

SASKATCHEWAN POLICY STATEMENT 45-603

\$150,000 EXEMPTION

PART 1 DEFINITIONS

1.1 In this policy statement:

- (a) “**\$150,000 exemption**” or “**the exemption**” means the exemptions in clause 39(1)(e) of the Act from the registration requirement and clause 81(1)(d) from the prospectus requirement;
- (b) “**Act**” means *The Securities Act, 1988* (Saskatchewan); and
- (c) “**Commission**” means the Saskatchewan Securities Commission.

PART 2 PURPOSE

2.1 The purpose of this policy statement is to outline the Commission's interpretation of the \$150,000 exemption.

PART 3 INTERPRETATION OF THE EXEMPTION

- 3.1 A purchaser should pay for securities purchased under the exemption in cash or by cheque in full at the time of the trade.
- 3.2 A purchaser should not give consideration for the securities purchased under the exemption by assuming a liability or incurring a debt, unless the trade is part of an amalgamation, merger, reorganization, arrangement or statutory procedure. This means that a purchaser should not give a promissory note as payment for securities purchased under the exemption.
- 3.3 Securities should not be sold under the exemption to corporations, syndicates or partnerships, and other forms of organizations created solely to permit purchases under the exemption by groups of individuals whose individual share of the aggregate acquisition cost is less than \$150,000. The Commission does not have concerns if the purchaser under the exemption is a corporation, syndicate, partnership or other form of entity which is pre-existing, and has a bona fide purpose other than investing in the securities being sold.
- 3.4 Purchasers under the exemption should purchase as principal, and not as agent. This means that securities should not be sold to a purchaser who acts as agent for someone who does not come within the exemption.

Adopted by the Commission effective this 3rd day of February,
2000.

“Marcel de la Gorgendiere”

Marcel de la Gorgendiere, Q.C.

Chairperson