

ALBERTA SECURITIES COMMISSION

BLANKET ORDER 31-536

Citation: Alberta Small Business Finder's Exemption, 2021 ABASC 172     Date: 20211110

**Definitions**

1. Terms defined in the *Securities Act* (Alberta) (the **Act**), National Instrument 14-101 *Definitions* and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* have the same meaning in this Blanket Order.

2. In this Blanket Order:

"**Alberta Small Business**" means an issuer with its head office in Alberta that has not raised in aggregate more than \$5 000 000 under exemptions from the prospectus requirement;

"**Blanket Order 31-505**" means Blanket Order 31-505 *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions*;

"**Finder**" means an individual relying on this Blanket Order, or a company relying on this Blanket Order in respect of which the only registered and beneficial shareholders are an individual Finder or the individual Finder's spouse, alone or together;

"**NI 45-106**" means National Instrument 45-106 *Prospectus Exemptions*;

"**Specified Distribution**" means a distribution to a purchaser by an Alberta Small Business that is exempt from the prospectus requirement under any of the following:

- (a) Section 2.3 [accredited investor] of NI 45-106;
- (b) Section 2.9 [offering memorandum] of NI 45-106;
- (c) Section 2.10 [minimum amount investment] of NI 45-106;
- (d) Section 2.4(2)(i) [private issuer to an accredited investor] or 2.4(2)(1) [private issuer to a person or company that is not the public] of NI 45-106;
- (e) Blanket Order 45-538 *Self-Certified Investor Prospectus Exemption*;
- (f) Blanket Order 45-539 *Small Business Financing*.

**Background**

3. The dealer registration requirement prohibits a person or company from acting as a dealer unless registered.
4. Effective March 27, 2010, the Commission adopted a limited exemption from the dealer registration requirement through the issuance of Blanket Order 31-505.
5. The Commission has determined that it would not be prejudicial to public interest to replace Blanket Order 31-505 with this Blanket Order.

**Order**

6. The Commission orders, under section 213 of the Act, that the dealer registration requirement does not apply to a Finder in connection with a Specified Distribution, provided that:
  - (a) the Finder is not registered under securities legislation in Canada;
  - (b) the Finder is not registered under the securities legislation of a foreign jurisdiction;
  - (c) the Finder is not and has not been the subject of an order, judgment, decree, sanction, or administrative penalty imposed by, or entered into a settlement agreement with, a government agency, administrative agency, self-regulatory organization, civil court, or administrative court in the last 10 years related to a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct;
  - (d) the Finder has not represented to the purchaser that the security being traded is a suitable investment for the purchaser;
  - (e) the trade is with a purchaser with whom the Finder has a substantial pre-existing relationship;
  - (f) the Finder has not, directly or indirectly, solicited prospective purchasers other than persons or companies with whom they have a substantial pre-existing relationship;
  - (g) prior to the purchaser entering into an agreement to purchase a security under a Specified Distribution, the Finder obtains from the purchaser a signed Risk Acknowledgement Form in the form prescribed in Appendix A;
  - (h) the Finder has not previously provided services as a registrant to the purchaser;
  - (i) the Finder does not hold or have access to any of the purchaser's assets; and

- (j) on or before the 10th day following the Specified Distribution, the Finder has electronically filed with the Executive Director of the Commission a Finder's Information Report in the form prescribed in Appendix B, that contains current contact information for the Finder.
- 7. The Commission, considering it would not be prejudicial to the public interest, orders under section 214(1) of the Act that Blanket Order 31-505 is revoked effective May 11, 2022.
- 8. This Blanket Order takes effect on November 10, 2021 and expires on November 11, 2024.

**For the Commission:**

*"original signed by"*  
\_\_\_\_\_  
Tom Cotter, Vice-Chair

*"original signed by"*  
\_\_\_\_\_  
Kari Horn, Vice-Chair

## Appendix A

### Risk Acknowledgement under ASC BLANKET ORDER 31-536 *Alberta Small Business Finder's Exemption*

Name of Issuer: \_\_\_\_\_

Name of Seller (Finder<sup>(1)</sup>): \_\_\_\_\_

I acknowledge each of the following:	Purchaser's Initials
The Finder selling me these securities is: <ul style="list-style-type: none"> <li>- not registered with a securities regulatory authority;</li> <li>- not qualified to provide investment advice or recommendations; and</li> <li>- prohibited from telling me that this investment is suitable for me.</li> </ul>	
The Finder does not act for me and does not owe me a duty of care.	
I understand that the Finder will receive compensation, directly or indirectly, from the Issuer for selling me the securities. The compensation is _____ <b>(Finder to insert details including amount of cash and securities)</b>	
This investment may not be suitable for me. Before investing, I will need to either seek out advice from a registered dealer or adviser regarding the suitability of the investment for me or make that decision myself having regard to factors such as my risk profile, my financial circumstances, my personal circumstances, my other investments, my investment needs and objectives and my investment time horizon.	

