

**ALBERTA SECURITIES COMMISSION  
BLANKET ORDER 45-505 (AB)**

**Order under section 185 of the Securities Act**

**Interim Resale Relief for securities acquired under section 107(1)(h) or (x) of the Securities Act or pursuant to a right to purchase, convert or exchange previously acquired under sections 107(1)(h) and (x) of the Act or sections 122(b)(c) or (d) of the ASC Rules**

**Part 1 Definitions and Interpretation**

**1.1 Definitions** - In this Blanket Order:

“Act” means the Alberta Securities Act (Alberta) (S.A., 1981, c. S-61, as amended);

“ASC Rules” means the Alberta Securities Commission Rules;

“MI 45-102” means Multilateral Instrument 45-102 *Resale of Securities*

“Rule 45-501” means ASC Rule 45-501 *System for Shorter Hold Period for Issuers Filing an AIF*;

1.2 Unless the context otherwise requires, terms defined in the Act or the ASC Rules have the same meaning in this Blanket Order.

**Part 2 Background to the Order**

2.1 On November 30, 2001, the Commission adopted MI 45-102 which provides for harmonized resale provisions applicable to securities acquired under statutory exemptions across seven provinces. These harmonized resale provisions were intended to replace the resale restrictions applicable to securities acquired under prospectus exemptions contained in section 107(1) of the Act and section 122 of the ASC Rules found in sections 109 to 112 of the Act.

2.2 Prior to the implementation of MI 45-102, issuers were able to offer a reduced 4 month hold period to purchasers of certain securities under Rule 45-501. With the repeal of Rule 45-501 on November 30, 2001, only qualifying issuers under MI 45-102 that meet the conditions in sections 2.5(2) and 2.6(3) of MI 45-102 are able to offer four month restricted periods and seasoning periods.

- 2.3 Because sections 122(b) and (d) of the ASC Rules are not included in the list of exemptions in Appendix D of MI 45-102 and sections 107(1)(h) and (x) of the Act and section 122(c) of the ASC Rules are not included in the list of exemptions in Appendix E of MI 45-102, securities acquired under these exemptions, or through the exercise of a right to purchase, convert or exchange previously acquired under one of these exemption, are subject to either a 12 month hold period under section 109 or a 12 month seasoning period under section 110 of the Act.
- 2.4 On November 30, 2001, the Commission amended section 126 of the ASC Rules to provide that the first trade of securities acquired under sections 122(b) and (d) of the ASC Rules are subject to section 2.5 of MI 45-102 while the first trade of securities acquired under section 122(c) are subject to section 2.6 of MI 45-102 but did not deal with securities acquired through the exercise of a right to purchase, convert or exchange previously acquired under one of these exemptions.
- 2.5 The Commission intends to amend MI 45-102 to add these exemptions to Appendices D and E of MI 45-102 but is unable to do so at this time,
- 2.6 The Commission has determined that it is in the public interest to make this order.

**Part 3 Order**

- 3.1 The first trade of a security issued pursuant to the exemption in section 107(1)(h) or (x) of the Act is exempt from the requirements of section 110 of the Act, provided the conditions in section 2.6(3) of MI 45-102 are satisfied
- 3.2 The first trade of a security acquired under the exemption contained in section 107(1)(f) through the exercise of a right to purchase, convert, or exchange acquired in connection with a trade exempted under section 107(1)(h) or (x) of the Act or section 122(c) of the ASC Rules is exempt from section 110 of the Act, provided that the conditions in section 2.6(3) of MI 45-102 are satisfied.
- 3.3 The first trade of a security acquired under the exemption contained in section 107(1)(f) through the exercise of a right to purchase, convert, or exchange acquired in connection with a trade exempted under section 122(b) or (d) of the ASC Rules is exempt from section 109 of the Act, provided that the conditions in section 2.5(2) of MI 45-102 are satisfied.

**Part 4     Effective Date**

4.1            This Blanket Order is effective December 14, 2001.

Dated at the City of CALGARY	)	
	)	
in the Province of ALBERTA	)	<u>“original signed by”</u>
	)	Stephen Sibold, Q.C., Chair
this 14 <sup>th</sup> day of December, 2001	)	
	)	
	)	<u>“original signed by”</u>
	)	Eric T. Spink, Vice-Chair