

A.S.C. POLICY 4.12
INVESTMENT CONTRACT POLICY

1. APPLICATION

Any issuer trading in investment contracts, as defined below, shall be required to comply with this policy and shall not be able to rely on the registration or prospectus exemptions contained in section 65(1)(e) or section 107(1)(d) of the Securities Act (S.A. 1981, c. S-6.1, as amended) (the "Act").

2. DEFINITIONS

2.1 In construing terms, reference should be made to the definitions contained in the Act and the Regulation under the Act (the "Regulation") except as defined below:

2.1.1 "common shares" means shares of a company that carry a residual right to participate to an unlimited degree in earnings of the issuer and in its assets upon liquidation or winding up and to which are attached voting rights exercisable in all circumstances irrespective of the number of shares owned, which voting rights are not less, on a per share basis, than the voting rights attaching to any other shares of an outstanding class of shares of the issuer.

2.1.2 "control" exists if

2.1.2.1 a person controls a body corporate if securities of the body corporate to which are attached more than fifty per cent of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

2.1.2.2 a person controls a trust, partnership, fund or other unincorporated entity, if more than fifty per cent of the beneficial interest, however designated, into which the entity is divided, is beneficially owned by that person and the person is able to direct the affairs of the entity;

2.1.2.3 a person controls an entity if the person has, in relation to the entity, any direct or indirect influence that, if exercised, would result in control in fact of the entity;

- 2.1.2.4 a holding body corporate is deemed to control any entity that is controlled by a subsidiary of the holding body corporate;
 - 2.1.2.5 an entity that controls another entity is deemed to control any entity that is controlled, or deemed to be controlled, by the other entity; or,
 - 2.1.2.6 a person or company or combination of persons or companies owns beneficially, directly or indirectly, voting securities of a body corporate, that person or company or combination of persons or companies shall be deemed to own beneficially a proportion of voting securities of any other body corporate that are owned beneficially, directly or indirectly, by the first mentioned body corporate, in a proportion that is equal to the proportion of the voting securities of the first mentioned body corporate that are owned beneficially, directly or indirectly by that person or company or combination of persons or companies.
- 2.1.3 "entity" includes a body corporate, trust, partnership, fund or other unincorporated association or organization, but does not include a natural person.
- 2.1.4 "fair market value" means the most probable price in terms of money the asset would bring if offered for sale in a competitive and open market by a willing seller with both the buyer and seller acting prudently, knowledgeably and at arm's length and assuming the price is not affected by undue stimuli.
- 2.1.5 "holding body corporate" means a corporation which controls, directly or indirectly, an investment contract issuer.
- 2.1.6 "illiquid investments" means investments which may not be readily disposed of, in a marketplace where such investments are normally purchased and sold and public quotations in common use in respect thereof are available. Where in the case of any investment there is no marketplace where such investment may normally be purchased and sold and public quotations in common use in respect thereof are available, such investment will be considered to be an illiquid investment. Without limiting the generality of the foregoing, examples of illiquid investments are limited partnership interests that are not listed on a stock exchange and securities of a private company.
- 2.1.7 "investment contract" means a contract, agreement, certificate, instrument or writing containing an undertaking by an issuer to pay the holder thereof, or his

assignee or personal representative or other person, a stated or determinable maturity value in cash or its equivalent on a fixed or determinable date and containing one or more of the following: an optional settlement; cash surrender value; or a loan value prior to or after maturity, the consideration for which consists of payments made or to be made to the issuer in instalments or periodically, or of a single sum, according to a plan fixed by the contract, whether or not the holder is or may be entitled to share in the profits or earnings of, or to receive additional credits or sums from, the issuer, but does not include a contract within the meaning of the Insurance Act (R.S.A. 1980, C.I-5, as amended) or an evidence of deposit issued by a financial institution as defined in the Act.

