

**ALBERTA SECURITIES COMMISSION
NOTICE AND PUBLICATION FOR COMMENT**

***PROPOSED AMENDMENTS TO ALBERTA SECURITIES COMMISSION RULES
(GENERAL) CONSEQUENTIAL TO STATUTORY AMENDMENTS RELATING
TO CIVIL LIABILITY FOR SECONDARY MARKET DISCLOSURE***

August 2, 2006

Publication for Comment

The Alberta Securities Commission (ASC) is publishing for comment for 30 days, a proposed amendment to the Alberta Securities Commission Rules (General) (the Rules), which is an addition of Part 16.1 “Civil Liability for Secondary Market Disclosure” to the Rules. A complete copy of this proposed addition is attached to this Notice as Appendix A.

Background

On May 24, 2006, the *Securities Amendment Act*, 2006, S.A. 2006, c. 30 (the Amendment Act) received Royal Assent. Section 52 of the Amendment Act established a secondary market civil liability regime through the addition of Part 17.01 “Civil Liability for Secondary Market Disclosure” to the *Securities Act* (Alberta) (the Act). Section 52 is expected to be proclaimed on December 31, 2006 and is reproduced in Appendix B to this Notice.

The proposed consequential amendments to the Rules define key terms used in Part 17.01 and, for the purpose of sub clauses 211.02(b) and (c), prescribe transactions to which Part 17.01 applies.

Further Amendment

Proclamation of section 33 of the Amendment Act, which repeals and replaces certain provisions of the Act relating to take-over bids and issuer bids, will occur concurrently with the implementation of proposed National Instrument 62-104 *Take-Over Bids and Issuer Bids* (the Take-Over Bid Rule). Among other things, section 33 of the Amendment Act contemplates the repeal of sections 161 and 162 of the Act, which sections are referenced in sub clause 192.5(2) in Part 1.1 of the proposed Rule amendment. Accordingly, upon the repeal of section 161 and 162 of the Act, sub clause 192.5(2) of the Rules will require amendment to reflect the relevant provisions of the Take-Over Bid Rule as follows:

192.5(2) Part 17.01 of the Act applies to the acquisition or disposition of an issuer’s security in connection with or pursuant to a take-over bid described in section **5.2, 5.5 or 5.6**¹ of National Instrument 62-104 *Take-Over Bids and Issuer Bids* or an issuer bid described in section **5.9, 5.10, 5.12 or 5.13**² of National Instrument 62-104 *Take-Over Bids and Issuer Bids*, which bids are prescribed for the purposes of section 211.02(c) of the Act.

¹ These section references may change prior to implementation of the Take-Over Bid Rule

² These section references may change prior to implementation of the Take-Over Bid Rule

Effective Date

Staff anticipates making the proposed amendment effective December 31, 2006 and, in any event, concurrently with the proclamation of section 33 of the Amendment Act.

Request for Comment

We are interested in your comments regarding the proposed amendment to the Rules in Appendix A hereto and the consequential amendment to proposed sub clause 192.5(2) of the Rules upon implementation of the Take-Over Bid Rule. Comment letters received on or before September 2, 2006 will be considered. Comment letters can be delivered in hard copy by fax or e-mail and will be placed on a public file forming part of a public record, unless you request confidentiality. If you request confidentiality, freedom of information legislation may still require that the ASC make these comment letters available. Please address your submissions to:

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