

**ALBERTA SECURITIES COMMISSION  
NOTICE 45-701**

**Development of Exemptions with B.C.**

The Alberta and British Columbia securities commissions have agreed to examine and, where appropriate, harmonize certain registration and prospectus exemptions in Alberta and British Columbia. Our goal is to create and maintain an exemption regime that will permit issuers to raise capital more easily while not compromising investor protection.

We are prepared to establish entirely new exemptions as well as to modify or discard certain existing registration and prospectus exemptions.

As part of this process, the Alberta Securities Commission (the "Commission") and the British Columbia Securities Commission (the "BCSC") are reviewing the proposed new exemption rules recently published for comment by the Ontario Securities Commission (the "OSC") in proposed OSC Rule 45-501 - *Exempt Distributions* (the "OSC Rule") and expect to provide joint comments to the OSC regarding the OSC Rule by the deadline of December 8, 2000. The joint comment letter of the Commission and the BCSC will be available at our respective websites at [www.bcsc.bc.ca](http://www.bcsc.bc.ca) and [www.albertasecurities.com](http://www.albertasecurities.com).

The OSC Rule, if adopted in Ontario, may affect transactions involving issuers, investors and registrants in Alberta. For that reason, we encourage affected market participants in Alberta to provide comments to the OSC in response to the OSC Rule. The OSC Rule, related forms and companion policy can be found on the OSC website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca). We also request that any comments letters in response to the OSC Rule be copied to the Commission and the BCSC at the addresses provided below.

The Commission and the BCSC will be seeking input from various market participants during this exemption project. At this point, the Commission seeks comments from interested parties on the effectiveness of, and any problems associated with, the registration and prospectus exemptions that are currently available in Alberta, including:

- the private issuer exemption in subsections 66(j) and 115;
- the "sophisticated investor" or \$97,000 exemption in subsections 65(1)(e) and 107(1)(d);
- the "seed capital" exemptions in subsections 65(1)(v), 65(1)(v.1), 107(1)(p) and 107(1)(q); and
- the "close friends and business associates" exemption in subsections 65(1)(y)(v) and 107(1)(z)(v)

Comments are also welcome respecting any of the other registration and prospectus exemptions currently available under the Securities Act (Alberta) or the Rules or any proposed new exemptions that the Commission and the BCSC might consider adopting.

Interested parties are encouraged to direct written comments by December 15, 2000 to:

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Dated November 2, 2000