paragraph (A) that are redeemable at the option of the holder;

(x) a trade by an offeree described in section 131(1)(e) in securities that are being disposed of to a person or company making a cash or share exchange take-over bid, issuer bid or exempt offer;

(y) a trade by an issuer with

(i) a senior officer or director of the issuer or a spouse, parent, brother, sister or child of the senior officer or director of the issuer, or

(ii) unless otherwise ordered by the Director, close friends or business associates of a promoter of the issuer if

(A) the trade is with not more than 15 people, and

(B) there is not an invitation to the public to subscribe for the securities;

(2) For the purpose of subsection (1), a trust company is deemed to be acting as principal when it trades as trustee or as agent for accounts fully managed by it.

(y.2) a trade by a trust company if

(i) the trade is made through its offices in securities of a mutual fund that is promoted, managed and administered by the trust company, and

(ii) no sales or other acquisition charges are levied;

(j) *by repealing subsection (2) and substituting the following:*

(2) For the purposes of subsection (1) the following are deemed to be acting as principal when trading for accounts fully managed by them:

(a) a trust company trading as a trustee or an agent;

(b) a portfolio manager trading as an agent;

(c) a person or company trading as an agent that, except for an exemption under this Act or the regulations, is required to be registered as a portfolio manager.

13 *Section 68(6) is repealed and the following is substituted:*

(6) Every dealer who has acted as agent in connection with a trade in a security shall, at the request of the Director, promptly

(a) make a reasonable inquiry in order to provide to the Director particulars that are sufficient to identify, and

(b) provide to the Director the name of and those particulars arising from the inquiry that are sufficient to identify,

the person or company from, to or through whom the security was bought or sold.

14 *Section 71(3) is amended by striking out “the dealer” and substituting “that dealer”.*

15 *Section 74(1) is amended*

(a) *by striking out “on request” and substituting “, within 30 days of receiving the customer’s request,”;*

(b) *by repealing clause (a) and substituting the following:*

(a) the names of the senior officers and the partners or the directors, as the case may be, of the dealer as of the date of the request or any other date specified in the request,

(c) *by repealing clause (c) and substituting the following:*

(c) the most recently prepared annual financial statement of the dealer’s financial condition as filed

(i) with the self-regulatory organization of which the dealer is a member, or

(ii) with the Commission and that is made up and certified as required by the regulations.

13 Section 68(6) presently reads:

(6) Every dealer who has acted as agent in connection with a trade in a security shall promptly disclose to the Director, on request by the Director, the name of the person or company from, to or through whom the security was bought or sold.

14 Section 71(3) presently reads:

(3) A statement made in compliance with this section or section 68(1)(c) that a registered dealer proposes to act or has acted as principal in connection with a trade in a security does not prevent the dealer from acting as agent in connection with a trade of the security.

15 Section 74(1) presently reads:

74(1) A registered dealer shall provide to any of its customers on request

(a) the names of the partners or the directors, as the case may be, of the dealer and of the senior officers of the dealer made up and certified as at a recent date,

(b) the names of any person or company having directly or indirectly an interest of not less than 5% of the registered dealer's capital, and

(c) a statement of the dealer's financial conditions as of the end of its financial year made up and certified as required by the regulations.

16 Sections 86, 87 and 88 are repealed.

17 Section 89(1) is repealed and the following is substituted:

89(1) If a material change occurs after a receipt for a prospectus is issued but prior to the completion of the distribution under that prospectus, an amendment to the prospectus shall be filed within 10 days from the day that the change has occurred.

18 Section 89(2) is repealed.

19 Section 90 is amended

(a) in subsection (2) by adding “that is contained in a preliminary prospectus or a prospectus” after “subsection (1)”;

(b) by adding the following after subsection (2):

(2.1) A certificate referred to in subsection (1) that is contained in an amendment to a prospectus shall state the following:

The foregoing, together with the prospectus dated _____, constitutes full, true and plain disclosure of all material facts

16 Sections 86, 87 and 88 presently read:

86(1) If an adverse material change occurs after a receipt for the prospectus is issued but prior to the completion of the distribution under the prospectus, an amendment to the prospectus shall be filed within 10 days from the day that the change has occurred.

(2) An amendment to a prospectus filed under subsection (1) shall, immediately on filing, form part of the prospectus.

87(1) If a material change, that is not an adverse change, occurs after a receipt for a preliminary prospectus is issued but before a receipt for the prospectus is issued, an amendment to that preliminary prospectus shall be filed within 10 days from the day that the change occurs.

(2) An amendment to the preliminary prospectus shall, promptly after it has been filed, be forwarded to each recipient of the preliminary prospectus according to the record maintained under section 101.

(3) An amendment to a preliminary prospectus filed under subsection (1) shall immediately on filing, form part of the preliminary prospectus.

88(1) If a material change that

(a) is not an adverse change, and

(b) is not within the control of the issuer

occurs after a receipt for a prospectus is issued but prior to the completion of the distribution under the prospectus, an amendment to the prospectus shall be filed within 10 days from the day that the change has occurred.

(2) An amendment to a prospectus filed under subsection (1) shall, immediately on filing, form part of the prospectus.

17 Section 89(1) presently reads:

89(1) If a material change that

(a) is not an adverse change, and

(b) is within the control of the issuer,

occurs after a receipt for a prospectus is issued but prior to the completion of the distribution under that prospectus, an amendment to the prospectus shall be filed within 10 days from the day that the change has occurred.

18 Section 89(2) presently reads:

(2) The distribution for which the prospectus was filed will not be proceeded with from the time of the material change until a receipt has been issued for the amendment.

19 Section 90(2) and (5) presently read:

(2) A certificate referred to in subsection (1) shall state the following:

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act and the regulations under it.

(5) Notwithstanding subsection (1) or (3), if the Director is satisfied that

(a) subsection (1) or (3) can not be complied with, and

(b) the preliminary prospectus or prospectus, as the case may be, meets all other requirements for filing,

relating to the securities offered by the prospectus as required by Part 8 of the Securities Act and the regulations under it.

(c) in subsection (5) by striking out “or prospectus” wherever it occurs and substituting “, prospectus or amendment to a prospectus”.

20 *Section 91 is repealed and the following is substituted:*

91(1) If there is an underwriter, a preliminary prospectus and a prospectus shall contain a certificate in the following form, signed by the underwriter who, with respect to the securities offered by the prospectus, is in a contractual relationship with the issuer or security holder whose securities are being offered by the prospectus:

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act and the regulations under it.

(2) If there is an underwriter, an amendment to a prospectus shall contain a certificate in the following form, signed by the underwriter who, with respect to the securities offered by the prospectus, is in a contractual relationship with the issuer or security holder whose securities are being offered by the prospectus:

To the best of our knowledge, information and belief, the foregoing, together with the prospectus dated....., contains full, true and plain disclosure of all material facts relating to the securities offered by the prospectus as required by Part 8 of the Securities Act and the regulations under it.

(3) Notwithstanding subsections (1) and (2), the Director may authorize an agent of an underwriter duly appointed in writing for the purpose by the underwriter to sign the certificate on behalf of the underwriter.

21 *The following is added after section 95:*

95.1 If a person or company meets the requirements of the regulations, that person or company may file a preliminary short form prospectus, a short form prospectus, a pro forma short form prospectus or an exchange offering prospectus in accordance with the regulations and that filing shall constitute compliance with Part 8 on the issuance of a receipt for the preliminary short form prospectus, short form prospectus, pro forma short form prospectus or exchange offering prospectus.

22 *Section 96(4) is amended by adding “, pro forma prospectus” after “preliminary prospectus”.*

he may waive the requirements of subsection (1) or (3), as the case may be, and prescribe specific signing requirements in respect of that preliminary prospectus or prospectus.

20 Section 91 presently reads:

91(1) If there is an underwriter, a prospectus shall contain a certificate in the following form, signed by the underwriter:

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the Securities Act and the regulations under it.

(2) Notwithstanding subsection (1), the Director may authorize an agent of an underwriter duly appointed in writing for the purpose by the underwriter to sign the certificate on behalf of the underwriter.

21 Preliminary short form prospectus and short form prospectus.

22 Section 96(4) presently reads:

(4) If in the opinion of the Director a preliminary prospectus or prospectus raises

(a) a material question involving the public interest, or

(b) a question of interpretation respecting a provision of subsection (2) not previously considered by the Commission,

23 *Section 97(2) is repealed and the following is substituted:*

(2) Subject to subsection (5), a distribution of a security to which section 81(1) applies shall not continue after the lapse date of the prospectus that relates to that security unless a new prospectus that complies with this Part is filed and the Registrar has issued a receipt for it.

(2.1) For the purposes of subsection (2), the lapse date of a prospectus is the first anniversary of the date of the prospectus.

