

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF the *Securities Act*

- and -

IN THE MATTER OF A Policy of the Toronto Stock Exchange  
on Small Shareholder Selling and Purchase Arrangements

ORDER  
(Section 116(1))

1. WHEREAS The Toronto Stock Exchange (the “TSE”) has made an application to the Alberta Securities Commission (the “Commission”) for an order pursuant to subsection 116(1) of the Act with respect to trades made under small shareholder selling arrangements (“Selling Arrangements”) and/or small shareholder purchase arrangements (“Purchase Arrangements”) (collectively, the “Arrangements”) by companies listed on the TSE (“Listed Companies”) which participate in such Arrangements;
2. AND WHEREAS it was represented to the Commission that:
  - 2.1 Part XXXI of the TSE Policy Statements entitled “Policy Statements on Small Shareholder Selling and Purchase Arrangements” was originally passed and enacted by the Board of Governors of the TSE on April 15, 1986 with effect from such date (the “Original Policy”);
  - 2.2 Under the Original Policy, a Listed Company participating in the Arrangements agreed to pay a fee per odd lot account to firms which were members of the TSE (“Member Firms”) in order to facilitate both the sale of shares on behalf of odd lot holders to constitute a board lot;
  - 2.3 On November 25, 1986, the Board of Governors of the TSE adopted an amended Policy (the “Revised Policy”) which Revised Policy became effective on November 25, 1986 and a copy of which is attached hereto as Schedule “A”;
  - 2.4 Pursuant to the Revised Policy, Listed Companies are directed to request odd lot holders wishing to participate in Selling Arrangements and/or Purchase Arrangements to either:
    - 2.4.1 place orders under the Arrangements with any Member Firm; or
    - 2.4.2 transmit orders under the Arrangements directly to the Listed Company or an agent (such as a Member Firm or transfer agent) designated by it;
  - 2.5 Only persons who are holders of less than one board lot as defined in the General By-Law of the TSE are eligible to participate in the Arrangements;

REVOKED PER ASC NOTICE DATED 31 OCT 1997

- 2.6 The procedure described in the Revised Policy constitutes the exclusive method by which a Listed Company may seek the assistance of a Member Firm either to solicit odd lots for sale, or to acquire additional shares to make up a board lot, through the facilities of the TSE; and
- 2.7 The Revised Policy enables Listed Companies to reduce the number of holders of odd lots through participation in the Arrangements described in the said Revised Policy and reduces the commission rates otherwise payable by odd lot holders on the purchase or sale of odd lots;
- 3. AND WHEREAS it appears to the Commission that the solicitation by Listed Companies of odd lot holders with respect to participation in the aforesaid Arrangements and all acts, negotiations or conduct engaged in by the Listed Companies or their transfer agents in furtherance of odd lot holder participation in the Arrangements and in accordance with the provisions of the Revised Policy including, but not restricted to, the receipt by Listed Companies or their transfer agents of orders to buy or sell securities on behalf of odd lot holders, constitute trades within the meaning of the Act;
- 4. AND WHEREAS the commission is satisfied that to do so would not be prejudicial to the public interest;
- 5. IT IS HEREBY ORDERED pursuant to subsection 116(1) of the Act that the solicitation by Listed Companies of odd lot holders with respect to participation in the aforesaid Arrangements and all acts, negotiations or conduct engaged in by Listed Companies or their transfer agents in furtherance of odd lot holder participation in the Arrangements and in accordance with the provisions of the Revised Policy including, but not restricted to, the receipt by Listed Companies or their transfer agents of orders to buy or sell securities on behalf of odd lot holders, are not subject to section 54 of the Act.

Dated at the City of Edmonton )  
 in the Province of Alberta, this ) ALBERTA SECURITIES COMMISSION  
 13<sup>th</sup> Day of May, 1987 )  
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APPENDIX "A"

ALBERTA SECURITIES COMMISSION

IN THE MATTER OF the *Securities Act*  
(S.A. 1981, c. S-6.1, as amended) (the "Act")

- and -

IN THE MATTER OF the Registration of Dealers Trading in  
Exchange Contracts and Advisers Advising  
Those Who Trade in Exchange Contracts

ORDER  
(Section 185)

6. WHEREAS the Chief of Securities Administration has made application on behalf of certain interested parties to the Alberta Securities Commission Board (the "Board") for an order pursuant to section 185 of the Act to exempt certain persons and companies from section 54 of the Act; subject to certain restrictions;
7. AND WHEREAS the Act has been amended to include trading in exchange contracts as well as securities; which amendments come into force October 1, 1992, pursuant to Orders in Council 520/92 and 521/92;
8. AND WHEREAS any person or company which engages in the business of trading, and advises those who trade, exchange contracts will be required to be registered as a dealer or adviser in exchange contracts under section 54 of the Act;
9. AND WHEREAS time may be required to resolve any issues that may arise in the processing of applications submitted to the Alberta Securities Commission Agency (the "Agency") by such persons or companies for registration as a dealer or adviser in connection with exchange contracts;
10. AND WHEREAS the Board is satisfied that to do so would not be prejudicial to the public interest;
11. IT IS HEREBY ORDERED pursuant to section 185 of the Act that those persons or companies who were engaged in the business of trading; and advising those who trade; In futures contracts and options prior to October 1, 1992 are exempted from the registration requirements contained in section 54 of the Act provided that an application for registration as a dealer or adviser is file with the Agency on or before November 15, 1992;
12. AND IT IS FURTHER ORDERED pursuant to section 185 of the Act that this order will cease to be of effect on January 31, 1993 or upon the happening of either:
  - 12.1 notification of registration as a dealer or adviser in exchange contracts from the Registrar; or

12.2 notification of refusal of registration as a dealer or adviser in exchange contracts.

Dated at the City of Calgary  
in the Province of Alberta,  
this 22<sup>nd</sup> day of September, 1992

) ALBERTA SECURITIES COMMISSION BOARD

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) (original signed by)

) W.L. Hess, Chairman of the Board

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) (original signed by)

) Ian E.W. McConnan, Member of the Board

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) (original signed by)

) Dennis Erker, Member of the Board

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