

FAIR

Canadian Foundation for
Advancement of Investor Rights
Fondation canadienne pour l'avancement
des droits des investisseurs

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RE: CSE Notice 2018-010 and Request for Comment – Public Interest Rule Amendment to Policy 6 Distributions

FAIR Canada is pleased to offer comments on proposed amendments to Policy 6 *Distributions* (the “Proposed Amendments”) that, according to the consultation document, would require a 4 month hold period on all shares issued pursuant to the employee, executive officer, director, and consultant exemption set forth in section 2.24 of National Instrument 45-106 *Prospectus Exemptions* (“NI 45-106”).

FAIR Canada is a national, charitable organization dedicated to putting investors first. As a voice for Canadian investors, FAIR Canada is committed to advocating for stronger investor protections in securities regulation. Visit www.faircanada.ca for more information.

FAIR Canada supports the Proposed Amendments to the Canadian Securities Exchange’s Policy 6 *Distributions*. The allegations in the recent enforcement proceeding launched and temporary order issued by staff of the British Columbia Securities Commission in the *BridgeMark Group* matter (2018 BCSCCOM 369) demonstrate the type of conduct abusive to the capital markets which can result from reliance on section 2.24 of NI 45-106, in the absence of measures such as the Proposed Amendments to CSE Policy 6 *Distributions*.

We also support the Proposed Amendments’ requirement of prior written approval from the CSE

to issue shares under section 2.24 of NI 45-106 without a hold period. The availability of this prior approval feature should facilitate capital raising pursuant to section 2.24 of NI 45-106 in appropriate circumstances.

We thank you for the opportunity to provide our comments and views in this response. We welcome its public posting and would be pleased to discuss this letter with you at your convenience. Feel free to contact Frank Allen at 647-256-6693 / frank.allen@faircanada.ca.

Sincerely,



Frank Allen
Executive Director
Canadian Foundation for Advancement of Investor Rights