24 *Section 100(a) is amended by striking out “or” and substituting “and”.*

25 *Section 105 is amended by adding “, not acting as an agent of the purchaser,” after “A dealer”.*

26 *Section 107 is amended*

(a) *by striking out “distribution if” and substituting “distribution where”;*

(b) *in subsection (1)(a) by adding the following after subclause (iii):*

(iii.1) a subsidiary of any of the parties referred to in subclause (i), (ii) or (iii) if the financial institution, the Federal Business Development Bank or the insurance company, as the case may be, beneficially owns all of the voting securities of that subsidiary,

(c) *by repealing subsection (1)(d) and substituting the following:*

(d) the purchaser purchases as principal and the trade is in a security that has an aggregate acquisition cost to the purchaser of not less than \$25 000 but this exemption is not available where the vendor is

(i) the issuer or an affiliate of the issuer,

(ii) a control person, or

(iii) an underwriter who, acting as underwriter, distributes the securities for a person or company described in subclause (i) or (ii),

that might result in the Director refusing to direct the issue of a receipt, the Director may refer the question to the Commission for determination.

23 Section 97(2) presently reads:

(2) Subject to subsection (5), a distribution of a security to which section 81(1) applies shall not continue after 12 months have elapsed from

(a) the date of the issuance of the receipt for the preliminary prospectus relating to the security, or

(b) the date that the last prospectus is filed under section 81(1),

unless a new prospectus is filed and the Registrar has issued a receipt for it.

24 Section 100 presently reads:

100 Any dealer acting under section 99 shall, in addition to the requirements of section 99(c), send a copy of the preliminary prospectus to each prospective purchaser who, without solicitation,

(a) indicates an interest in purchasing the security, or

(b) requests a copy of the preliminary prospectus.

25 Section 105 presently reads:

105 A dealer who receives an order or subscription for a security offered in a distribution to which section 81(1) or 97 applies, unless he has previously done so, shall send to a purchaser of the security the latest prospectus and any amendment to the prospectus filed either

(a) before entering into an agreement of purchase resulting from the order or subscription, or

(b) not later than midnight on the 2nd day, exclusive of Saturdays and holidays, after entering into the agreement.

26 Section 107(1)(a)(iii), (d), (e), (h), (i), (o), (p), (q), (r), (s), (t), (t.1), (t.2), (t.3), (v), (x), (y), (z) and (2) presently read:

107(1) Subject to the regulations, sections 81 and 97 do not apply to a distribution if

(a) the purchaser is

(iii) an insurance company,

(d) the purchaser purchases as principal and the trade is in a security which has an aggregate acquisition cost to the purchaser of not less than \$97 000;

(e) the trade is to a lender, pledgee, mortgagee or other encumbrancer from the holdings of any person or company or combination of persons or companies described in section 1(f)(iii) for the purpose of giving collateral for a bona fide debt;

(h) the trade is made by an issuer,

(i) in a right, transferable or otherwise, granted by the issuer to holders of its securities to purchase additional securities of its own issue and the issue of securities pursuant to the exercise of the right, or

(ii) in securities of a reporting issuer held by it transferred or issued through the exercise of a right to purchase, convert or exchange previously granted by the issuer,

unless an offering memorandum is received by the purchaser before an agreement of purchase and sale is entered into with that purchaser;

(d) in subsection (1)(e) by striking out “any person or company or combination of persons or companies described in section 1(f)(iii)” and substituting “a control person”;

(e) in subsection (1)(h) by striking out “if the” and substituting “where the”;

(f) by repealing subsection (1)(i) and substituting the following:

(i) the trade is made in a security of a company that is exchanged by or for the account of the company with another company or the holders of the securities of that other company in connection with

(i) a statutory amalgamation or arrangement, or

(ii) a statutory procedure under which one company takes title to the assets of another company that in turn loses its existence by operation of law or under which one company merges with one or more other companies,

whether or not the securities are issued by the amalgamated or successor company;

(g) in subsection (1)(l) by striking out “if the” and substituting “where the”;

(h) in subsection (1)(m) by striking out “if the” and substituting “where the”;

(i) in subsection (1)(o)

(i) by striking out “issue if” and substituting “issue where”;

(ii) in subclause (ii)(A) by adding “or organizers, or” after “incorporators”;

(iii) by repealing subclause (ii)(B) and substituting the following:

(B) a greater consideration or to a larger number of incorporators or organizers than prescribed under paragraph (A), where the statute under which the issuer is incorporated or organized requires the trade to be for that greater consideration or to that larger number of incorporators or organizers;

(j) by repealing subsection (1)(p), (q), (r) and (s) and substituting the following:

(p) the trade is made by an issuer with a view to the sale of securities of its own issue if

(i) the sales made in all the jurisdictions including Alberta are made to not more than a total of 50 purchasers,

(ii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to

if the issuer has given the Director written notice stating the date, amount, nature and conditions of the proposed trade, including the approximate net proceeds to be derived by the issuer on the basis of the additional securities being fully taken up and either,

- (iii) the Director has not informed the issuer in writing within 10 days from the date of receipt by the Director of the notice that he objects to the proposed trade, or*
- (iv) the issuer has delivered to the Director information relating to the securities that is satisfactory to and accepted by the Director;*
- (i) the trade is made in a security of a company that is exchanged by or for the account of the company with another company or the holders of the securities of that other company in connection with*
 - (i) a statutory amalgamation or arrangement, or*
 - (ii) a statutory procedure under which one company takes title to the assets of the other company which in turn loses its existence by operation of law or under which the existing companies merge into a new company;*
- (o) the trade is made by an issuer in securities of its own issue if*
 - (i) the trade is reasonably necessary to facilitate the incorporation or organization of the issuer, and*
 - (ii) the securities are traded for*
 - (A) a nominal consideration to not more than 15 incorporators,*
 - (B) for a greater consideration or to a larger number of incorporators than prescribed under paragraph (A), if the statute under which the issuer is incorporated or organized requires the trade to be for that greater consideration or to that larger number of incorporators;*
- (p) a trade made by an issuer with a view to the sale of securities of its own issue if*
 - (i) solicitations in all jurisdictions including Alberta are made to not more than 50 prospective purchasers resulting in sales to not more than 25 purchasers,*
 - (ii) each purchaser purchases as principal,*
 - (iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,*
 - (iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that*
 - (A) is not a promoter of the issuer whose securities are being offered, and*
 - (B) is a registered adviser or a registered dealer,*

able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,

the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iii) before an agreement of purchase and sale is entered into, each purchaser receives an offering memorandum that complies with the requirements of the regulations,

(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser

(A) purchases as principal, and

(B) is a sophisticated purchaser as defined in the regulations,

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,

(vii) no promoter of the issuer, other than a registered dealer, has acted as a promoter of any other issuer where

(A) that other issuer is trading or has traded in securities of its own issue pursuant to this exemption or a similar exemption in another jurisdiction within the previous 12 months, and

(B) the proceeds obtained by the issuer in this trade are used or intended to be used in respect of the same property, project or program as are the proceeds obtained by that other issuer in the trade referred to in paragraph (A),

and

(viii) the distribution is the first distribution by the issuer under this exemption;

(q) the trade is made by an issuer with a view to the sale of securities of its own issue if

(i) the sales made in all jurisdictions including Alberta are made to not more than a total of 50 purchasers,

(ii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iii) before an agreement of purchase and sale is entered into, each purchaser receives an offering memorandum that complies with the requirements of the regulations,

- (v) the offer and sale of the securities are not accompanied by an advertisement,*
 - (vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer, and*
 - (vii) the distribution is the first distribution by the issuer under this exemption;*
- (q) a trade made by an issuer with a view to the sale of securities of its own issue if*
- (i) solicitations in all jurisdictions including Alberta are made to not more than 50 prospective purchasers resulting in sales to not more than 25 purchasers,*
 - (ii) each purchaser purchases as principal,*
 - (iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,*
 - (iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that*
 - (A) is not a promoter of the issuer whose securities are being offered, and*
 - (B) is a registered adviser or a registered dealer,**able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,*
 - (v) the offer and sale of the securities are not accompanied by an advertisement,*
 - (vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,*
 - (vii) a period of 12 months has lapsed since the completion of its distribution under the exemption contained in clause (p), and*
 - (viii) in the distribution under this exemption in any 12-month period, the amount paid for the securities of that issuer by all the purchasers under this exemption does not exceed in total the amount of \$3 000 000;*
- (r) a trade made by a promoter of an issuer or by an issuer in a government incentive security of the issuer's own issue if*
- (i) solicitations in all jurisdictions including Alberta are made to not more than 75 prospective purchasers resulting in sales to not more than 50 purchasers,*
 - (ii) each purchaser purchases as principal,*
 - (iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same pur-*

(iv) the issuer obtains from each purchaser a statutory declaration to the effect that the purchaser

