



**Securities
Commission**

Blanket Order No. 37

**IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, CHAPTER 418, AS AMENDED**

- AND

**IN THE MATTER OF
TRADES IN SECURITIES OF A COMPANY
TO ANOTHER COMPANY IN CONNECTION WITH
AN AMALGAMATION, AN ARRANGEMENT OR A
SPECIFIED STATUTORY PROCEDURE**

**RULING AND ORDER
(Subsection 80(1) and Clause 110 (2) (c))**

WHEREAS:

Pursuant to subsection 80(1) of the Securities Act, R.S.N.S. 1989, c. 418, as amended (the "Act"), the Nova Scotia Securities Commission (the "Commission") may rule that any trade is not subject to section 31 or 58 of the Act where it is satisfied that to do so would not be prejudicial to the public interest, and may impose such terms and conditions as are considered necessary;

The Director of Securities has applied to the Commission for an order pursuant to clause 110(2)(c) of the Act that sections 95 to 111 of the Act and Part XII of the Securities Regulations do not apply to certain statutory arrangements;

Clauses 41(1)(p) and 77(1)(i) of the Act provide exemptions from the requirements of sections 31 and 58 of the Act, respectively, for a trade in a security of a company that is exchanged by or for the account of such company with another company or the holders of the securities of that other company in connection with a statutory amalgamation or arrangement or a statutory procedure under which one company takes title to the assets of another company which in turn loses its existence by operation of law, or under which one company merges with one or more other companies;

4. However, trades in securities of a company by the holders



thereof to another company pursuant to a transaction referred to in clauses 41(1)(p) and 77(1)(i) of the Act may not have the benefit of the exemptions referred to in those clauses;

A statutory arrangement may constitute a take-over bid within the meaning of the Act;

Where a statutory arrangement constitutes a take-over bid, were it not for this order, the take-over provisions of the Act and Securities Regulations would apply;

A statutory arrangement is effected pursuant to the governing corporate legislation and is supervised by the governing court which will normally result in certain protections for the securityholders of the target company. These protections may include the provision of prospectus-level disclosure to the securityholders of the target company with respect to the acquiring company and the arrangement, and the requirement for approval of the arrangement by the securityholders of the target company and by the governing court; and

The Commission is satisfied that to do so would not be prejudicial to the public interest.

IT IS RULED pursuant to subsection 80(1) of the Act that sections 31 and 58 of the Act do not apply to trades in securities of a company (the "Securities") made by the holders of the Securities to another company pursuant to a statutory amalgamation or arrangement or a statutory procedure described in clause 77(1)(i) of the Act provided that the first trade in the Securities acquired pursuant to this ruling is hereby specified, pursuant to subsection 80(5) of the Act, to be a distribution unless such first trade is made in accordance with subsection 77(7) of the Act as if that subsection were applicable thereto.

AND IT IS ORDERED pursuant to clause 110(2)(c) of the Act that the acquisition by a company (the "Offeror") of the securities of another company (the "Target Securities") from the holders of the Target Securities pursuant to a statutory arrangement (the "Arrangement") is exempt from the provisions of sections 95 to 111 of the Act and Part XII of the Securities Regulations provided that:

- (a) The Arrangement is governed by and implemented in accordance with the corporate laws of Canada or a jurisdiction in Canada;
- (b) The holders of the Target Securities have been provided with the level of disclosure required for a prospectus

under the Act with respect to the Offeror and the Arrangement;

- (c) The holders of the Target Securities have approved the Arrangement; and
- (d) The governing court has approved the Arrangement.

DATED at Halifax, Nova Scotia this 7th day of **September, 1994.**

NOVA SCOTIA SECURITIES COMMISSION

"Robert B. MacLellan"

Robert B. MacLellan, Chairman

"H. Leslie O'Brien"

H. Leslie O'Brien, Q.C., Vice-Chairman

"Suzan M. M. MacLean"

Suzan M. M. MacLean Commissioner