

NOVA SCOTIA SECURITIES COMMISSION

**IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, C.418 (THE "ACT")**

AND

**IN THE MATTER OF AN APPLICATION BY A
REGISTERED DEALER FOR ACCEPTANCE OF THE VOLUNTARY
SURRENDER OF ITS REGISTRATION**

NOTICE

WHEREAS a registered dealer (the "Dealer") may wish to submit an application (a "Surrender Application") to the Nova Scotia Securities Commission (the "Commission") pursuant to subsection 33(3) of the Act for the Commission's acceptance of the voluntary surrender of the registration of the Dealer (the "Surrender Acceptance");

AND WHEREAS the Commission has determined that it is in the public interest to provide for a procedure to follow when making a Surrender Application;

TAKE NOTICE that the following procedure shall be adopted by a Dealer wishing to make a Surrender Application to the Commission:

The Dealer shall file a letter of application with the Commission requesting the Commission to suspend the Dealer's registration pursuant to subsection 33(1) of the Act (the "Suspension Application"). The Suspension Application shall follow the format contained in the Commission's Notice No. 6 dated

December 3, 1987 and be accompanied by the applicable application fee which shall be considered to be the application fee for the Suspension and Surrender Applications. Upon receipt of the Suspension Application, the Commission will normally grant an Order suspending the Dealer's registration (the "Suspension Order") which Order will not affect the obligations of the Dealer pursuant to the Act and the Securities Regulations unless it provides otherwise. A Suspension Order shall state, if such is the case, that the Dealer has waived the opportunity to be heard contained in subsection 33(1) of the Act.

If the Commission considers that minor amendments are required to a draft Suspension Order, the necessary changes will be made to the Suspension Order and the Suspension Order will be delivered to the Dealer on the implied condition that the Dealer may make further submissions to the Commission if the amendments are not found to be satisfactory. This will ensure that the Suspension Application is not unnecessarily delayed when the terms which the Commission finds to be acceptable are also acceptable to the Dealer while at the same time ensuring that the Dealer is not denied an opportunity to be heard in respect of the Suspension Order originally sought.

2. After a minimum of three months has passed since the date of the Suspension Order, the Dealer shall file its Surrender Application and the following supporting materials (the "Materials"):

- (a) audited financial statements approved by the

board of directors of the Dealer prepared as of a date subsequent to the date of the Suspension Order and an auditor's report thereon; and

(b) evidence in the form of a statutory declaration of an officer of the Dealer:

(i) declaring that the Dealer has given public notice (the "Notice") in a form previously approved by the Registrar of Securities (the "Registrar") of the Dealer's intention to surrender its registration;

(ii) declaring that the Notice has been published in a newspaper of general circulation in Nova Scotia once a week for two consecutive weeks preceding the Surrender Application, the second Notice to be published at least three (3) weeks prior to the Surrender Application; and

(iii) summarizing the Dealer's securities related activities in the period of time occurring between the date which is two years preceding the date of the Suspension Order and the date of the Surrender Application stating whether the Dealer:

(A) has ever held clients' funds or securities or both, and if so, the status of the clients' accounts; and

(B) has any liabilities or contingent liabilities to clients.

3. The Commission will consider the Surrender Application

and the Materials and determine if additional information will be required for the Surrender Acceptance. If there are deficiencies in the Surrender Application or the Materials, then the Dealer will be notified in writing and, if requested, provided with an opportunity to be heard.

4. If applicable, upon the Commission issuing a decision confirming the Surrender Acceptance:
 - (a) the Registrar will provide his certification pursuant to clause 7.01 of the Contingency Trust Fund Agreement dated June 29, 1990 (the "Agreement") between the Commission and Central Guaranty Trust Company (the "Trustee"); and
 - (b) the Dealer should then file its Withdrawal Notice (as defined in the Agreement) with the Trustee and the Registrar pursuant to clause 7.02 of the Agreement to enable the Trustee to process the withdrawal of the Dealer under the Agreement.

DATED at Halifax, Nova Scotia this 5th day of December, 1990.

NOVA SCOTIA SECURITIES COMMISSION

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"Robert MacLellan"

Published: Royal Gazette Robert B. MacLellan, Chairman
December 19, 1990

"H. Leslie O'Brien"

H. Leslie O'Brien, Q.C.
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"C. William Gurnham"

C. William Gurnham, F.C.A.