(A) purchases as principal, and

(B) is a sophisticated purchaser as defined in the regulations,

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,

(vii) no promoter of the issuer, other than a registered dealer, has acted as a promoter of any other issuer where

(A) that other issuer is trading or has traded in securities of its own issue pursuant to this exemption or a similar exemption in another jurisdiction within the previous 12 months, and

(B) the proceeds obtained by the issuer in this trade are used or intended to be used in respect of the same property, project or program as are the proceeds obtained by that other issuer in the trade referred to in paragraph (A),

and

(viii) a period of 12 months has elapsed since the completion of its distribution under the exemption contained in clause (p) or under this exemption;

(k) in subsection (1)(t) and (t.1) by striking out “if each” and substituting “where each”;

(l) by repealing subsection (1)(t.2) and (t.3);

(m) by repealing subsection (1)(v) and substituting the following:

(v) the trade is made in the security of an issuer where each of the parties to the trade is a control person of that issuer;

(n) by repealing subsection (1)(x), (y) and (z) and substituting the following:

(x) the trade is made by an issuer of equity securities pursuant to a plan

(i) made available by that issuer to every holder

(A) of a class of publicly traded securities of the issuer, and

(B) whose last address is shown on the books of the issuer as being in Alberta,

chasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that

(A) is not a promoter of the issuer whose securities are being offered, and

(B) is a registered adviser or a registered dealer,

able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer, and

(vii) the distribution is the first distribution of the government incentive security by that promoter or issuer;

(s) a trade made by a promoter of an issuer or by an issuer in a government incentive security of the issuer's own issue if

(i) solicitations in all jurisdictions including Alberta are made to not more than 75 prospective purchasers resulting in sales to not more than 50 purchasers,

(ii) each purchaser purchases as principal,

(iii) all of the purchases are completed within a period of 6 months after the first purchase, but subsequent sales to the same purchasers may be carried out if made in compliance with written agreements entered into during that 6-month period,

(iv) each purchaser has access to information on the basis of which a prudent investor may make a reasoned judgment and is an investor who is, by virtue of his net worth and investment experience or by virtue of consultation with or advice from a person or company that

(A) is not a promoter of the issuer whose securities are being offered, and

(B) is a registered adviser or a registered dealer,

able to evaluate the prospective investment on the basis of information respecting the investment presented to him by the issuer,

(v) the offer and sale of the securities are not accompanied by an advertisement,

(vi) no selling or promotional expenses have been paid or incurred in connection with the offer or sale of the securities, except for professional services or for services performed by a registered dealer,

(vii) a period of 12 months has lapsed since the completion of its first distribution under the exemption contained in clause (r), and

(ii) that permits the holder to direct that dividends or interest payable in respect of securities of the issuer's own issue be applied to the purchase from the issuer of

(A) publicly traded equity securities of the issuer's own issue, or

(B) other securities of the issuer not referred to in paragraph (A) that are redeemable at the option of the holder,

and

(iii) that may permit the holder to make optional cash payments to purchase additional securities of the issuer in addition to the securities that may be purchased by that holder under subclause (ii) when in any financial year of the issuer the aggregate number of securities issued pursuant to the optional cash payment under the plan does not exceed 2% of the issued and outstanding securities of the class to which the plan relates as at the commencement of the financial year;

(y) the trade is made by

(i) an offeree defined in section 131(1)(e) in securities that are being disposed of to a person or company making a take-over bid or issuer bid, or

(ii) a security holder in securities that are being disposed of to an issuer in respect of a transaction described in clause (i);

(z) the trade is made by an issuer with

(i) a senior officer or director of the issuer,

(ii) a senior officer or director of an affiliate of the issuer,

(iii) a spouse, parent, brother, sister or child of any persons referred to in subclause (i) or (ii),

(iv) a company all of whose voting securities are beneficially owned by one or more of the persons referred to in subclause (i), (ii) or (iii), or

(v) close friends or business associates of a promoter of the issuer, or a company all of whose voting securities are beneficially owned by a single close friend or single business associate of a promoter of the issuer, if

(A) the trade is with not more than 50 purchasers,

(B) there is not an invitation to the public to subscribe for the securities, and

(C) no promoter of the issuer, other than a registered dealer, has acted as a promoter of any other issuer where

- (viii) in the distribution under this exemption in any 12-month period, the amount paid for the securities of that issuer by all the purchasers under this exemption does not exceed in total the amount of \$3 000 000;
- (t) the trade is made in securities of an issuer previously disposed of pursuant to the exemption contained in clause (p) if each of the parties to the trade is one of the not more than 25 purchasers referred to in clause (p);
- (t.1) the trade is made in securities of an issuer previously disposed of pursuant to an exemption contained in clause (q) if each of the parties to the trade is one of the not more than 25 purchasers referred to in clause (q);
- (t.2) the trade is made in securities of an issuer previously disposed of pursuant to the exemption contained in clause (r) if each of the parties to the trade is one of the not more than 50 purchasers referred to in clause (r);
- (t.3) the trade is made in securities of an issuer previously disposed of pursuant to an exemption contained in clause (s) if each of the parties to the trade is one of the not more than 50 purchasers referred to in clause (s);
- (v) the trade is made in the security of an issuer where each of the parties to the trade is a person or company that is, as regards the issuer, a person or company referred to in section 1(f)(iii);
- (x) the trade is made by an issuer of voting securities pursuant to a plan
- (i) made available by that issuer to every holder
- (A) of a class of publicly traded securities of the issuer, and
- (B) whose last address is shown on the books of the issuer as being in Alberta,
- and
- (ii) that permits the holder to direct by express election annually that dividends or interest paid in respect of securities of the issuer's own issue be applied to the purchase from the issuer of
- (A) publicly traded voting securities of the issuer's own issue, or
- (B) other securities of the issuer not referred to in paragraph (A) that are redeemable at the option of the holder;
- (y) the trade is made by an offeree described in section 131(1)(e) in securities that are being disposed of to a person or company making a cash or share exchange take-over bid, issuer bid or exempt offer;
- (z) the trade is made by an issuer with
- (i) a senior officer or director of the issuer or a spouse, parent, brother, sister or child of the senior officer or director of the issuer, or
- (ii) unless otherwise ordered by the Director, close friends or business associates of a promoter of the issuer if
- (A) the trade is with not more than 15 people, and

(I) that other issuer has traded in securities of its own issue pursuant to this exemption within the previous 12 months, and

(II) the proceeds obtained by the issuer in this trade are used or intended to be used in respect of the same property, project or program as are the proceeds obtained by that other issuer in the trade referred to in subparagraph (I);

(z.1) the trade is in respect of a matter for which the regulations provide that a prospectus is not required.

(o) *by repealing subsection (2) and substituting the following:*

(2) For the purpose of subsection (1) the following are deemed to be acting as principal when trading for accounts fully managed by them:

(a) a trust company trading as a trustee or an agent;

(b) a portfolio manager trading as an agent;

(c) a person or company trading as an agent that, except for an exemption under this Act or the regulations, is required to be registered as a portfolio manager.

27 *The following is added after section 108:*

108.1 If an offering memorandum

(a) is required to be received by a purchaser under section 107(1)(d), (p) or (q), or

(b) is sent to a purchaser in reliance on the exemption contained in section 107(1)(c), (t), (t.1) or (z),

then 2 copies of the offering memorandum shall be filed with the Commission in accordance with the regulations.

28 *Section 109 is amended*

(a) *in subsection (2) by striking out “as defined under section 1(f)(iii)” and substituting “from the holdings of a control person”;*

(b) *in subsection (3)(a)(ii) by striking out “94(2)(n) or (o) of the Insurance Act” and substituting “63(1)(l) or (m) of the Canadian and British Insurance Companies Act (Canada)”;*

(c) *in subsection (3)(b)*

(i) *as to subclause (i) by striking out “94(2)(m) or (n) of the Insurance Act” and substituting “63(1)(j) of the Canadian and British Insurance Companies Act (Canada)”;*

(ii) *as to subclause (ii) by striking out “94(2)(l) of the Insurance Act” and substituting “63(1)(l) of the Canadian and British Insurance Companies Act (Canada)”.*

(B) there is not an invitation to the public to subscribe for the securities.

(2) For the purpose of subsection (1), a trust company is deemed to be acting as principal when it trades as trustee or as agent for accounts fully managed by it.

