

Blanket Order No. 11

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

AND

**IN THE MATTER OF SELF-DIRECTED REGISTERED
EDUCATION SAVINGS PLANS**

**RULING
(Subsection 79(1))**

UPON the application of certain interested parties to the Nova Scotia Securities Commission (the "Commission") for a ruling pursuant to subsection 79(1) of the Securities Act, R.S.N.S. 1989, c.418 (the "Act") with respect to the establishment of self-directed education savings plans which have been approved by Revenue Canada Taxation pursuant to the provisions of the Income Tax Act (Canada) (the "ITA") and which subsequently become registered as registered education savings plans under the ITA upon the requisite number of subscribers (the "Subscribers") having been obtained (individually a "Plan", collectively the "Plans");

AND WHEREAS Plans are structured such that contributions by Subscribers to a Plan are not pooled with the funds contributed by other Subscribers but, rather, are deposited directly into an account in the name of the Subscriber and may be used, at the direction of the Subscriber, to purchase other investments as may be permitted under applicable law (the "Investments");

AND WHEREAS the Subscriber maintains control and direction over the Plan which enables the Subscriber to direct how the assets of the Plan are to be held, invested or reinvested in a manner similar to the self-directed retirement

savings plans ("RRSPs") which RRSPs are not subject to the registration and prospectus requirements under the Act;

AND WHEREAS in order to qualify for registration as an education savings plan under the ITA prior to February 20, 1990, a prospectus was required to be filed with a securities commission in Canada;

AND WHEREAS it has been proposed in the most recent federal budget that, effective February 20, 1990, a promoter not be required to file a prospectus with a securities commission in Canada in order to obtain registration of an education savings plan under the ITA where the promoter is otherwise exempt from the requirement to do so under applicable securities law;

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 79(1) of the Act that the establishment of a Plan is not subject to section 58 of the Act provided that:

- A. the application form provided to a Subscriber for purposes of establishing a Plan includes, or is accompanied by, a copy of the terms and conditions of the Plan and any additional documentation which may be necessary to provide disclosure of the income tax consequences of investing in a Plan, the responsibilities of the Trustee under the Plan, the refund provisions, the types of Investments in which the assets of the Plan may be invested or re-invested, the designation of a beneficiary under the Plan, the nature of any payments which may be made by the Plan to the beneficiary or otherwise and any fees and charges associated with investment in the Plan; and

B. the contributions by a Subscriber to the Plan are not pooled with the funds contributed by other Subscribers but, rather, are deposited into an account in the name of the particular Subscriber and may be used, at the direction of the Subscriber, to purchase Investments.

DATED at Halifax, Nova Scotia this 7th day of November, 1990.

NOVA SCOTIA SECURITIES COMMISSION

"Robert B. MacLellan"

Robert B. MacLellan, Chairman

"H. Leslie O'Brien"

H. Leslie O'Brien, Vice Chairman

"C. William Gurnham"

C. William Gurnham, Esq.