

**ALBERTA SECURITIES COMMISSION**

**STAFF NOTICE**

***Blanket Order 45-506 Trades and Distributions to  
Employees, Senior Officers, Directors and Consultants***

**Paragraph 1.2(2)(a)**

**August 13, 2003**

On April 30, 2002, the Alberta Securities Commission (the "Commission") issued Blanket Order 45-506 *Trades and Distributions to Employees, Senior Officers, Directors and Consultants* (the "Blanket Order"). Effective August 15, 2003, the Blanket Order will be repealed and replaced by Multilateral Instrument 45-105, *Trades to Employees, Senior Officers, Directors, and Consultants* ("MI 45-105"). Although the Blanket Order will be repealed and replaced by MI 45-105 on August 15, 2003, staff of the Alberta Securities Commission (the "Commission") are issuing this Notice to clarify the meaning of paragraph 1.2(2)(a) of the Blanket Order for the benefit of issuers that may have relied on exemptions contained in the Blanket Order while it was in effect.

This Notice may be relevant to issuers that relied on exemptions in the Blanket Order to issue securities to employees, senior officers, directors, or consultants of an "affiliated entity". Section 1.1 of the Blanket Order defines "affiliated entity" as meaning, in relation to an issuer, a person or company, that controls or is controlled by the issuer or that is controlled by the same person or company that controls the issuer. Paragraph 1.2(2)(a) of the Blanket Order states that a person or company is considered to control another person or company if the first person or company provides, directly or indirectly, the principal direction or influence over the business and affairs of the second person or company by virtue of ownership or direction of voting securities in the "first" person or company. The word "first" in paragraph 1.2(2)(a) of the Blanket Order is an error and the word "second" should be substituted. This error has been corrected in paragraph 1.2(1)(a) of MI 45-105.

The clear intent is to state that the first person or company can control the second person or company by virtue of owning or having direction over securities of the "second" person or company. Staff would not challenge an issuer's adoption of this interpretation provided that the issuer is in compliance with the Blanket Order in all other respects.

Questions regarding this notice or the Blanket Order may be addressed to:

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