27 Filing of an offering memorandum.

28 Section 109(2) and (3) presently read in part:

(2) Subject to subsection (3), a distribution under subsection (1), other than a distribution as defined under section 1(f)(iii), shall be considered not to be a distribution if

(3) Subsection (2) only applies to the following:

(a) securities that

(i) are listed and posted for trading on a stock exchange recognized for this purpose by the Commission,

(ii) comply with the requirements of either section 94(2)(n) or (o) of the Insurance Act, and

(iii) have been held for at least 6 months from the date of the initial exempt trade or the date the issuer became a reporting issuer, whichever is the later;

(b) securities that

(i) are bonds, debentures or other evidences of indebtedness issued or guaranteed by an issuer and comply with the requirements of section 94(2)(m) or (n) of the Insurance Act, or

29 *The following is added after section 109:*

109.1(1) Notwithstanding section 110, if securities are acquired under the exemption contained in section 107(1)(f)(iii) through the exercise of a right to purchase, convert or exchange and the right to purchase, convert or exchange was previously acquired in connection with a trade exempted under section 107(1)(a), (b), (c), (d), (l), (m), (p), (q), (t), (t.1), (u) or (z), then the first trade in securities so acquired is a distribution unless

- (a) the securities have been held for the applicable period,
- (b) the vendor files a report of the trade within 10 days from the beginning of the distribution,
- (c) the report referred to in clause (b) is prepared and executed in accordance with the regulations,
- (d) no unusual effort is made to prepare the market or to create a demand for the securities making up the distribution,
- (e) no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade,
- (f) the first trade is not a distribution from the holdings of a control person, and
- (g) the vendor of the securities, if in a special relationship with the reporting issuer, has no reasonable grounds to believe that the reporting issuer is in default of any requirement of this Act or the regulations.

(2) For the purposes of subsection (1)(a) “applicable period” means the period prescribed by section 109(3) for securities of the type to be resold pursuant to this section and commencing from the later of

- (a) the date that the right to purchase, convert or exchange was acquired by the vendor, and
- (b) the date the issuer became a reporting issuer.

30 *Section 110 is amended*

(a) *in subsection (1) by striking out “subsection (2), the following, other than a further trade exempted by section 107(1),” and substituting “subsections (2) and (4) and sections 110.1 and 110.2, the following”;*

(b) *by repealing subsection (2) and substituting the following:*

- (2) If the issuer of the securities is a reporting issuer and has been a reporting issuer for at least 12 months or, in the case

(ii) are preferred shares of an issuer and comply with the requirements of section 94(2)(l) of the Insurance Act

and have been held for at least 6 months from the date of the initial exempt trade or the date the issuer became a reporting issuer, whichever is the later;

29 First trades are distributions.

30 Section 110 presently reads:

110(1) Subject to subsection (2), the following, other than a further trade exempted by section 107(1), is a distribution:

(a) the first trade in securities previously acquired under an exemption contained in section 107(1)(f), (i), (j), (j.1), (k), (k.1) or (n), or

(b) the first trade in previously issued securities of a company that has ceased to be a private company.

(2) Notwithstanding subsection (1), if

of securities acquired under section 107(1)(i), one of the amalgamating or merged companies or one of the continuing companies, as the case may be, has been a reporting issuer for at least 12 months, and

(a) disclosure to the Commission has been made of its exempt trade or, in the case of a company that has ceased to be a private company, the issuer has filed with the Commission the report with respect to its outstanding securities as required by the regulations,

(b) no unusual effort is made to prepare the market or to create a demand for the securities,

(c) no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade, and

(d) the vendor of the securities, if in a special relationship with the reporting issuer, has no reasonable grounds to believe that the reporting issuer is in default of any requirement of this Act or the regulations,

then the first trade is a distribution only if it is a distribution from the holdings of a control person.

(c) in subsection (3)(b) by adding “unusual” after “no”;

(d) by adding the following after subsection (3):

(4) For the purposes of this section the following is not a distribution:

(a) a trade in securities acquired under section 107(1)(f)(iii) in the circumstances described in section 109.1;

(b) a further trade exempted by section 107(1).

31 The following is added after section 110:

110.1 Notwithstanding section 110, the first trade in securities previously acquired by the vendor pursuant to a trade exempted by section 107(1)(f)(iii) is not a distribution if

(a) in respect of the right to purchase, convert or exchange, a prospectus was filed by the issuer and a receipt obtained for it,

(b) the securities so acquired are listed and posted for trading on a stock exchange recognized for this purpose by the Commission,

(c) the first trade is not a distribution from the holdings of a control person,

(d) no unusual effort is made to prepare the market or to create a demand for the securities making up the distribution, and

(e) no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade.

(a) the issuer of the securities

(i) is a reporting issuer and has been a reporting issuer for at least 12 months, or

(ii) in the case of securities acquired under section 107(1)(i), one of the amalgamating or merged corporations or one of the continuing corporations, as the case may be, has been a reporting issuer for at least 12 months,

and the issuer is not in default of any requirement of this Act or the regulations,

(b) disclosure to the Commission has been made of its exempt trade or, in the case of a company that has ceased to be a private company, the issuer has filed with the Commission the report with respect to its outstanding securities that is required by the regulations, and

(c) no unusual effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade,

then the first trade is a distribution only if it is a distribution as defined in section 1(f)(iii).

(3) The first trade in securities acquired under section 107(1)(h) or (x) is a distribution unless

(a) the issuer of the securities is a reporting issuer and has been a reporting issuer for at least 12 months,

(b) no effort is made to prepare the market or to create a demand for the securities, and

(c) no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade.

31 First trades are not distributions.

110.2 Notwithstanding section 110, the first trade in securities previously acquired by a vendor under a distribution exempted by section 107(1)(j) or (k) is not a distribution if,

- (a) at the time that exemption was relied on, a securities exchange take-over bid circular made in compliance with the regulations in respect of the securities was filed by the offeror, and
- (b) in a case where the vendor is in a special relationship with the reporting issuer, the vendor has no reasonable grounds to believe that the reporting issuer is in default of any requirement of this Act or the regulations.

32 *Section 111(3) is amended by striking out “as defined in section 1(f)(iii)” and substituting “from the holdings of a control person”.*

33 *Section 112 is repealed and the following is substituted:*

112(1) Sections 81 and 97 do not apply to a distribution

- (a) from the holdings of a control person, or
- (b) by a lender, pledgee, mortgagee or other encumbrancer for the purpose of liquidating a bona fide debt by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt in accordance with section 107(1)(e),

if no unusual effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade and

- (c) the distribution is exempted by section 107(1), or
- (d) the issuer of the securities has been a reporting issuer
 - (i) for at least 18 months, or
 - (ii) for at least 12 months in the case of an issuer whose securities are listed and posted for trading on a stock exchange recognized by the Commission,

and is not in default of any requirement of this Act or the regulations and, unless exempted by the regulations, the creditor, where the distribution is for the purpose of liquidating a bona fide debt, or the vendor, as the case may be,

- (iii) has held for at least 6 months
 - (A) the securities or that number of securities of the class to be distributed, or
 - (B) in the case of debt securities, the principal amount of the securities of the class to be distributed,
- (iv) has, if he acquired the securities to be distributed pursuant to an exemption contained in section 107(1)(a),

32 Section 111(3) presently reads:

(3) The first trade in securities previously acquire under an exemption contained in section 107(1)(j) is a distribution if the first trade is a distribution as defined in section 1(f)(iii).

33 Section 112 presently reads:

112(1) Sections 81 and 97 do not apply to a distribution,

(a) within the meaning of section 1(f)(iii), or

(b) by a lender, pledgee, mortgagee or other encumbrancer for the purpose of liquidating a bona fide debt by selling or offering for sale a security pledged, mortgaged or otherwise encumbered in good faith as collateral for the debt in accordance with section 107(1)(e)

if no unusual effort is made to prepare the market or to create a demand for the securities and no extraordinary commission or consideration is paid to a person or company other than the vendor of the securities in respect of the trade and

(c) the distribution is exempted by section 107(1), or

(d) the issuer of the security is a reporting issuer, has been a reporting issuer for at least 12 months and is not in default of any requirement of this Act or the regulations and the seller, unless exempted by the regulations,

(i) within 14 days prior to the first trade made to carry out the distribution, files with the Commission and any stock exchange recognized by the Commission for this purpose on which the securities are listed a notice and declaration set out in subsection (2), and

(ii) files the prescribed form required under Part 14 within 3 days after the completion of any trade.

(2) For the purpose of subsection (1)(d)(i) the seller shall file

(a) a notice of intention to sell in the form prescribed by the regulations disclosing particulars of the control position known to him, the number of securities to be sold and the method of distribution, and

(b) a declaration

(i) signed by the seller as at a date not more than 24 hours prior to its filing,

(ii) prepared and executed in accordance with the regulations, and

(b), (c), (d), (l), (m), (p), (q), (t), (t.1), (u) or (z), held the securities for the applicable periods set forth in section 109(3),

(v) has, if he acquired the securities to be distributed under the exemptions in section 107(1)(f)(iii) and the right to purchase, convert or exchange was previously acquired in connection with a distribution exempted by section 107(1)(a), (b), (c), (d), (l), (m), (p), (q), (t), (t.1), (u) or (z), held the securities for the applicable periods set forth in section 109(3) from the date of the trade exempted by section 107(1)(a), (b), (c), (d), (l), (m), (p), (q), (t), (t.1), (u) or (z), and

(vi) at least 7 days and not more than 14 days prior to the first trade made to carry out the distribution, files with the Commission and any stock exchange recognized by the Commission for this purpose on which the securities are listed, a notice and declaration set out in subsection (3).

