

IN THE MATTER OF THE SECURITIES ACT, 1990
S.N. 1990, CHAPTER 48 (the "Act")

AND

IN THE MATTER OF DIVIDEND REINVESTMENT
AND SHARE PURCHASE PLANS

RULING
(Subsection 75(1))

UPON the application of certain interested parties to the Director of Securities (the Director) pursuant to the powers conferred on the Director by section 146 of the Act, for a ruling pursuant to subsection 75(1) of the Act;

AND UPON it appearing to the Director that:

1. Pursuant to certain sections of the Act (the existing exemptions), a trade by an issuer of equity securities pursuant to certain dividend reinvestment plans is not subject to section 26 or 54 of the Act;
2. Most dividend reinvestment plans include an added feature (the "cash payment option") which allows the participants to make cash payments to purchase additional securities of the issuer beyond the amount of the dividend or interest payable to such participants (such a plan being referred to herein as a "combined plan");
3. The existing exemption is not available with respect to securities issued pursuant to a combined plan because of the cash payment option;

AND UPON being satisfied that the making of this order would not be prejudicial to the public interest:

IT IS RULED pursuant to subsection 75(1) of the Act that section 26 and 54 shall not apply to a trade (the "subject trade") made by an issuer of equity securities pursuant to a combined plan, provided that:

1. Either:
 - (a) in any financial year of the issuer, the aggregate number of securities issued pursuant to the cash payment option of such combined plan does not exceed 2% of the number (at the commencement of that financial year) of the outstanding securities of the class available for purchase under the cash payment option; or

- (b) at the time of the subject trade, residents of Newfoundland hold not more than 5% of the outstanding securities of the class available for purchase under the cash payment option of such combined plan;
- 2. The issuer is a reporting issuer not in default under the Act or is recognized for the purpose of this ruling by the Director; and
- 3. The first trade in securities acquired by a purchaser pursuant to a combined plan is made in accordance with subsections 73(5) and 73(15) of the Act as if such provisions were applicable thereto.

DATED at St. John's, Newfoundland this 18th day of October, 1991.

GEORGE F. KENNEDY
Director of Securities