\_\_\_\_\_

Date

\_\_\_\_\_

Signature of Purchaser

\_\_\_\_\_

Print name of Purchaser

Sign two copies of this document. Keep one copy for your records.

1. The Finder is the individual or the company relying on the registration exemption found in ASC Blanket Order 31-536 to sell me the securities of the Issuer.

Note: National Instrument 45-106 *Prospectus Exemptions* may require the Issuer to obtain an additional risk acknowledgement form from you.

## Appendix B

### Finder's Information Report under ASC BLANKET ORDER 31-536 *Alberta Small Business Finder's Exemption*

*Instructions for filing:*

This Finder's Information Report must be completed and filed electronically on the Alberta Securities Commission website at the following link: <https://albertasecurities.com/online-forms/Alberta-Small-Business-Finders-Exemption>.

[Date]

To: Executive Director, Alberta Securities Commission (ASC)

I am filing this report in compliance with the dealer registration exemption in ASC Blanket Order 31-536 *Alberta Small Business Finder's Exemption*.

I am filing this report for the first time: Yes or No

I am filing this report to update a previously filed report: Yes or No

*If you select **Yes** to the question below, the individual information section will be displayed. If you select **No**, you will be submitting the form as a Company and the company information section will be displayed*

I am filing this report as an individual: Yes or No

#### **Individual Information**

My full legal name is:

First Name: \_\_\_\_\_

Middle Name: \_\_\_\_\_

Last Name: \_\_\_\_\_

I am also known as:

First Name: \_\_\_\_\_

Middle Name: \_\_\_\_\_

Last Name: \_\_\_\_\_

My residential address is:

(Do not include a P.O. box or agent for service)

Address Line 1: \_\_\_\_\_

Address Line 2: \_\_\_\_\_

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 City:

---

 Province:

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 Postal Code:

My residential address is the same as my mailing address: Yes or No. If No, complete the following:

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 Address Line 1:

---

 Address Line 2:

---

 City:

---

 Province:

---

 Postal Code:

My telephone number is: \_\_\_\_\_

My email address is: \_\_\_\_\_

### **Company Information**

Full legal name of Company<sup>1</sup>, relying on ASC Blanket Order 31-536:

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The Company's street address is:  
(Do not include a P.O. box or agent for service)

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 Address Line 1:

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 Address Line 2:

---

 City:

---

 Province:

---

 Postal Code:

The street address is the same as the mailing address: Yes or No. If No, complete the following:

---

 Address Line 1:

---

 Address Line 2:

---

 City:

---

 Province:

---

 Postal Code:

---

 The Company's phone number is:

I am the individual responsible for ensuring compliance with ASC Blanket Order 31-536 and for filing and updating the information reports for the Company and I can be contacted with respect to any questions regarding the contents of this report:

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<sup>1</sup> A company is only permitted to rely on the exemption if its only registered and beneficial shareholders are an individual Finder or the individual Finder's spouse, alone or together

My full legal name is:

First Name: \_\_\_\_\_

Middle Name: \_\_\_\_\_

Last Name: \_\_\_\_\_

My residential address is the same as the Company's street address: Yes or No. If No, complete the following:

My residential address is:

(Do not include a P.O. box or agent for service)

Address Line 1: \_\_\_\_\_

Address Line 2: \_\_\_\_\_

City: \_\_\_\_\_

Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

My residential address is the same as my mailing address: Yes or No. If No, complete the following:

Address Line 1: \_\_\_\_\_

Address Line 2: \_\_\_\_\_

City: \_\_\_\_\_

Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

My telephone number is: \_\_\_\_\_

My email address is: \_\_\_\_\_

### **Collection and use of personal information**

The personal information submitted in this report is collected on behalf of and used by the Alberta Securities Commission under the authority granted in securities legislation for the purposes of its administration and enforcement of the securities legislation.

If you have any questions about the collection and use of your personal information, you can contact the Alberta Securities Commission, at the address listed below.

Alberta Securities Commission  
 Suite 600, 250-5<sup>th</sup> St. SW  
 Calgary, AB T2P 0R4  
 Attention: FOIP Coordinator  
 Telephone: (403) 297-6454  
 Toll free in Canada: 1-877-355-0585