(2) For the purposes of subsection (1), the vendor or the debtor, as the case may be, shall, in addition to the requirements of subsection (1), file the prescribed form required under Part 14 within 3 days after the completion of the trade.

(3) For the purpose of subsection (1)(d)(vi) the seller of securities shall file

(a) a notice of intention to sell in the form prescribed by the regulations disclosing particulars of the control position known to him, the number of securities to be sold and the method of distribution, and

(b) a declaration

(i) signed by the seller as at a date not more than 24 hours prior to its filing, and

(ii) certified as follows:

The seller of the securities that are to be sold to which this certificate relates hereby represents that he has no knowledge of any material change that has occurred in the affairs of the issuer of the securities that has not been generally disclosed and reported to the Commission, nor has he any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer that have not been generally disclosed.

(4) A notice required to be filed under subsection (3)(a) and a declaration required to be filed under subsection (3)(b) shall be renewed and filed at the end of 60 days after the original date of filing and thereafter at the end of each 28-day period

(a) so long as any of the securities specified under the original notice have not been sold, or

(iii) certified as follows:

“The seller for whose account the securities are to be sold to which this certificate relates hereby represents that he has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the Commission, nor has he any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed”.

(3) A notice required to be filed under subsection (2)(a) and a declaration required to be filed under subsection (2)(b) shall be renewed and filed at the end of 60 days after the original date of filing and thereafter at the end of each 28-day period so long as

(a) any of the securities specified under the original notice have not been sold, or

(b) until notice has been filed that the securities so specified or any part of them are no longer for sale.

(4) The first trade in securities pursuant to an exemption contained in section 107(1)(v) or (w) is a distribution unless the first trade is made in accordance with subsections (1), (2) and (3).

(b) until notice has been filed that the securities so specified or any part of them are no longer for sale.

(5) The first trade in securities previously acquired pursuant to an exemption contained in section 107(1)(v) or (w), other than a further trade exempted by section 107(1), is a distribution unless the first trade is made in accordance with subsections (1), (2), (3) and (4).

34 *Section 113(1) and (2) are amended by striking out “the seller” and substituting “a person or company”.*

35 *Section 115 is amended by adding the following after subsection (2):*

(3) A statement of material facts referred to in subsection (1)(b) shall contain a statement of

(a) the rights given to a purchaser by sections 106 and 168, and

(b) the limits on the time within which an action to enforce a right under section 168 may be commenced.

36 *Section 117 is amended*

(a) *in subsection (1)(a) by striking out “a reporting” and substituting “an”;*

(b) *by repealing subsection (2) and substituting the following:*

(2) An order under subsection (1)

(a) shall not be made without giving the person or company in respect of which the order is made an opportunity to have a hearing before the Commission, and

(b) may, at the direction of the Commission, come into force on a date prior to the day on which the order is made.

37 *Section 118(1) is repealed and the following is substituted:*

118(1) Subject to subsection (3), if a material change occurs in the affairs of a reporting issuer, the reporting issuer shall, in accordance with the regulations, promptly

34 Section 113(1) and (2) presently read:

113(1) Subject to subsection (3), for the purpose of determining whether an issuer is a reporting issuer and, if so, whether the reporting issuer is not in default of any requirement of this Act or the regulations, the seller is entitled

(a) to apply to the Commission for a certificate issued for this purpose in accordance with section 189, and

(b) subject to subsection (3), to rely on the certificate so issued.

(2) Subject to subsection (3), for the purpose of determining whether a reporting issuer is not in default of any requirement of this Act or the regulations, the seller is entitled to rely on a list of defaulting reporting issuers that is

(a) maintained by the Commission for public inspection, and

(b) open to inspection at the office of the Commission during its normal business hours.

35 Contents of a statement of material facts.

36 Section 117 presently reads:

117(1) On

(a) the application of a reporting issuer, or

(b) the motion of the Commission,

the Commission may, if in the opinion of the Commission to do so would not be prejudicial to the public interest, make an order declaring that a person or company is a reporting issuer for the purposes of this Act and the regulations.

(2) An order will not be made under subsection (1) without giving the person or company in respect of which the order is to be made, an opportunity to have a hearing before the Commission.

37 Section 118(1) presently reads:

118(1) Subject to subsection (3), if a material change occurs in the affairs of a reporting issuer, the reporting issuer shall

- (a) prepare a notice of material change,
 - (b) file the notice of material change with
 - (i) the Commission, and
 - (ii) any stock exchange on which the securities are listed and posted for trading,
- and
- (c) publish the notice of material change.

38 *Section 119(1)(b) is amended by striking out “necessary” and substituting “ordinary”.*

39 *Section 120(2) is amended by adding “reporting issuer that is a” after “Every”.*

40 *Section 122 is repealed and the following is substituted:*

122 Every financial statement required to be filed pursuant to section 120 or 121 shall be concurrently sent by the reporting issuer to each holder of its securities, other than debt instruments, whose latest address as shown on the books of the reporting issuer is in Alberta.

41 *Section 125 is repealed and the following is substituted:*

125 On the application of

- (a) a reporting issuer that has fewer than 15 security holders whose latest addresses as shown on the books of the reporting issuer are in Alberta, or
- (b) an issuer that is a reporting issuer by virtue of having filed a prospectus and having obtained a receipt for it under this Act, but that has not made a distribution of any of the

- (a) file with the Commission a statement setting forth the material change,*
- (b) file with any stock exchange on which the securities are listed and posted for trading, a statement setting forth the material change,*
- (c) publish in a daily newspaper having general circulation in the City of Calgary a notice that a material change has occurred, and*
- (d) publish in a daily newspaper having general circulation in the City of Edmonton a notice that a material change has occurred.*

38 Section 119(1) presently reads:

119(1) No person or company in a special relationship with a reporting issuer shall

- (a) purchase or sell securities of the reporting issuer with the knowledge of a material fact or material change in the affairs of the reporting issuer that he or it knew or ought reasonably to have known had not been generally disclosed, or*
- (b) inform, other than in the necessary course of business, another person or company about a material fact or material change that he or it knows or ought reasonably to have known is a material fact or material change before the material fact or material change has been generally disclosed.*

39 Section 120(2) presently reads:

(2) Every mutual fund shall file an interim financial statement within 60 days from the day to which it is made up,

- (a) if the mutual fund has not completed its first financial year, for the period commencing with the beginning of that year and ending 6 months before the day on which that year ends but, if the first financial year is less than 6 months in length, no interim financial statement is required to be filed, or*
- (b) if the mutual fund has completed a financial year, for the 6-month period of the current financial year that commenced immediately following the last financial year, including a comparative statement for the corresponding period in the last financial year.*

40 Section 122 presently reads:

122 Every financial statement required to be filed pursuant to section 120 or 121 shall be concurrently sent by the reporting issuer or the mutual fund, as the case may be, to each holder of its securities, other than debt instruments, whose latest address as shown on the books of the reporting issuer or mutual fund is in Alberta.

41 Section 125 presently reads:

125 On the application of a reporting issuer that has fewer than 15 security holders whose latest addresses as shown on the books of the reporting issuer are in Alberta, the Commission may by order declare that the reporting issuer is no longer a reporting issuer if it is satisfied that to do so would not be prejudicial to the public interest.

securities offered by that prospectus as of the lapse date of that prospectus as defined in section 97(1),

the Commission may by order declare that the reporting issuer is no longer a reporting issuer if it is satisfied that to do so would not be prejudicial to the public interest.

42 *Section 127 is repealed and the following is substituted:*

127 If the management of a reporting issuer gives or intends to give to holders of its voting securities notice of a meeting, the management shall, concurrently with or prior to giving that notice to those security holders, send to those security holders

(a) whose latest addresses as shown on the books of the reporting issuer are in Alberta, and

(b) who are entitled to notice of the meeting,

a form of proxy that complies with the regulations for use at the meeting.

43 *Section 128(1) is amended*

(a) *by striking out* “no reporting issuer shall solicit proxies from a holder of its voting securities whose latest address” *and substituting* “no person or company shall solicit proxies from a holder of voting securities of a reporting issuer where the holder’s latest address”;

(b) *in clause (b), by striking out* “reporting issuer making” *and substituting* “person or company making”.