- 2.1.8 "perpetual preferred shares" means preferred shares which are nonredeemable, non-retractable and not the subject of any buy-sell arrangement.
- 2.1.9 "preference shares" means shares to which there is attached a preference or right over any class of shares of the issuer, but does not include common shares.
- 2.1.10 "permitted investment" means those investments permitted by the Canadian and British Insurance Companies Act (Canada) (R.S.C. 1985 chap. 1-12) (the "CBIC").
- 2.1.11 "qualified appraiser" means a bank, trust company, loan company or insurance company, or other person or company which makes appraisals and whose opinions are relied upon in connection with lending or servicing activities. For the purposes of paragraph 7.9, the qualified appraiser must be completely independent.
- 2.1.12 "qualified assets" do not include investments in subsidiaries but do include:
 - 2.1.12.1 cash;
 - 2.1.12.2 first mortgages on improved real estate where the amount of the mortgage does not exceed 75% of the fair market value of the property securing the mortgage as determined at the time that the mortgage is funded;
 - 2.1.12.3 first mortgages made under the National Housing Act (RSC, 1952, c188) or the National Housing Act (RSC 1970, c.N-10) (the "NHA");
 - 2.1.12.4 bonds, debentures, stocks and other securities of the classes

authorized under the CBIC for investments of funds registered thereunder, as modified by this policy; and,

2.1.12.5 real property acquired by foreclosures or in satisfaction of a debt.

2.1.13 "sales communications" means any form of communication used by an investment contract issuer, its promoter, sales representatives or anyone else which, intentionally or unintentionally, induce a person to purchase an investment contract.

2.1.14 "significant interest" in an issuer exists if:

2.1.14.1 a combination of persons or companies owns beneficially, either directly or indirectly, more than 50% of the outstanding shares or units of the issuer; or,

2.1.14.2 a person or company, as the case may be, owns beneficially, either directly or indirectly, more than 10% of the outstanding shares or units of the issuer.

2.1.15 "spouse" includes an individual of the opposite sex who is held out by the director or officer referred to in 7.2.1.1 or individual referred to in 7.2.1.2, in the community in which they live, as a consort.

2.1.16 "subsidiary" means, in addition to the definition contained in the Act, a subsidiary of a subsidiary.

2.1.17 "substantial shareholder" means a person or company or a combination of persons, or companies who owns beneficially, either individually or together or directly or indirectly, voting securities to which are attached more than 20% of the voting rights attached to all the voting securities of the issuer for the time being outstanding; and in computing the percentage of voting rights attached to voting shares owned by an underwriter, there shall be excluded any voting securities acquired by the underwriter in a distribution of the securities up until the time of completion or cessation of the distribution by the underwriter.

3. REGISTRATION

3.1 Any issuer of investment contracts shall be the exclusive distributor of its own investment contracts and shall be registered in Alberta as a mutual fund dealer.

3.2 Every person selling investment contracts shall be registered in Alberta as a mutual fund

salesperson.

4. PROSPECTUS FORM

- 4.1 Any prospectus filed by an investment contract issuer shall comply with Form 13 of the Regulation under the Act or such other form acceptable to the Chief of Securities Administration (the "Chief").
- 4.2 The prospectus shall disclose on the face page in bold print that the most recent financial statements filed with the Agency form part of the prospectus and shall be provided to each investor.

5. MINIMUM CAPITAL REQUIREMENTS

- 5.1 Every investment contract issuer shall maintain a minimum book value of \$5,000,000 in common shares, perpetual preferred shares, contributed surplus, reserves and retained earnings or deficit of which \$5,000,000 shall consist strictly of common shares and perpetual preferred shares.
- 5.2 Any change in control of an investment contract issuer after it becomes a reporting issuer must be approved, in writing, by the Chief. The Chief may provide this written approval on such terms and conditions as the Chief considers appropriate having regard to the public interest.

6. LEVERAGE

The book value of the investment contract issuer's liabilities shall not exceed 10 times the paid-up value of the investment contract issuer's common shares and perpetual preferred shares plus the book value of its contributed surplus, reserves and retained earnings or deficit.

7. INVESTMENTS

- 7.1 The only investments allowed are permitted investments and permitted investments are only allowed to the limits contained in the CBIC.
- 7.2 Other than permitted mortgage loans to officers made at competitive current market rates and made in the normal course of business, the investment contract issuer shall not make an investment:
 - 7.2.1 by way of a loan to
 - 7.2.1.1 a director or officer of the investment contract issuer or holding body corporate, any of its subsidiaries or affiliates, or spouse, or child of such director or officer; or

