GENERAL RULING/ORDER 43-901 TRADE UNIONS WHICH SPONSOR LABOUR SPONSORED VENTURE CAPITAL CORPORATIONS

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

AND

IN THE MATTER OF TRADE UNIONS WHICH SPONSOR LABOUR SPONSORED VENTURE CAPITAL CORPORATIONS

ORDER

(Section 160)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the "Commission") from the staff of the Commission for an order pursuant to section 160 of *The Securities Act, 1988* (the "Act") that the provisions of clause 66(1)(d) do not apply, in certain circumstances, to trade unions which sponsor labour sponsored venture capital corporations ("LSVCCs");

AND WHEREAS it has been represented to the Commission that:

- 1. The *Income Tax Act* requires that all LSVCCs have a trade union sponsor;
- 2. Staff of the Saskatchewan Securities Commission take the view that a trade union which sponsors a LSVCC is a promoter within the definition in clause 2(1)(mm) of the Act;
- 3. As a promoter the trade union is required under clause 66(1)(d) of the Act to sign a certificate which states that the prospectus contains full, true and plain disclosure of all material facts; and
- 4. Several trade unions have requested that they be relieved from the requirement to sign the certificate required under clause 66(1)(d) of the Act;

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

IT IS HEREBY ORDERED, pursuant to section 160 of the Act that a trade union which sponsors a LSVCC is not required to sign the certificate for a prospectus as required by clause 66(1)(d) of the Act where the prospectus qualifies the securities of the LSVCC for distribution in Saskatchewan.

Dated at Regina, Saskatchewan this 5th day of February, 1997.

Amended this 8th day of December, 1999.

Marcel de la Gorgendière Marcel de la Gorgendière, Q.C. Chairman