



IN THE MATTER OF THE *SECURITIES ACT*
(S.Y. 2007 c.16 as amended)

- and -

***Registration Exemption for Trades in Connection with
Certain Prospectus-Exempt Distributions***

**SUPERINTENDENT ORDER 2018/02Y.S.A.
(under section 16 of the *Securities Act*)**

WHEREAS National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) classifies a registrant who trades in securities distributed under an exemption from the prospectus requirement as an exempt market dealer;

AND WHEREAS NI 31-103 prescribes conditions of registration and other requirements and restrictions applicable to an exempt market dealer;

AND WHEREAS National Instrument 45-106 *Prospectus Exemptions* exempts from the prospectus requirement certain distributions made relying on section 2.3 (to *accredited investors*), section 2.5 (to *family, friends and business associates*), section 2.9 (under an *offering memorandum*) or section 2.10 (*minimum investment amount*) (each of foregoing distributions being a *prospectus-exempt distribution*);

AND WHEREAS commencing March 27, 2010, the Superintendent granted limited relief from the requirement to register as an exempt market dealer for a trade in a security in connection with a *prospectus-exempt distribution*;

AND WHEREAS the Superintendent intends to revoke that limited relief and give transitional relief to persons or companies required to seek registration as a result of the revocation;

AND WHEREAS the Superintendent has determined that it would not be prejudicial to the public interest to make this Order,

IT IS ORDERED THAT:

1. Terms defined in the *Securities Act*, Yukon S.Y. 2007 c.16 as amended or in National Instrument 14-101 *Definitions* have the same meaning in this order.
2. "Financial services" include but are not limited to, doing any or all of the following things:
 - (a) carrying on business as a mortgage broker;
 - (b) selling or providing insurance or related services;
 - (c) acting as a financial planner who considers the tax, personal or financial situation of a person or company and then provides that person or company with advice about how to make financial plans.

3. Superintendent's Order 2010/09 Y.S.A. *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions* is hereby revoked and replaced with this order.
4. The dealer registration requirement does not apply to a trade in a security by a person or company in connection with a prospectus-exempt distribution, provided that:
 - (a) the person or company is not registered under provincial or territorial securities legislation and was not formerly registered under provincial or territorial securities legislation;
 - (b) the person or company is not registered under the securities legislation of a foreign jurisdiction and was not formerly registered under securities legislation of a foreign jurisdiction;
 - (c) prior to the trade, the person or company does not advise, recommend or otherwise represent to the purchaser that the security being traded is suitable for the purchaser, with regard to the purchaser's
 - (i) investment needs and objectives,
 - (ii) financial circumstances, or
 - (iii) risk tolerance;
 - (d) at or before the time at which the purchaser enters into an agreement to purchase the security, the person or company obtains from the purchaser a signed Risk Acknowledgement Form in the form prescribed in Appendix A;
 - (e) the person or company does not hold or have access to the purchaser's assets;
 - (e.1) the person or company has not provided financial services to the purchaser other than in connection with a prospectus-exempt distribution; and
 - (f) the person or company has electronically filed with the Superintendent a current information report in the form prescribed in Appendix B, or has filed an update of a previously filed information report, on or before the 10th day after the prospectus-exempt distribution.
5. The dealer registration exemption in section 4 will expire April 30, 2019, except for a person or company that satisfies the following conditions:
 - (a) by April 30, 2019, for that person or company, the Superintendent has received:
 - (i) where the person or company is not an individual, a substantially complete 33-109F6 *Firm Registration* (including fees) seeking registration as a dealer, or
 - (ii) where the person is an individual, a substantially complete Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* (including fees) seeking registration in the category of dealing representative, in combination with an application referred to in (i);
 - (b) the Superintendent has not yet accepted or refused the person or company's registration application referred to in subsection 5(a);
 - (c) on April 30, 2019, the person or company was relying on, and in compliance with, the dealer registration exemption in section 4; and

(d) the person or company is in compliance with the dealer registration exemption in section 4.