- 7.2.1.2 an individual, his spouse or any of his children under twenty one years of age, if either the individual or a group consisting of the individual, his spouse and such children, is a substantial shareholder of the investment contract issuer, or holding body corporate, or any of its subsidiaries or affiliates;
- 7.2.2 in a holding body corporate or any of its subsidiaries or affiliates other than the initial investment on formation of a subsidiary of the investment contract issuer; or,
- 7.2.3 in an entity in which a significant interest in the entity is beneficially owned, directly or indirectly, by
 - 7.2.3.1 an individual mentioned in 7.2.1;
 - 7.2.3.2 an individual who is a substantial shareholder of the investment contract issuer or any of its subsidiaries or affiliates;
 - 7.2.3.3 any entity that is a substantial shareholder of the investment contract issuer or any of its subsidiaries or affiliates; or
 - 7.2.3.4 a group consisting exclusively of individuals mentioned in 7.2. 1.
- 7.3 Other than permitted investments in mortgages, permitted investments in real estate and real property acquired upon foreclosure or satisfaction of a debt, the total investment permitted in illiquid investments shall not exceed 2% of the book value of the investment contract issuer's total assets. No illiquid investments, other than permitted investments in mortgages, shall be purchased from:
 - 7.3.1 any individual mentioned in paragraph 7.2.1;
 - 7.3.2 a holding body corporate or any of the holding body corporate's subsidiaries or affiliates;
 - 7.3.3 any subsidiary or affiliate of the investment contract issuer; or,
 - 7.3.4 an entity mentioned in paragraph 7.2.3.
- 7.4 Under no circumstances shall any investment be made where such investment is in default as to principal or interest payments except where such investment is foreclosed upon or taken as satisfaction of a debt.
- 7.5 Under no circumstances shall any investment be made at a price which exceeds the fair

market value of that investment.

7.6 In addition to the other requirements under this section, permitted investments in mortgages shall also be restricted as follows:

7.6.1 the investment contract issuer shall not invest in mortgages on raw land or undeveloped land;

7.6.2 investment is restricted so that 95% of the book value of all mortgages shall be first mortgages on properties located in Canada;

7.6.3 prior to making any mortgage investment the property securing each mortgage shall be appraised by a qualified appraiser; or,

7.6.4 an investment contract issuer shall not invest any amount in any mortgage which:

7.6.4.1 exceeds 75% of the fair market value of the property securing the mortgage except when:

7.6.4.1.1 such mortgage is insured under the NHA or any similar act of a province, or

7.6.4.1.2 the excess over 75% is insured by an insurance company registered or licensed under the CBIC the Foreign Insurance Companies Act (Canada) (R.S.C. 1985, C.1-16) or insurance acts or similar acts of a Canadian province or territory;

7.6.4.2 has an amortization exceeding 35 years except for mortgages insured under the NHA or any similar act of a province; or

7.6.4.3 is an amount exceeding 2% of the book value of the investment contract issuer's assets for any one mortgage, and for the purpose of this paragraph, a series of mortgages on one project, such as a condominium development, shall be considered as one mortgage.

7.7 In addition to the other requirements under this section, an investment contract issuer shall not:

7.7.1 subject to 7.7.2, write any option, swap or future forward contract other than for the purpose of hedging interest rates;

- 7.7.2 purchase or sell commodities or commodity futures contracts or commodity futures options, provided that the restriction herein contained on the purchase or sale of commodities will not restrict the issuer from holding cash or cash deposits or from purchasing gold or securities to the extent that such purchase is not otherwise restricted by this section;
 - 7.7.3 purchase gold or gold certificates if following such purchase more than 10% of the book value of the investment contract issuer's total assets would consist of gold and gold certificates;
 - 7.7.4 invest in securities of any other investment contract issuer;
 - 7.7.5 purchase securities on margin;
 - 7.7.6 sell securities short;
 - 7.7.7 engage in the business of underwriting, securities or marketing to the public securities of any other issuer;
 - 7.7.8 guarantee, indemnify or pledge assets securing the securities or obligations of any other person or corporation; or
 - 7.7.9 purchase securities other than through normal market facilities unless the purchase price approximates the prevailing market price or is negotiated on an arm's length basis.
- 7.8 In addition to the requirements contained in the CBIC, permitted investments in real estate shall not exceed 5% of the book value of the investment contract issuer's assets. This includes office premises to be used by the investment contract issuer, but excludes real estate that is acquired upon foreclosure or satisfaction of a debt.
- 7.9 The investment contract issuer shall not purchase any security, mortgage or real property from or sell any security, mortgage or real property to any of the parties set out in paragraph 7.2 unless such purchase or sale is at fair market value, as determined by an independent qualified appraiser, and is approved by both the Board of Directors of the investment contract issuer, and approved by a majority vote at a meeting of the unaffiliated directors, as defined in paragraph 13, of the investment contract issuer. In the case of a purchase or sale of securities at the prevailing market price as quoted on a stock exchange, an independent appraisal is not required.