44 *Section 131(1) is amended*

(a) *in clause (f) by striking out* “other issuer” *and substituting* “an issuer, other than a company,”;

(b) *by repealing clause (j) and substituting the following:*

(j) “take-over bid” means an offer to purchase, directly or indirectly, voting securities of an issuer or rights to voting securities of an issuer, or a combination of both, made to a security holder whose latest address on the books of the issuer is in Alberta if, on completion of the offer and assuming the exercise of all outstanding rights to voting securities of the issuer

(i) owned beneficially by the offeror, and

(ii) acquired by the offeror under the terms of the offer,

the offeror would own beneficially sufficient voting securities of the issuer to vote more than 20% of the votes attached to the total of

42 Section 127 presently reads:

127 If the management of a reporting issuer gives or intends to give to holders of its voting securities notice of a meeting, the management shall, concurrently with or prior to giving the notice to each of the security holders whose latest addresses as shown on the books of the reporting issuer are in Alberta, send to each security holder who is entitled to notice of meeting a form of proxy that complies with the regulations for use at the meeting.

43 Section 128(1) presently reads:

128(1) Subject to subsection (2), no reporting issuer shall solicit proxies from a holder of its voting securities whose latest address as shown on the books of the reporting issuer is in Alberta unless,

(a) in the case of a solicitation by or on behalf of the management of a reporting issuer, an information circular either as an appendix to or as a separate document accompanying the notice of the meeting, is sent to each security holder of the reporting issuer whose proxy is solicited at his latest address as shown on the books of the reporting issuer, or

(b) in the case of a solicitation other than one referred to in clause (a), the reporting issuer making the solicitation, concurrently with or prior to the solicitation sends an information circular to each security holder whose proxy is solicited.

44 Section 131(1)(f) and (j) presently read:

131(1) In this Part,

(f) "offeree company" means a company or other issuer whose securities are the subject of a take-over bid;

(j) "take-over bid" means an offer to purchase, directly or indirectly, voting securities of a company or other issuer or a combination of rights to voting securities and voting securities of the company or other issuer made to a security holder whose latest address on the books of the offeree company or other issuer is in Alberta,

(i) if

(A) the voting securities that are the subject of the offer to purchase, and

(B) the voting securities that would be obtained on exercise of the offeror's presently owned rights to voting securities,

will in the aggregate exceed 20% of the voting securities of the company or other issuer that would be outstanding on exercise of the offeror's presently owned rights to voting securities, or

- (iii) all outstanding voting securities of the issuer, and
- (iv) all voting securities of the issuer issuable on exercise of all outstanding rights to voting securities of the issuer.

45 *Section 132(1)(e) is repealed and the following is substituted:*

- (e) it is an offer to acquire voting securities of an issuer made by an offeror and accepted by an offeree each of whom is a control person of that issuer.

46 *Section 134(1)(d)(ii) is amended by striking out “day of receipt by offeree of” and substituting “day of the sending to the offeree”.*

47 *Section 137 is repealed and the following is substituted:*

- 137** A take-over bid or an issuer bid is deemed to have been made as of the day on which it was sent to the offerees.

48 *Section 141 is amended*

(a) by repealing subsection (3) and substituting the following:

- (3) If a board of directors is considering recommending acceptance or rejection of a take-over bid, it may advise the

(ii) if

(A) the voting securities that would be obtained on exercise of the rights to voting securities that are the subject of the offer to purchase, or

(B) the combination of,

(I) voting securities that would be obtained on exercise of the rights to voting securities that are the subject of the offer to purchase, and

(II) the voting securities that are the subject of the offer to purchase,

together with the combination of,

(C) the offeror's presently owned voting securities, if any, and

(D) the voting securities that would be obtained on exercise of the offeror's presently owned rights to voting securities, if any,

will in the aggregate exceed 20% of the voting securities of the company or other issuer that would be outstanding on the exercise of,

(E) the rights to voting securities that are the subject of the offer to purchase, and

(F) the offeror's presently owned rights to voting securities.

45 Section 132(1)(e) presently reads:

132(1) A take-over bid is exempted from the requirements of this Part, if

(e) it is an offer to acquire voting securities of an issuer made by an offeror and accepted by an offeree each of whom is, as regards the issuer, a person or company referred to in section 1(f)(iii).

46 Section 134(1)(d)(ii) presently reads:

134(1) Except as provided by this Part, the following provisions apply to every take-over bid and, except for clauses (k), (l)(ii)(B) and (n), to every issuer bid:

(d) any securities deposited pursuant to a bid may be withdrawn by an offeree at any time up until the expiration of

(ii) if the terms of the bid are varied before the expiration of the bid, 10 days from the day of receipt by offeree of the varied terms of the bid;

47 Section 137 presently reads:

137 A take-over bid, a varied take-over bid, an issuer bid or a varied issuer bid

(a) shall be sent to each offeree, and

(b) is deemed to have been dated as of the date on which it was sent.

48 Section 141(3) and (5) presently read:

(3) If a board of directors is considering recommending acceptance or rejection of a take-over bid, it may advise the offerees of that fact and advise them not to tender their securities until further communication is received from the directors.

offerees of that fact and advise them not to tender their securities until further communication is received from the board of directors.

(3.1) Subject to subsection (3.2), if the board of directors advises the offerees that it is considering recommending acceptance or rejection of a take-over bid, it shall communicate to the offerees the determination of its considerations at least 7 days before the expiry of the offer.

(3.2) If the board of directors

(a) advises the offerees that it is considering recommending acceptance or rejection of a take-over bid, and

(b) then decides not to make a recommendation to accept or reject the take-over bid,

it shall communicate its decision not to make a recommendation to accept or reject the take-over bid to the offerees at least 7 days before the expiry of the offer.

(b) by repealing subsection (5) and substituting the following:

(5) Subject to subsection (6), if a significant change has occurred in the information contained in a circular that has been sent to offerees under this section, the board of directors of the offeree company or the individual director or officer, as the case may be, shall promptly send to each offeree an amendment to the circular disclosing the nature and substance of the change.

(c) by adding the following after subsection (5):

(6) Subsection (5) does not apply to the board of directors of the offeree company or the individual director or officer, as the case may be, if the significant change is not within the control of the board of directors of the offeree company or of the individual director or officer, as the case may be.

49 Section 142 is repealed and the following is substituted:

142(1) If a take-over bid is made by or on behalf of an offeror,

(a) the contents of the take-over bid circular and any notice of a significant change shall be approved, and

(b) the delivery of the take-over bid circular and any notice of significant change shall be authorized,

by the board of directors of the offeror.

(2) If a take-over bid is made by or on behalf of an offeror, the take-over bid circular and any notice of a significant change shall contain a statement that

(a) the contents of the circular and the notice, if any, have been approved, and

(b) the delivery of the circular and notice, if any, have been authorized,

by the board of directors of the offeror.

(5) If a significant change has occurred in the information contained in a circular that has been sent to offerees under this section, the board of directors of the offeree or the individual director or officer, as the case may be, shall forthwith send to each offeree an amendment to the circular disclosing the nature and substance of the change.

49 Section 142 presently reads:

142(1) If a take-over bid is made by or on behalf of an issuer, the contents of the take-over bid circular and any notice of a significant change shall be approved by and the delivery of it authorized by the directors of the issuer.

(2) If a take-over bid is made by or on behalf of an issuer, the take-over bid circular and any notice of a significant change shall contain a statement that the contents of it have been approved by and the delivery of it authorized by the directors of the issuer.

(3) The contents of a directors' circular and any amendments to a directors' circular shall be approved by and the delivery of them authorized by the directors of the offeree company.

(3) Where a directors' circular and any amendments to it are issued,

(a) the contents of the circular and the amendments shall be approved, and

(b) the delivery of the circular and the amendments shall be authorized,

by the board of directors of the offeree company.

(4) A directors' circular and any amendments to it shall contain a statement that

(a) the contents of the circular and the amendments have been approved, and

(b) the delivery of the circular and the amendments have been authorized,

by the board of directors of the offeree company.

(5) A recommendation by the board of directors of an offeree company to accept or reject a take-over bid or a decision by the board of directors of an offeree company not to make a recommendation shall

(a) be approved and the delivery of the recommendation or decision, as the case may be, authorized by the board of directors of the offeree company, and

(b) contain a statement that

(i) the contents of the recommendation or decision, as the case may be, has been approved, and

(ii) the delivery of the recommendation or decision, as the case may be, has been authorized,

by the board of directors of the offeree company.

50 *Section 143 is amended*

(a) *by renumbering it as section 143(1);*

(b) *in subsection (1) by striking out "directors" and substituting "board of directors";*

(c) *by adding the following after subsection (1):*

(2) The issuer bid circular and any notice of a significant change shall contain a statement that

(a) the contents of the circular and the notice, if any, have been approved, and

(b) the delivery of the circular and the notice, if any, have been authorized,

by the board of directors of the issuer.

