

FORM 19
SURETY BOND

BETWEEN:

_____ of
_____ in the City of
_____ in the Province of _____
(herein called the “Applicant”)

and

_____ of
_____ in the City of
_____ in the Province of _____
(herein called the “Surety”)

and

HER MAJESTY THE QUEEN IN RIGHT
OF THE PROVINCE OF ALBERTA,
as represented by the ALBERTA
SECURITIES COMMISSION

1 WHEREAS:

- (a) the Applicant has applied to become a registrant under the Alberta Securities Act being Chapter S-4 of the Revised Statutes of Alberta 2000, as amended (herein called the “Act”);
- (b) the Surety is a corporation duly registered and authorized to carry on the business of suretyship in the Province of Alberta;
- (c) the Executive Director requires that the Applicant provide this surety bond (herein called the “Bond”) to the Executive Director in order to become a registrant under the Act;
- (d) the Bond is taken to ensure the due application of all securities and money received by the Applicant, and to indemnify the Clients of the Applicant against certain losses;

- (e) the Surety and the Applicant have agreed to be jointly and severally liable to pay the Principal Amount, upon the terms and conditions set out herein.

2 NOW THEREFORE IN CONSIDERATION OF the terms of this agreement and of other good and valuable consideration the parties agree as follows:

3 The Surety and the Applicant have agreed to be jointly and severally liable to pay the Principal Amount, upon the terms and conditions set out herein.

Definitions

4 In the Bond:

- (a) definitions found in the Act and the *Alberta Securities Commission Rules* apply to the words herein except if defined herein;
- (b) “Applicant” includes the directors, officers, salespersons, advising employees, employees, and agents of the Applicant;
- (c) “Client” means a person or company on whose behalf the Applicant receives securities or money in anticipation of buying or as a result of selling securities from, to or through the Applicant, but does not include any person or company who was a registrant or its equivalent in any jurisdiction at the time the Applicant received the securities or money on behalf of that person or company;
- (d) “Principal Amount” means _____ dollars (\$_____) in lawful money of Canada.

Obligation

5 The Surety and the Applicant agree that if any of the following events (herein collectively called the “Events”) occurs on or before the effective date of the lapse or cancellation of the Bond, then the Principal Amount shall immediately become due and payable:

- (a) an order by the Alberta Securities Commission suspending or cancelling the registration of the Applicant which order is based upon the refusal or inability of the Applicant to return to any Clients any securities or money the Applicant received from or on behalf of those Clients;
- (b) the obtaining of a civil judgment by a Client against the Applicant for the return of, or for damages based on the non-return of, any securities or money received by the Applicant from or on behalf of the Client;

- (c) the conviction of the Applicant of an offence under the Act or a securities related offence under the Criminal Code of Canada;
- (d) the commencement of any proceedings with respect to the Applicant pursuant to the Bankruptcy Act (Canada) to obtain any of the remedies therein set out.

6 The Surety and the Applicant further agree that if any of the Events occurs within 2 years after the effective date of the lapse or cancellation of the Bond and such Event is based on facts which arose prior to the effective date of the lapse or cancellation of the Bond, then the Principal Amount shall immediately become due and payable.

Payment

7 Upon the Principal Amount becoming due and payable the Executive Director or any Client may apply to the Court of Queen's Bench of Alberta for a direction of the Court that the Surety and the Applicant jointly and severally pay the Principal Amount to the Clerk of the Court of Queen's Bench to be dealt with as set out in the *Alberta Securities Commission Rules*.

8 Except for sums directed to be paid under Article 7 of the Bond the Surety and the Applicant shall not be liable to pay any portion of the Principal Amount after two years from the earliest of:

- (a) the date of an order by the Alberta Securities Commission pursuant to Article 5 or 6 above; or
- (b) the lapse of registration of the Applicant; or
- (c) the effective date of the lapse or cancellation of the Bond.

9 No liability arises under the Bond unless the Executive Director registers the Applicant under the Act.

Cancellation

10 Either the Surety or the Applicant may cancel the Bond by giving written notice to the Executive Director.

11 Cancellation of the Bond shall not be effective until at least three calendar months after the actual date of receipt of the notice by the Executive Director.

12 If the Bond is cancelled by the Surety, then the Surety shall send a copy of the notice of cancellation to the Applicant at the same time that the notice is sent to the Executive Director.

13 This agreement shall bind the Surety, the Applicant, and their respective heirs, executors, successors, administrators, and assigns.

IN WITNESS WHEREOF the Surety and the Applicant have caused their respective corporate seals to be affixed by their duly authorized officers this _____ day of _____, 20__ at the City of _____ in the Province of _____.

name of Surety

per: _____

per: _____

name of Applicant

per: _____

per: _____