

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

and

**IN THE MATTER OF
CERTAIN CERTIFICATES FOR GOVERNMENT SECURITIES**

**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 exempting from section 26 of the Act trades in Certificates (as hereinafter defined) and exempting from section 54 of the Act distributions of Certificates;

AND WHEREAS the Director has been advised that there may be sold in the Province of Newfoundland deposit receipts or other certificates ("Certificates") representing undivided interests in pools of bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or a province of Canada (the "Underlying Securities") and cash, all of which is held on behalf of owners of Certificates by a bank or trust company (the "Custodian");

AND WHEREAS Certificates are to be offered on a basis whereby, provided all payments of principal and interest falling due under the Underlying Securities are made to the Custodian in accordance with the terms of the Underlying Securities, the Custodian will, at any given time, be in possession of cash or principal amounts of securities referred to in subparagraph 36(2)(a)(i) of the Act sufficient in the aggregate, without reinvestment, to meet all payments which will fall due under the Certificates prior to the next date upon which the Custodian is entitled to receive a payment of principal or interest falling due under the Underlying Securities;

AND UPON the Director being satisfied that to so rule would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 75(1) of the Act that a trade of Certificates is not subject to section 26 of the Act and a distribution of Certificates is not subject to section 54 of the Act, provided that an information document satisfactory to the Director describing the investment attributes of Certificates, including, without limitation, the income tax consequences of investing and trading in Certificates, the anticipated secondary market environment and the custodial arrangements relating to such Certificates, is furnished to, and its receipt is

acknowledged by, a first-time purchaser prior to the trade where the vendor is not registered in the categories of investment dealer, broker or securities dealer under the Act, and concurrently with the sending or delivery of confirmation of the trade to first-time purchasers where the vendor is registered in the categories of investment dealer, broker or securities dealer under the Act.

DATED at St. John's, Newfoundland this 3rd day of February, 1992.

GEORGE F. KENNEDY
Director of Securities