

**IN THE MATTER OF THE SECURITIES ACT  
R.S.N 1990, CHAPTER S-13, AS AMENDED (the "Act")**

**AND**

**IN THE MATTER OF  
THE PROMPT OFFERING QUALIFICATION SYSTEM**

**RULING AND ORDER  
(Subsection 75(1) and Subparagraph 81(b)(iii))**

**UPON** the motion of 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 distributions of securities effected in compliance with National Policy Statement No. 47 entitled "Prompt Offering Qualification System" as amended from time to time (the "Policy") (which Policy may be varied by the Director in respect of a specific issuer or distribution of securities (the "POP System")) from the requirements of section 54 of the Act only insofar as that section concerns the form and content of a preliminary prospectus and a prospectus;

**AND UPON** the motion of 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 distributions of securities effected in compliance with the POP System from the requirements of section 54 of the Act, only insofar as that section requires, when read in conjunction with subsection 66(1) of the Act, that there must be an interval of at least ten days between the issuance by the Director of a receipt for a preliminary prospectus relating to the offering of a security and the issuance by the Director of a receipt for the prospectus;

**AND UPON** the motion of the Director pursuant to the powers conferred on the Director by section 146 of the Act for an order pursuant to subparagraph 81(b)(iii) of the Act which would provide relief from the obligation set out in section 80 of the Act to mail financial statements to securityholders concurrently with the filing of such financial statements with the Securities Commission of Newfoundland pursuant to section 79 of the Act in connection with distributions of securities effected in compliance with the POP System;

**AND WHEREAS** the Director is 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 section 54 of the Act does not apply, with respect to distributions of securities that are made in compliance with the POP System, only insofar as section 54:

- a. concerns the form and content of a preliminary prospectus and a prospectus filed under section 54 of the Act; and

- b. when read in conjunction with subsection 66(1) of the Act, requires that there must be an interval of at least 10 days between the issuance by the Director of a receipt for a preliminary prospectus relating to the offering of a security and the issuance by the Director of a receipt for the prospectus;

**AND WHEREAS** the Director is of the opinion that to so order would not be prejudicial to the public interest and is satisfied that there is adequate justification for so doing;

**IT IS ORDERED**, pursuant to subparagraph 81(b)(iii) of the Act, that an issuer is exempt from the requirement in section 80 of the Act to send financial statements filed pursuant to section 79 of the Act to each holder of its securities concurrently with their filing if the issuer files the financial statements required to be filed pursuant to section 79 of the Act earlier than 140 days from the end of its last financial year because it is required to do so by the Policy provided that the relevant financial statements are sent as required in the Act within the time period specified in the Act;

**IT IS FURTHER RULED AND ORDERED** that these rulings and orders shall be effective on and after March 1, 1993

**DATED** at St. John's, Newfoundland this 11th day of January, 1995.

GEORGE F. KENNEDY  
Director of Securities