50 Section 143 presently reads:

143 The issuer bid circular and any notice of a significant change shall be approved by and the delivery of it authorized by the directors of the issuer.

51 Section 144 is amended by repealing subsections (1) and (2) and substituting the following:

144(1) No person or company that has the intention of making a take-over bid or an issuer bid, other than

(a) a take-over bid effected in reliance on an exemption under section 132(1)(b), (d) or (e), or

(b) an issuer bid effected in reliance on an exemption under section 133(1)(a), (b), (d), (f) or (g),

shall inform, other than in the ordinary course of business, another person or company about that intention which the first mentioned person or company knows or ought reasonably to know has not been generally disclosed.

(2) No person or company in a special relationship with a reporting issuer where the reporting issuer has the intention of making a take-over bid or issuer bid other than

(a) a take-over bid effected in reliance on an exemption under section 132(1)(b), (d) or (e), or

(b) an issuer bid effected in reliance on an exemption under section 133(1)(a), (b), (d), (f) or (g),

shall inform, other than in the ordinary course of business, another person or company about that intention which the special relationship person or company knows or ought reasonably to know has not been generally disclosed.

52 Section 145 is amended by renumbering it as section 145(1) and by adding the following after subsection (1):

(2) An order made under subsection (1) may, at the direction of the Commission, come into force

(a) on a date prior to the day on which it is made, or

(b) on or after the date of a take-over bid or issuer bid,

if the Commission is of the opinion that it would not be prejudicial to the public interest for the order to do so.

53 Section 149 is amended by adding the following after subsection (1):

(1.1) For the purpose of determining under subsection (1) whether a person or company purchases securities carrying at least 5% of the voting rights attached to all voting securities for the time being outstanding, if 2 or more persons or companies make purchases jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the securities so acquired, then each of those persons or companies shall be deemed to have purchased, in addition to the securities actually purchased by each of them, the securities purchased by the other persons or companies.

51 Section 144 presently reads:

144(1) When a take-over bid has been issued or is intended to be issued, there shall not be any communication to offerees by any person if the effect of that communication is to recommend acceptance or rejection of the bid.

(2) Subsection (1) does not apply to a communication

(a) by the directors of the offeree company

(i) as part of a directors' circular prepared in accordance with the regulations, or

(ii) following the date that a directors' circular prepared in accordance with the regulations is sent to each offeree,

(b) by an individual director or officer of the offeree company if the director or officer sends to each offeree with his communication a circular prepared in accordance with the regulations, or

(c) by any person other than those mentioned in clauses (a) and (b) if

(i) the communication is requested by an offeree, and

(ii) the communication is made only to the offeree requesting it.

(3) Nothing in subsection (2) shall prohibit a person making a communication authorized by subsection (2) from stating that acceptance or rejection of the take-over bid has been recommended by any other person.

52 Section 145 presently reads:

145 On an application by an interested person or company, the Commission may by order, exempt any person or company from any requirements of this Part if in the opinion of the Commission it would not be prejudicial to the public interest to do so.

53 Section 149(1) presently reads:

149(1) If a person or company, other than an offeror, purchases for his or its own account, directly or indirectly, voting securities of a reporting issuer carrying at least 5% of the voting rights attached to all voting securities for the time being outstanding, while a take-over bid subject to the requirements of Part 13 is outstanding, that person or company shall file a report, as of the day on which he or it acquired the ownership of the securities, within 3 days from the day that he or it acquired the ownership of those securities.

54 *Section 161 is amended*

(a) in subsection (1)

(i) by adding the following after clause (c.1):

(c.2) fails to comply with or is in contravention of a written undertaking made by that person or company to the Commission or the Director;

(ii) by repealing clause (e) and substituting the following:

(e) contravenes the following provisions of this Act:

section 48(3);
section 52(1);
section 53;
section 54(1);
section 63(1), (2) or (3);
section 68;
section 70;
section 71(1) or (2);
section 72(1) or (2);
section 73;
section 74(1) or (2);
section 75;
section 76;
section 78;
section 79(1), (2), (5) or (6);
section 81;
section 82(1);
section 84(1) or (2);
section 85(2);
section 93(5) or (6);
section 93.1;
section 97(2);
section 100;
section 101;
section 103;
section 105;
section 106(3);
section 118(1) or (4);
section 119(1);
section 122;
section 127;
section 128(1);
section 129(2);
Part 13;
section 147;
section 152;
section 153(1);
section 156(1);
section 159(2);
section 160.

(b) by repealing subsection (4) and substituting the following:

(4) If a company is guilty of an offence under subsection (1),

54 Section 161(1)(c.1), (e) and (4) presently read:

161(1) Any person or company that does one or more of the following is guilty of an offence:

(c.1) fails

(i) to file under this Act or the regulations, or

(ii) to file under this Act or the regulations within the time limits prescribed by this Act or the regulations,

any document, record or report required to be filed under this Act or the regulations;

(e) contravenes the following provisions of this Act:

section 54(1);

section 70;

section 75;

section 76;

section 81;

section 97(2);

section 118(1) or (4);

section 119(1);

section 122;

section 128(1);

section 134(1)(a) or (2);

section 141;

section 147;

section 152;

section 156(1);

section 159(2);

section 160.

(4) If a company is guilty of an offence under subsection (1),

(a) every director or officer of the company, and

(b) every person who authorized, permitted or acquiesced in the offence,

is also guilty of the offence and liable to a fine of not more than \$5000 or to imprisonment for a term of not more than 1 year or to both fine and imprisonment.

(a) every director and every senior officer of the company who authorized, permitted or acquiesced in the offence, and

(b) every person, other than a director or senior officer of the company, who authorized or permitted the offence,

is also guilty of the offence and liable to a fine of not more than \$5000 or to imprisonment for a term of not more than 1 year or to both fine and imprisonment.

55 *Section 164(1) is repealed and the following is substituted:*

164(1) If it appears to the Commission that a person or company has failed to comply with or is contravening

(a) any written undertaking made by that person or company to the Commission or the Director,

(b) any provision of this Act or the regulations, or

(c) any decision of the Commission or the Director,

the Commission may, whether or not that person or company has been prosecuted for that failure or contravention and in addition to any other rights that the Commission may have, apply to the Court of Queen's Bench for an order

(d) directing that person or company to comply with the written undertaking,

(e) directing that person or company to comply with the provision or decision, or

(f) restraining that person or company from contravening that written undertaking, provision or decision,

and the Court may make the order or any other order as it considers appropriate.

56 *Section 165(1) is repealed and the following is substituted:*

165(1) The Commission may order one or both of the following:

(a) that trading cease in respect of any security for a period of time as is specified in the order;

(b) that a person or company cease trading in securities or specified securities for a period of time as is specified in the order.

57 *Section 168 is amended*

(a) in subsection (4)(a) by striking out "forthwith" and substituting "promptly";

(b) in subsection (13) by striking out "without derogation" and substituting "does not derogate".

55 Section 164(1) presently reads:

164(1) If it appears to the Commission that a person or company has failed to comply with or is contravening any provision of this Act, the regulations or a decision of the Commission or the Director, the Commission may, whether or not the person or company has been prosecuted under this Act and in addition to any other rights the Commission may have, apply to the Court of Queen's Bench for an order

(a) directing the person or company to comply with the provision or decision, or

(b) restraining the person or company from contravening the provision or decision,

and the Court may make the order or such other order as it thinks fit.

56 Section 165 presently reads:

165(1) The Commission may order that

(a) trading cease in respect of any security for a period of time as is specified in the order, or

(b) that a person or company cease trading in securities or specified securities for a period of time as is specified in the order.

(2) The Commission shall not make an order under subsection (1) without conducting a hearing.

57 Section 168(4)(a) and (13) presently read:

(4) No person or company, other than the issuer or selling security holder, is liable under subsection (1) or (2) if he or it proves

(a) that the prospectus was filed without his or its knowledge or consent and that on becoming aware of its filing he or it forthwith gave reasonable general notice that it was so filed;

(13) The right of action for rescission or damages conferred by this section is in addition to and without derogation from any other right the purchaser may have at law.

58 *Section 169(11) is amended by striking out “without derogation” and substituting “does not derogate”.*

59 *The following is added after section 169:*

169.1(1) Every person or company that, before his or its intention has been generally disclosed, other than in the ordinary course of business, communicates his or its intention to make a take-over bid or an issuer bid other than

(a) a take-over bid effected in reliance on an exemption under section 132(1)(b), (d) or (e), or

(b) an issuer bid effected in reliance on an exemption under section 133(1)(a), (b), (d), (f) or (g),

to another person or company that thereafter purchases securities of the offeree company is liable to compensate the vendor of the securities for damages as a result of the trade.

(2) No person or company is liable under subsection (1) if he or it proves that

(a) he or it had reasonable grounds to believe that the intention to make the take-over bid or issuer bid was generally disclosed, or

(b) the intention to make the take-over bid or issuer bid was known or ought reasonably to have been known to the vendor.

