



**SECURITIES COMMISSION OF NEWFOUNDLAND AND LABRADOR  
DEPARTMENT OF GOVERNMENT SERVICES AND LANDS  
GOVERNMENT OF NEWFOUNDLAND AND LABRADOR**

**IN THE MATTER OF  
THE SECURITIES ACT RSN 1990 CS-13, AS AMENDED**

**AND**

**IN THE MATTER OF  
AN EXEMPTION FOR A TRADE ON AN AMALGAMATION,  
ARRANGEMENT OR SPECIFIED STATUTORY PROCEDURE**

**BLANKET RULING  
(Subsection 75(1))**

**UPON** the motion of the staff of the Securities Commission of Newfoundland and Labrador (the “Commission”) to the Commission for a blanket ruling pursuant subsection 75(1) that sections 26 and 54 of the Act shall not apply to a trade in a security of an issuer in connection with a statutory amalgamation or statutory arrangement; or a statutory procedure under which one issuer takes title to the assets of another issuer which in turn loses its existence by operation of law or under which one issuer merges with one or more issuers, whether or not the securities are issued by the merged issuer;

**AND UPON** staff having represented to the Commission that:

1. Clauses 36(1)(o) and 73(1)(i) of the Act (the “Exemptions”) provide exemptions from sections 26 and 54 of the Act, respectively, for a trade made in a security of a company that is exchanged by or for the account of such company with another company or the holders of securities of that other company in connection with a statutory amalgamation or arrangement or a statutory procedure.
2. Exemptions are not available for a trade made in a security of an issuer that is not a company in connection with a statutory amalgamation or arrangement or a statutory procedure.
3. The securities legislation of certain other jurisdictions provide exemptions from the dealer registration requirement and the prospectus requirement, as defined in National Instrument 14-101 Definitions, for a trade in a security of an issuer in connection with a statutory amalgamation or arrangement or a statutory procedure which:
  - a) is not restricted to an issuer that is a company; and

- b) is available for all trades that arise or are made in connection with a statutory amalgamation or arrangement or a statutory procedure.
4. The Commission, for the purposes of uniformity with these other jurisdictions, has decided to grant this ruling.

**AND UPON** being of the opinion that to do so would not be prejudicial to the public interest:

**IT IS RULED** pursuant to subsection 75(1) of the Act that sections 26 and 54 of the Act do not apply to a trade in a security of an issuer in connection with:

- a) a statutory amalgamation or statutory arrangement; or
- b) a statutory procedure under which one issuer takes title to the assets of another issuer which in turn loses its existence by operation of law or under which one issuer merges with one or more issuers, whether or not the securities are issued by the merged issuer,

**PROVIDED THAT:**

- a) the first trade in a security distributed under this ruling is specified, pursuant to section 84.2 of the Act, to be a distribution unless the first trade satisfies the conditions of subsection 2.6(3) or (4) of Multilateral Instrument 45-102 Resale of Securities (the “Instrument”); and
- b) subsection 2.9(1) of the Instrument applies as if the security had been distributed under clause 73(1)(i) of the Act

**DATED** at St. John’s, Newfoundland and Labrador, this 19<sup>th</sup> day of March, 2003.

Anthony W. Patey  
Director of Securities