

**ALBERTA SECURITIES COMMISSION**  
**NOTICE**  
**Amendment to Section 3.2**  
**of Alberta Securities Commission Rule 72-501**

On February 13, 2002, the Alberta Securities Commission approved the amendment of section 3.2 of Rule 72-501 *Distributions to Purchasers Outside Alberta* (Rule 72-501) in accordance with section 2 of the *Securities Regulation*.

***New Resale Provisions of Section 3.2 of Rule 72-501***

Section 3.2 of Rule 72-501 will now provide as follows:

3.2 Exemption for a first trade in a security previously acquired in connection with a distribution of securities to a purchaser outside Alberta - The first trade in Alberta in a security issued pursuant to the exemption in section 3.1 of the rule will be a distribution unless the conditions specified in section 2.5(2) or (3) of MI 45-102 are satisfied.

***Background***

Part 3 of Rule 72-501 *Distributions to Purchasers Outside Alberta* (Rule 72-501) provides for both a registration and prospectus exemption in section 3.1 for Alberta issuers distributing securities to purchasers outside Alberta as well as an exemption in section 3.2 for the first trade of securities acquired under section 3.1.

Securities acquired under section 3.1 of Rule 72-501 are subject to a 12-month hold period. The 12 month hold period is reduced to 4 months under section 3.2 if the issuer is a qualified issuer under Rule 45-501 *System for Shorter Hold Period for Issuers Filing an AIF* (Rule 45-501).

With the repeal of Rule 45-501 on November 30, 2001, issuers are no longer able to offer a reduced hold period to purchasers outside Alberta under section 3.2 of Rule 72-501. This amendment will make these first trades subject to the new resale rule, MI 45-102 *Resale of Securities*.

***Expiry of Interim Blanket Order***

The Commission issued an interim blanket order dated November 28, 2001 which permitted qualifying issuers with a current AIF under MI 45-102 to continue to offer a reduced 4 month hold period until section 3.2 of Rule 72-501 was amended. The blanket order expired on its terms when this amendment comes into effect on February 13, 2002.

Dated February 14, 2002