8. DISCLOSURE - PROSPECTUS

- 8.1 In order for any potential investor to understand the risk of an investment in an investment

contract, the prospectus must summarize the nature and types of investments permitted under the CBIC.

- 8.2 The prospectus shall indicate that any investor has the right to request a copy of the relevant provisions of the CBIC and the issuer must provide a copy, at no cost to the investor, upon receipt of such request.
- 8.3 Disclosure in the prospectus concerning permitted investments in mortgages shall include:
 - 8.3.1 a statement of the various methods used by the issuer for determining the price at which mortgages are acquired;
 - 8.3.2 the method used for determining the price at which mortgages have been sold by the issuer during the preceding financial year, if any;
 - 8.3.3 a description of the methods used to value all mortgage portfolio holdings (including mortgages in arrears);
 - 8.3.4 the origin of the mortgages acquired during the preceding financial year;
 - 8.3.5 the distribution of mortgages between insured mortgages, uninsured conventional mortgages, and any other types of mortgages;
 - 8.3.6 the investment contract issuer's investment policy concerning the origin and distribution of mortgages to be acquired;
 - 8.3.7 a table showing the distribution of the mortgage portfolio according to the type of property securing the mortgage (single family dwelling, condominium, multi-unit dwelling of up to 8 units, multi-unit dwelling of more than 8 units, commercial, industrial);
 - 8.3.8 a table showing the contractual interest rate in groups of not more than one quarter per cent for the mortgages in the portfolio;
 - 8.3.9 a table showing, with one year intervals, the date at which all mortgages included in the portfolio reach maturity;
 - 8.3.10 a table showing the geographical distribution of the mortgage portfolio by province and any other area;
 - 8.3.11 a table showing the number, dollar value, geographical distribution by province and any other area and the dollar amount of interest capitalized on mortgages in default

for 90 days or more. Mortgages in default for 90 days or more, the table shall also include disclosure as to status of foreclosure proceedings;

8.3.12 in each of the tables required above, the number of mortgages shall be shown. Furthermore, in the case of the tables required under paragraphs 8.3.7, 8.3.8 and 8.3.10 the amortized cost and outstanding principal value shall be shown. The method used in determining amortized cost must be disclosed; and,

8.3.13 the dollar value of all interest capitalized.

8.4 Disclosure in the prospectus concerning permitted investments in real estate and properties acquired upon foreclosure or satisfaction of a debt shall include:

8.4.1 the investment policies of the investment contract issuer concerning permitted investments in real estate including disclosure of the restrictions under the CBIC;

8.4.2 the policies of the investment contract issuer with respect to geographic diversification of its permitted investments in real estate and, if such investments are or are proposed to be concentrated in a single geographic market, the risks associated with such concentration;

8.4.3 the following information for each real property held by the investment contract issuer which has either a book value greater than 1% of the book value of its assets or a book value greater than \$100,000:

8.4.3.1 the geographical location by province;

8.4.3.2 a description of the type of property;

8.4.3.3 the date and cost of acquisition;

8.4.3.4 the appraised value and the date of appraisal;

8.4.3.5 the amount of any mortgage granted or assumed; and,

8.4.3.6 the amount of pre-tax net income generated during the previous period;

8.4.4 the disclosure required under paragraph 8.4.3 shall be provided in two separate tables. One table for permitted investments in real estate and a second table for properties acquired upon foreclosure or satisfaction of a debt; and,

8.4.5 the disclosure related to paragraph 8.4.3 shall include a footnote in bold print to

the effect that for any given real property there is a range of market values; that an appraisal is an opinion and that no assurance can be given that the appraised value will be equal to the price for which the property could be sold.

