



**GENERAL RULING/ORDER 45-916  
EXEMPTION FOR SOLICITATIONS OF EXPRESSIONS OF INTEREST**

IN THE MATTER OF  
*THE SECURITIES ACT, 1988, SS 1988, c. S-42.2*

**RULING  
(Section 83)**

WHEREAS the Saskatchewan Financial Services Commission (the "Commission") has assigned to the Director of the Securities Division the power to make exemption orders and rulings under provisions of *The Securities Act, 1988* (the "Act") including orders and rulings of general application;

AND WHEREAS the staff of the Commission have applied to the Director for a ruling pursuant to section 83 of the Act of that the provisions in section 58 do not apply to solicitations of expressions of interest by certain underwriters and issuers for securities to be issued pursuant to an over-allotment option;

AND WHEREAS it has been represented to the Director that:

1. Paragraph 7.1(a) of Part 7 of National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101") provides an exemption from the prospectus requirement for solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued under a bought deal offering;
2. The exemption in Part 7 of NI 44-101 does not extend to the solicitation of expressions of interest for securities to be issued under an over-allotment option;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this ruling;

IT IS HEREBY RULED that in this ruling:

**"over-allocation position"** means the amount by which the total number or principal amount of securities that are the subject of offers to purchase received by all underwriters of a distribution exceeds the total number or principal amount of securities that all underwriters have agreed to purchase under an enforceable agreement with the issuer;

**"over-allotment option"** means a right granted to the underwriters by an issuer or a selling security holder in connection with the distribution of securities under a short form prospectus to acquire additional securities of the same class as was distributed under the short form prospectus;

**"short form prospectus"** means a short form prospectus filed under NI 44-101;

IT IS HEREBY ruled pursuant to section 83 of the Act that the provisions of section 58 of the Act shall not apply to soliciting expressions of interest before the filing of a preliminary short form prospectus for securities to be issued under an over-allotment option, provided that:

- a. the issuer satisfies the conditions in paragraph 7.1(a) to (e) of NI 44-101; and
- b. the over-allotment option:
  - i. is granted for the purposes of covering the underwriters' over-allocation position;
  - ii. expires not more than 60 days after the date of closing of the distribution; and
  - iii. is limited to the lesser of:
    1. the over-allotment position determined as at the closing of the distribution; and
    2. 15% of the number or principal amount of the securities qualified for the distribution, other than the securities issuable on the exercise of the over-allotment option.

DATED May 25, 2006

*"Barbara Shourounis"*

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Barbara Shourounis  
Director