

Bill No. 67 of 1936.

A BILL TO AMEND THE SECURITY FRAUDS PRE-
VENTION ACT, 1930.

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NOTE.

This Bill amends the definition of security, the object being to specify, with greater particularity, the different kinds of securities to which the Act applies.

Section 9 amends the provision as to the payment of costs by any company or person who has been investigated pursuant to the Act.

The remaining amendments are of a minor nature.

R. ANDREW SMITH,
Legislative Counsel.

(This note does not form any part of the Bill and is offered merely as a partial explanation of some of its provisions.)

BILL

No. 67 of 1936.

An Act to amend The Security Frauds Prevention Act,
1930.

(Assented to _____, 1936.)

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

1. This Act may be cited as "*The Security Frauds Prevention Act, 1930, Amendment Act, 1936.*"

2. *The Security Frauds Prevention Act, 1930*, being chapter 8 of the Statutes of Alberta, 1930, is hereby amended as to section 1 thereof by striking out the same and by substituting therefor the following:

"**1.**—(1) This Act may be cited as '*The Securities Act.*'"

"(2) Wherever the words '*The Security Frauds Prevention Act, 1930,*' occur in any statute, they shall mean *The Securities Act.*"

3. The said Act is further amended as to section 2 thereof,—

(a) by striking out paragraph (h) thereof and by substituting therefor the following:

"(h) 'Security' shall include—

"(i) any document, instrument or writing commonly known as a security; or

"(ii) any document constituting evidence of title to or interest in the capital, assets, property, profits, earnings or royalties of any person or company; or

"(iii) any document constituting evidence of an interest in an association of legatees or heirs; or

"(iv) any document constituting evidence of an interest in any option given upon a security; or

"(v) any document designated as a security by the regulations; or

"(vi) without in any way restricting the generality of anything hereinbefore contained, any bond, debenture, share, stock, note, unit, unit certificate, any participation certificate, certificate of share or interest, pre-organization certificate or subscription, certificate of share or interest in a trust estate or association, profit-sharing agreement or certificate, certificate of interest in

an oil, gas or mining lease, certificate of interest in any patent or patent right, claim or royalty voting trust certificate, collateral trust certificate, income or annuity contract not issued by an insurance company, bankers' share, trustees' share, investment contract, investment participating bond, or investment trust debenture, bond, debenture, share, stock, note, unit or certificate bond upon any security whether any of the foregoing relate to a person, proposed company or company, as the case may be.”;

- (b) by adding at the end of paragraph (j) thereof the following:

“and without in any way restricting the generality of the foregoing, participation as a floor trader in any transaction in a security upon the floor of any stock exchange, and also any receipt by a broker or salesman of an order to buy or sell a security, whether the order is received over the telephone or in person and whether the recipient receives such order as a broker or salesman or on behalf of a broker.”

4. The said Act is further amended as to section 3 thereof,—

- (a) by striking out the words “loan company”, where the same occur in paragraph (c) of subsection (3) thereof;
- (b) by striking out paragraph (h) of subsection (3) thereof; and
- (c) by striking out paragraph (o) thereof and by substituting therefor the following:

“(o) The issue and sale of shares in or debentures or bonds of a company which is constituted as a private company under the law by or under which the company was incorporated unless it is provided by the regulations that the company shall not be exempted from the application of Part I of this Act.”

5. The said Act is further amended as to section 4 thereof by striking out the same and by substituting therefor the following:

“4.—(1) The Registrar shall, subject to the direction of the Board, enter or cause to be entered in a book kept for such purpose the name and address for service of every applicant for registration under this Part, and such book shall be open to public inspection during ordinary office hours.

“(2) Every entry so made may be cancelled at any time by the direction of the Board and if not so cancelled shall continue for such period as may be from time to time prescribed by the regulations.

“(3) Any registration may be changed or varied or renewed in such manner as may be provided by the regulations.

“(4) Upon the entry being made in the register of any applicant for registration and so long as such entry remains uncanceled or undetermined, the person to whom the entry relates shall be deemed to be registered as a broker or salesman, as the case may be.”

6. The said Act is further amended as to section 6 thereof by striking out the words “in the sum of five hundred dollars”, where the same occur in subsection (1) thereof, and by substituting therefor the words “for such amount”.

7. The said Act is further amended as to section 8 thereof by striking out clause (iv) of paragraph (d) of subsection (1) thereof and by substituting therefor the following:

- “(iv) conviction of the broker or an official of the broker for an offence against this Act or the regulations; or
- “(v) the occurrence of any default on the part of the broker or an official of the broker of any obligation of the broker towards any other person with whom he has any dealings; or that”.

8. The said Act is further amended as to section 9 thereof,—

- (a) by striking out the words “may examine any person, company, property or thing whatsoever at any time”, where the same occur in subsection (1) thereof, and by substituting therefor the words “may examine any person, company, property or thing whatsoever at any place and at any time”;
- (b) by adding at the end of subsection (1) thereof the words “and the person so conducting an examination is hereby empowered to take possession of any books or papers produced to him in the course of any such examination and to retain the same subject to the direction of the Attorney General”; and
- (c) by adding at the end of the section the following new subsection:
 - “(5) No person shall be entitled to be present during the making of any investigation made pursuant to this section other than counsel and solicitors representing the person or company subject to examination unless with the permission of the Attorney General or his representative.”

9. The said Act is further amended as to section 21 thereof by striking out all the words following paragraph (c) thereof and by substituting therefor the following:

- “(d) examined, or the documents, records, properties or activities of any person or company have been examined by any person appointed by the Attorney General—

“the Attorney General may direct that any such person or company shall forthwith pay to him the costs of such investigation in accordance with a tariff of fees and disbursements in respect of investigations prescribed by the Regulations; and any sum so directed to be paid shall be a debt due to His Majesty in the right of the Province, and upon filing any such direction in the office of any Clerk of the Supreme Court of Alberta, the same shall have the same force and effect as a judgment of that court and shall be enforceable in the same manner as if it were a judgment.”

10. This Act shall come into force on the day upon which it is assented to.

No. 67.

FIRST SESSION
EIGHTH LEGISLATURE
1 EDWARD VIII
1936

BILL

An Act to amend The Security
Frauds Prevention Act, 1930.

Received and read the

First time

Second time

Third time

HON. MR. HUGILL.

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