

NOTICE

PROCEDURE RE APPLICATIONS TO THE COMMISSION FOR RULINGS, EXEMPTION ORDERS, ETC.

For the benefit of those making applications to the Commission for Rulings or Orders, particularly those under Sections 20, 59, 89, 103, 116 and 131 of The Securities Act, and equivalent provisions under The Corporations Act, and in order that such applications may be dealt with more efficiently, the Commission sets forth the following procedures, which should be followed.

1. CONTENTS OF THE APPLICATION

Each application should be divided into two or more parts, the first of which should set out certain general or background information, with the second and subsequent parts dealing with the actual application. The application should include the following information:

- (a) The Issuer,
 - (i) name of the company or issuer
 - (ii) place of incorporation and head office
 - (iii) authorized and issued capital
 - (iv) date of last prospectus or offering circular and where filed
 - (v) whether listed on Winnipeg Stock Exchange or other Exchange
 - (vi) is the issuer up to date as to all filings required to be made under The Securities Act, The Corporations Act or similar legislation. If the answer is "no", give a full explanation.

- (b) Specific Application
 - (i) set out in detail the specific order or decision sought
 - (ii) name of the party making the application
 - (iii) the facts and law upon which the application is based
 - (iv) names of other Securities Commissions or self-regulatory bodies to whom the application is made

- (v) the position taken on the application by the Commission in the issuer's or applicant's home jurisdiction, and details of any conditions imposed by that Commission or other regulatory bodies
- (vi) conclusions and recommendations and reasoned argument in support of the relief sought. Should deal fully with the area of doubt and specify the reasons why the application should be granted.

(c) Supporting Documents

Supporting documents which are relevant to the application should be attached as schedules or exhibits to the application.

2. SIGNATURES OR SUPPORTING DECLARATIONS

Each application should be signed by the party making the application certifying as to the truth of the facts contained in it. Alternatively, when the application is made by an agent, it should be supported by an affidavit or certificate made by the applicant verifying the facts contained in the application.

3. FEES

Each application should be accompanied by the fees prescribed in the Regulations.

4. GENERAL COMMENT

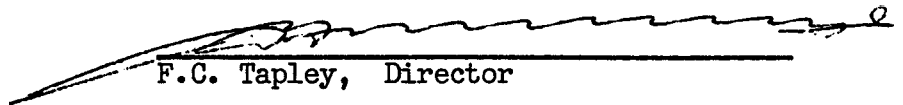
Imposition of the foregoing procedures results from the increasing number of applications received, a high proportion of which are ill-prepared and deficient in many respects.

All applications dealt with by the Commission must be reviewed by its staff. In far too many instances the applicant, or more commonly the applicant's lawyer, describes a transaction and asks for an order to permit it to occur. In most of those cases there is no background information, no specific detail as to the relief being sought, and no justification advanced in support of the application. Commission counsel and staff seem to be expected to try to figure out what the problem is in the first instance, and to propose a solution for the applicant's solicitor. While the Commission staff is always prepared to discuss proposed applications with solicitors and others, and to assist in any proper manner, the onus of establishing the basis and justification for an exemption order or ruling from the Commission rests with the applicant.

Poorly prepared material requires an inordinate amount of time and effort by Commission staff, the cost of which, in both money costs and delays, can have serious consequences, particularly to applicants.

Another problem area the Commission wishes to note has to do with timeliness of filing applications. The Commission is of the view that it is legally precluded from issuing retroactive orders in most cases, and even where authority exists for such orders, the Commission is concerned about the rights of all who might be affected by such an order. It is essential, therefore, that applications be made in sufficient time in advance of the transaction in question to permit proper review and consideration.

In fairness to solicitors and clients whose material is properly prepared, the Commission hereby serves notice that applications which do not conform to the guidelines spelled out above will be rejected as soon as the deficiencies first become apparent, and the Commission's staff will not accept responsibility for the delays which will probably ensue.



F.C. Tapley, Director

August 4, 1982.