6. This order will expire April 30, 2020.

Dated at Whitehorse, in Yukon, this 21st day of August, 2018.

Fred Pretorius (original signature on file)

Fred Pretorius
Superintendent of Securities

Appendix A

Risk Acknowledgement under Superintendent Order 2018/02
Registration Exemption for Trades
in Connection with Certain Prospectus-Exempt Distributions

Name of Issuer: _____

Name of Seller: _____

I acknowledge that

- the person selling me these securities is not registered with a securities regulatory authority and is prohibited from telling me that this investment is suitable for me;
- the person selling me these securities does not act for me;
- this is a risky investment and I could lose all my money; and,
- I am investing entirely at my own risk.

Date

Signature of Purchaser

Print name of Purchaser

Name of salesperson acting on behalf of seller

Sign two copies of this document. Keep one copy for your records.

National Instrument 45-106 *Prospectus Exemptions* may require you to sign an additional risk acknowledgement form.

If you want advice about the merits of this investment and whether these securities are a suitable investment for you, contact a registered adviser or dealer.

Appendix B

Information report under Superintendent Order 2018/02 *Registration Exemption for Trades in Connection with Certain Prospectus-Exempt Distributions*

[Date]

To: ___ Alberta Securities Commission
 ___ British Columbia Securities Commission
 ___ Office of the Superintendent of Securities, Northwest Territories
 ___ Nunavut Securities Office
 ___ Office of the Yukon Superintendent of Securities
 ___ Manitoba Securities Commission
 ___ Financial and Consumer Affairs Authority of Saskatchewan

INSTRUCTION: Choose the jurisdiction(s) in which you are in the business of trading in securities. For a discussion about what constitutes being in the business of trading in securities, see Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

[Name of firm or, if a sole proprietor, individual owner's name and any related trade names]

INSTRUCTION: State the full name of the firm or individual

[Street address]

INSTRUCTION: State the street office for the head office of the firm or proprietorship. Do not include a P.O. box or agent for service.

[Website address for firm]

INSTRUCTION: State the website address for the firm. If there is no website address, state "not applicable".

[Telephone number for firm or, if sole proprietor, individual]

[Name of individual responsible for ensuring conditions to use this registration exemption are met]

INSTRUCTION: State the name of the individual who may be contacted with respect to any questions regarding the contents of this report. This individual should be a senior executive for the firm.

[Telephone number for responsible individual named above]

[E-mail address for responsible individual named above]

Does the firm also carry on business at other office locations? __ Yes __ No

[Names of salespersons employed by the firm to sell securities]

[Date]

Collection and use of personal information

The personal information submitted in this report is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of its administration and enforcement of the securities legislation.

If anyone referred to in this report has any questions about the collection and use of their personal information, they can contact the regulator in the jurisdiction(s) where the report is filed, at the address(es) listed below:

Alberta

Alberta Securities Commission
4th Floor, 300 - 5th Avenue SW
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 355-4151

British Columbia

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
Attention: Freedom of Information Officer
Telephone: (604) 899-6500 or (800) 373-6393

Manitoba

The Manitoba Securities Commission
500 - 400 St. Mary Avenue
Winnipeg, MB R3C 4K5
Attention: Director of Registrations
Telephone: (204) 945-2548
Fax: (204) 945-0330

Northwest Territories

Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NWT X1A 2L9
Attention: Deputy Superintendent of Securities
Telephone: (867) 920-8984

Nunavut

Legal Registries Division
Department of Justice
Government of Nunavut
P.O. Box 1000 Station 570
Iqaluit, NU X0A 0H0
Attention: Securities Office
Telephone: (867) 975-6590

Yukon

Department of Community Services
Securities Office C-6
P.O. Box 2703
Whitehorse, YT Y1A 2C6
Attention: Superintendent of Securities
Telephone: (867) 667-5225

Saskatchewan

Financial and Consumer Affairs Authority of Saskatchewan
Suite 601, 1919 Saskatchewan Drive
Regina, SK S4P 4H2
Attention: Director
Telephone: (306)787-5842