(3) Every person or company in a special relationship with a reporting issuer that has the intention of making a take-over bid or issuer bid that, before that intention has been generally disclosed, other than in the ordinary course of business, communicates that intention to make a take-over bid or issuer bid, other than

(a) a take-over bid effected in reliance on an exemption under section 132(1)(b), (d) or (e), or

(b) an issuer bid effected in reliance on an exemption under section 133(1)(a), (b), (d), (f) or (g),

to another person or company that thereafter purchases securities of the offeree company is liable to compensate the vendor of the securities for damages as a result of the trade.

(4) No person or company is liable under subsection (3) if he or it proves that

(a) he or it had reasonable grounds to believe that the intention to make the take-over bid or issuer bid was generally disclosed, or

(b) the intention to make the take-over bid or issuer bid was known or ought reasonably to have been known to the vendor.

58 Section 169(11) presently reads:

(11) The right of action for rescission or damages conferred by this section is in addition to and without derogation from any other right the offeree may have at law.

59 Liability — improper disclosure.

60 Section 169(2)(a)(i) is amended by adding “company” after “offeree”.

61 Section 171(2), (6) and (9)(b) are amended by striking out “necessary” and substituting “ordinary”.

62 Section 172(2)(a) is amended by striking out “179(9)” and substituting “171(9)”.

63 Section 186 is amended by renumbering it as section 186(1) and by adding the following after subsection (1):

(2) With respect to a decision made by him under this Act or the regulations or any former Securities Act or regulations, the Chairman may,

(a) if he has acted alone in making the decision, and

(b) if he is of the opinion that to do so would not be prejudicial to the public interest,

make an order revoking or varying that decision.

60 Section 169(2)(a)(i) presently reads:

(2) If a directors' circular or a director's or officer's circular or an amendment to a circular sent to the offerees of an offeree company as required by Part 13 contains a misrepresentation, each of those offerees shall be deemed to have relied on the misrepresentation and

(a) in respect of a misrepresentation in a directors' circular or an amendment to it, have a right of action for damages against

(i) every person who at the time the circular or amendment was signed was a director of the offeree, and

61 Section 171(2), (6) and (9) presently read:

(2) Every person in a special relationship with the reporting issuer who directly or indirectly informs the vendor of a material fact or material change other than in the necessary course of business is liable to compensate the purchaser of the securities for damages as a result of the trade.

(6) Every person in a special relationship with the reporting issuer who directly or indirectly informs the purchaser of the material fact or material change other than in the necessary course of business is liable to compensate the vendor of the securities for damages as a result of the trade.

(9) Every person or company in a special relationship with a reporting issuer who is an insider or an associate or affiliate of the reporting issuer and who

(a) sells or purchases the securities of the reporting issuer with knowledge of a material fact or material change in respect of the reporting issuer that has not been generally disclosed, or

(b) directly or indirectly communicates, other than in the necessary course of business, knowledge of a material fact or material change in respect of the reporting issuer that has not been generally disclosed to another person or company who thereafter sells or purchases securities of the reporting issuer,

is accountable to the reporting issuer for any benefit or advantage received or receivable by him or it as a result of the purchase, sale or communication, as the case may be.

62 Section 172(2)(a) presently reads:

(2) The Court shall not make an order under subsection (1) unless it is satisfied that

(a) the Commission or the person or company has reasonable grounds for believing that the reporting issuer has a cause of action under section 179(9), and

63 Section 186 presently reads:

186 The Commission may, if in its opinion to do so would not be prejudicial to the public interest, make an order revoking or varying any decisions made by it under this Act or the regulations or any former Securities Act or regulations.

64 *Section 188 is amended by adding the following after subsection (2):*

(3) A document referred to in subsection (1) sent by the Commission or the Director by prepaid post is deemed, unless the contrary is proved, to be served on the person or company to whom it is sent,

(a) 14 days from the day of sending, if the document is sent to an address in Alberta, or

(b) 28 days from the day of sending, if the document is sent to an address that is not in Alberta.

(4) If a document referred to in subsection (1) is sent to a person or company by prepaid post and is returned on 3 successive occasions because the person or company cannot be found, then there is no further requirement to send any further documents to that person or company until the person or company provides to the sender notification in writing of his or its new address.

65 *Section 192 is amended*

(a) *in subsection (2) by striking out “subsection (3)” and substituting “subsections (3) and (4)”;*

(b) *by repealing subsection (3) and substituting the following:*

(3) The Commission may hold material or any class of material required to be filed by this Act or the regulations in confidence so long as the Commission is of the opinion that to do so is not prejudicial to the public interest.

(4) The Commission may

(a) on the application of an interested person or company, and

(b) on giving that person or company an opportunity to have a hearing,

make an order directing that any material or class of material filed under this Act or the regulations be held in confidence if, in the opinion of the Commission, the granting of the order would not be prejudicial to the public interest.

(5) An order made by the Commission under this section is final and there is no appeal from it.

66 *Section 193(1) is amended by adding “or any person appointed under this Act or the regulations to perform a function or duty for the Commission” after “of the Commission”.*

64 Section 188 presently reads:

188(1) Unless otherwise provided by this Act or ordered by the Director any document required to be sent, communicated, delivered or served under this Act or the regulations may be

(a) personally delivered to the person or company that is to receive it,

(b) sent by prepaid post to the person or company that is to receive it, or

(c) sent by electronic means that produces a printed copy to the person or company that is to receive it.

(2) A document sent to a person or company referred to in subsection (1)(b) or (c) shall be sent to that person or company

(a) at the latest address known for that person or company by the sender of the document, or

(b) at the address for service in Alberta filed by that person or company with the Commission.

65 Section 192 presently reads:

192(1) When this Act or the regulations require that material be filed, the filing shall be effected by depositing the material or causing it to be deposited, with the Commission.

(2) Subject to subsection (3) all material filed under subsection (1) shall be made available by the Commission for public inspection at the office of the Commission during the normal business hours of the Commission.

(3) Notwithstanding subsection (2), the Commission may hold material or any class of material required to be filed by this Act or the regulations in confidence so long as the Commission is of the opinion that it is in the public interest to do so.

66 Section 193(1) presently reads:

193(1) No action or other proceeding for damages shall be instituted against the Commission or any member of it or any officer, servant or agent of the Commission

(a) for any act done in good faith

(i) in the performance or intended performance of any duty, or

(ii) in the exercise or the intended exercise of any power under this Act or the regulations,

67 Section 194 is repealed.

68 Section 196 is amended

(a) in clause (b) by adding “pro forma short form prospectuses, exchange offering prospectuses,” after “short form prospectuses,”

(b) in clause (b.1) by adding “pro forma short form prospectuses, exchange offering prospectuses,” after “short form prospectuses,”

(c) in clause (c) by adding “, pro forma short form prospectuses, exchange offering prospectuses” after “short form prospectuses”;

(d) by adding the following after clause (j.1):

(j.2) governing bonds, bonding and the form and content of bonds;

(e) by repealing clause (n.1) and substituting the following:

(n.1) governing fees payable to the Commission and the provision of any service or function performed in respect of those fees;

(f) by repealing clause (o.1) and substituting the following:

(o.1) governing documents, certificates, reports, releases, statements, agreements and other information that are to be filed, furnished, delivered or published under this Act and the regulations;

(g) by adding the following after clause (x):

(x.01) respecting matters referred to in section 118(1);

(h) by adding the following after clause (z.4):

(z.5) specifying those provisions of the regulations that are an offence if contravened.

In accordance with section 4(1) of the Interpretation Act, this Bill comes into force on the date it receives Royal Assent.

or

(b) for any neglect or default in the performance or exercise in good faith of the duty or power.

67 Section 194 presently reads:

194 The Director may refund any fee or part of it that is payable under this Act as he considers reasonable in the circumstances.

68 Section 196(b), (b.1), (c), (j.1), (o.1) and (x) presently read:

196 The Lieutenant Governor in Council may make regulations

(b) prescribing the form and content or either of them of prospectuses, preliminary prospectuses, pro forma prospectuses, short form prospectuses, summary statements and statements of material facts to be filed under this Act;

(b.1) governing the use of prospectuses, preliminary prospectuses, pro forma prospectuses, short form prospectuses, summary statements and statements of material facts to be filed under this Act;

(c) governing certificates to be used in pro forma prospectuses, preliminary prospectuses, short form prospectuses and prospectuses;

(j.1) governing the form and content of the financial statements to be provided to the customer of a registered dealer;

(o.1) prescribing the documents, certificates, reports, releases, statements, agreements and other information and the form, content and other particulars relating to them that are required to be filed, furnished or delivered under this Act and the regulations;

(x) respecting the matters referred to in section 92(2)(h);