- 8.5 Disclosure in the prospectus concerning security investments, other than permitted investments in mortgages, shall include:
- 8.5.1 a table showing the dollar values invested in deposits, securities and illiquid investments;
 - 8.5.2 the total dollar value of any dividends or interest in arrears; and,
 - 8.5.3 for each illiquid investment a full description of the nature of the investment, including but not limited to, the date and acquisition cost security, and the issuers intentions concerning resale.
- 8.6 The prospectus shall indicate, if sales commissions are being earned on the sale of the investment contracts and whether these commissions may be higher than on other products the salesperson is authorized to sell.

9. DISCLOSURE-INVESTMENT, CONTRACT, PROSPECTUS, SALES COMMUNICATIONS

- 9.1 The investment contract, prospectus, financial statements and all sales communications shall clearly indicate in bold print that investment contracts are not insured by the Canada Deposit Insurance Corporation, the government or any other party.
- 9.2 The investment contract, prospectus and all sales communication shall not stipulate or make any other similar assertion that assets equal to liabilities are maintained on deposit with a chartered bank or any other financial institution.
- 9.3 The prospectus and sales communications shall disclose the commissions earned and all other benefits earned on the sale of the investment contract.
- 9.4 The investment contract shall stipulate a rate of interest which shall not exceed 4%. In addition the investment contract may state that additional credits may be paid provided the investment contract discloses that these additional credits are declared at the discretion of the investment contract issuer and such declaration and the payment of any interest or additional credits pursuant to such declaration will depend on the financial condition of the investment contract issuer.
- 9.5 The investment contract and prospectus shall clearly stipulate the terms and conditions with

respect to redemptions, if permitted, and make full disclosure of all costs to the investor associated with redemption.

9.6 The investment contract shall I stipulate in' bold print that the investor has received the prospectus prior to any investment contract purchase. Each investor shall sign the investment contract containing this stipulation.

9.7 The words "guarantee", "guaranteed", "insured", and words with similar meanings, shall not be used in any application, investment contract, prospectus or sales communication.

10. RESERVE REQUIREMENTS

10.1 The book value of qualified assets shall at all times exceed the book value of the investment contract issuer's liabilities.

10.2 For the purposes of this section liabilities shall include, but are not limited to, the cash surrender value of all single-pay and multi-pay investment contracts and accrued interest, notwithstanding the fact that the investment contract is not due and payable or not about to become due and payable.

11. MONITORING AGREEMENT

11.1 Every investment contract issuer shall be required to enter into a monitoring agreement with a registered trust company acting on behalf of the investment contract investors (the "Trust Company") to monitor the compliance of certain provisions of this policy, as set out in paragraph 11.3 on behalf of the investment contract investors.

11.2 The investment terms and restrictions contained in this policy will form part of the monitoring agreement.

11.3 The monitoring agreement shall stipulate that the chief financial officer of the investment contract issuer shall file a report with the Trust Company within 14 days of each month end which confirms that there have been no breaches of the provisions of sections 5, 6, 7, 10 and 11 of this policy (the "Material Provisions").

11.4 The monitoring agreement shall require that:

11.4.1 the investment contract issuer and the Trust Company shall both provide independent and immediate written notification to the Chief of any breach of any of the Material Provisions or of any other term of the monitoring agreement by the investment contract issuer;

11.4.2 all sales and renewals of investment contracts shall cease upon a breach of any of the Material Provisions if

11.4.2.1 subject to the provisions of item 11.4.4, the breach continues for a period of seven calendar days from the date of the breach; and,

11.4.2.2 the investment contract issuer does not comply with any or all of the conditions that the Chief may impose on the investment contract issuer for continued sales and renewals of the investment contracts during the seven day period noted in item 11.4.2.1 or any extension of the seven day period allowed by the Chief under item 11.4.3.

11.4.3 the Chief may, if it is not prejudicial to the public interest to do so, extend, in writing, the seven day period noted in item 11.4.2.1 on such terms and conditions as the Chief considers appropriate having regard the public interest;

11.4.4 the Chief may, if in the Chief's opinion the breach of the Material Provisions is of a nature to adversely affect the public interest, place, as a condition in item 11.4.2.2, that all sales and renewals of investment contracts immediately cease. In the event the Chief imposes such a condition, all sales and renewals of investment contracts shall immediately cease even if the seven day period noted in item 11.4.2.1 has not expired; and

11.4.5 the Chief will provide notification to the investment contract issuer of the Trust Company of any conditions imposed under items 11.4.2.2 or 11.4.4 or an extension of the seven day period, noted in item 11.4.2.1, issued pursuant to item 11.4.3. Notification to either one of the investment contract issuer or the Trust Company shall be notification to both.

