

## Reminders for Reporting Issuers Undergoing Insolvency Proceedings

*Reporting issuers in Alberta may become subject to proceedings initiated under the Companies' Creditors Arrangement Act, R.S.C., 1985, c. C-36 (CCAA) or the Bankruptcy and Insolvency Act, RSC 1985, c B-3 (BIA).*

This document provides information for reporting issuers that become subject to CCAA or BIA proceedings. This document does not provide legal advice nor specify legal requirements. Reporting issuers are encouraged to seek legal advice from a qualified securities lawyer on the applicable requirements in their circumstances.

### **Notice and service**

Where reporting issuers become the subject of CCAA or BIA proceedings, this will typically constitute a material change such that they will be required to issue and file a news release disclosing the nature and circumstances of the proceedings. Reporting issuers will want to consider whether material change reporting or any other disclosure obligations under Alberta securities laws are triggered. Reporting issuers that are unable to file financial statements and other disclosures in the required time periods will typically be subject to a Failure to File Cease Trade Order (**FFCTO**) under securities laws, which Order has the potential to impact certain courses of action that may be contemplated during the CCAA or BIA proceeding. The Executive Director of the ASC (or their delegate) issues FFCTOs in the normal course to prevent trading in the securities of reporting issuers that have ceased to comply with their periodic disclosure obligations, including issuers that have ceased reporting as a result of CCAA or BIA proceedings. Reporting issuers should contact the ASC if a FFCTO has been issued prior to commencement of a CCAA or BIA proceeding.

In order to ensure that the staff of the ASC has timely notice of CCAA or BIA proceedings, reporting issuers in Alberta, regardless of whether the ASC is their principal regulator, are asked to promptly notify the ASC of CCAA or BIA proceedings.

Please direct notices, correspondence and documents to:

- the ASC's Office of the General Counsel at: [OGC@asc.ca](mailto:OGC@asc.ca). This email address may also be used for any inquiries related to the content of this document; and
- if service is required, to the ASC, to the attention of the Secretary, in accordance with subsection 217(1.1) of the *Securities Act*, RSA 2000, c S-4.

### **Securities Laws Implications**

Parties involved in CCAA or BIA proceedings should consider the securities regulatory implications of such proceedings in the relief they seek from the Court, including in the context of:

1. Provisions staying proceedings
2. Provisions relieving the issuer from expending funds on reporting obligations
3. Provisions approving transactions
4. Provisions releasing directors, officers and others from liability

The above circumstances may engage the ASC's jurisdiction to administer the province's securities laws under the Act, and the ASC will take steps to preserve that jurisdiction within the context of CCAA and BIA proceedings, including in court orders sought in relation to these proceedings. Reporting issuers are encouraged to seek legal advice from a qualified securities lawyer, and to provide notice to the ASC of any CCAA or BIA proceedings, in accordance with the Act and other applicable laws.