

A.S.C. NOTICE 12

SALE OF EXEMPT SECURITIES BY DEALERS WHO ARE RESTRICTED IN THE TYPE OF SECURITIES THEY CAN SELL

1. The Alberta Securities Commission (the “Commission”) has been confronted with a case involving the seed capital exemption at sections 65(1)(v) and 107(1)(p) of the Alberta Securities Act (the “Act”) in which an issuer purported to use the services of mutual fund dealer in providing investment advice to investors respecting securities that
 - 1.1 were not mutual fund securities, and
 - 1.2 the mutual fund dealer was not registered to sell.
2. The Commission took the position in that case, and continues to take the position, that registered advisers and registered dealers should provide investment advice in respect of only those securities in which they are registered to trade. Therefore, in light of this position, the Commission reminds registered advisers and registered dealers that, for the purpose of sections 65(1)(v) and 107(1)(p) of the Act, they should not give investment advice in respect of particular securities unless they are registered to trade in those securities.

Effective date: March 15, 1987