11.5 The monitoring agreement shall include such terms and conditions as the Chief deems appropriate having regard the public interest.

11.6 The monitoring agreement shall not be terminated or amended without the prior written approval of the Chief. The Chief may provide this written approval on such terms and conditions as the Chief considers appropriate having regard the public interest.

12. CORPORATE FORM AND NATURE OF BUSINESS

12.1 Investment contracts shall only be issued by a body corporate whose business is strictly that of issuing and distributing investment contracts.

12.2 All proceeds raised from the sale of investment contracts or earned as income by the investment contract issuer shall be used by the investment contract issuer to.

- 12.2.1 purchase permitted investments in accordance with this provisions of this policy;
- 12.2.2 satisfy investment contract liabilities as they mature;
- 12.2.3 pay dividends; and
- 12.2.4 pay the operating expenses incurred by the investment contract issuer in carrying out its business of issuing and distributing investment contracts.

13. UNAFFILIATED DIRECTORS

- 13.1 At least 1/3 of the directors of the investment contract issuer shall be unaffiliated directors.
- 13.2 An individual is not eligible to be an unaffiliated director of an investment contract issuer for the purposes of paragraph 13.1 if that individual:
 - 13.2.1 holds or beneficially owns more than 5% of the issued and outstanding voting shares of the investment contract issuer or the holding company or any of their subsidiaries or affiliates;
 - 13.2.2 is an officer or employee of the investment contract issuer or any of its I , subsidiaries or affiliates;
 - 13.2.3 is a director, officer or employee of the holding company or any of its subsidiaries or affiliates;
 - 13.2.4 is, at anytime during the two years immediately preceding their appointment to the Board of Directors of the investment contract issuer, an individual identified in paragraph 13.2.2 or 13.2.3;
 - 13.2.5 has a mortgage with the investment contract issuer that is in arrears of repayment of either principal or interest or both;
 - 13.2.6 is a director, officer or employee of an entity that has a mortgage with the investment contract issuer that is in arrears of repayment of either principal or interest or both;
 - 13.2.7 is the spouse of an individual described in this paragraph; or
 - 13.2.8 is a relative of an individual described in this paragraph who has the same residence as the described individual.

14. INTERNAL CONTROLS

The investment contract issuer shall establish internal controls and policies and procedures to ensure compliance with the provisions of this policy.

15. ACCOUNTING PRINCIPLES

15.1 The accounting terms used in this policy shall have the meaning and be in accordance with Canadian generally accepted accounting principals and in accordance with the requirements of this policy.

15.2 Every real property investment acquired through foreclosure or upon satisfaction of a debt shall be treated for accounting and financial statements purposes as real property inventory held for sale and shall be recorded at the lower of cost or net realizable value.

16. MAILING OF FINANCIAL STATEMENTS

16.1 Each investment contract issuer shall immediately upon filing the annual audited financial statements with the Agency be required to mail its audited annual financial statements to every holder of its investment contracts.

16.2 Each investment contract issuer is exempt from mailing quarterly financial statements to investment contract investors provided that these financial statements will be made available upon request and shall be filed with the Agency.

17. SALES COMMUNICATIONS

All sales communications shall comply with the requirements of any policy on advertising adopted from time to time by the Commission.

18. ADDITIONAL REQUIREMENT OF THE AUDITOR

18.1 The investment contract issuer shall include in its audit engagement letter a requirement that the investment contract issuer's Auditor (the "Auditors") provide immediate written notification to the Trust Company and the Chief if the Auditors have, during the audit of the investment contract issuer, reason to believe that the investment contract issuer may have breached any of the Material Provisions.

18.2 Every prospectus of an investment contract issuer shall contain an audited statement of investment portfolio as required by the Regulation.

19. ROLLOVERS OF ADDITIONAL PURCHASES

An investment contract issuer shall not be required to deliver a prospectus to any investor who is making an additional purchase or making a rollover of an existing investment contract unless the prospectus has been changed from the prospectus previously received by the investor or a receipt

for a new prospectus has been issued.

20. TRANSITIONAL PROVISION

Upon the effective date of this policy all issuers to which this policy would apply shall have to May 30, 1990 to comply with the provisions of this policy.

Effective date: March 29, 1990