

Blanket Order No. 31-505 (Amendment)

IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, CHAPTER 418, AS AMENDED

-AND-

IN THE MATTER OF THE CONTINGENCY TRUST
FUND REQUIREMENTS

ORDER
(Sections 151 and 151A)

WHEREAS:

1. On July 15, 2009, the Commission approved Rule 31-103 Registration Requirements and Exemptions (the Rule) and declared in the Rule that it shall take effect on September 28, 2009, unless the Minister disapproves the Rule or returns it to the Commission in accordance with subsection 150A(3) of the Act in which event the Rule shall not be effective until it is approved by the Minister;
2. For the purpose of this order, the effective date of the Rule (the Effective Date) shall be September 28, 2009, if the Minister does not disapprove the Rule or return it to the Commission; otherwise, the Effective Date would be the date that the Rule is approved by the Minister;
3. The Rule adopts as a rule National Instrument 31-103 Registration Requirements and Exemptions (NI 31-103);
4. Under subsection 7.1(1) of NI 31-103, the categories of registration for a person or company to be registered as a dealer are an investment dealer, a mutual fund dealer, a scholarship plan dealer, an exempt market dealer and a restricted dealer;
5. Under Section 27 of the General Securities Rules, every dealer is required to participate in a compensation fund or contingency trust fund that is approved by the Commission and established by a self-regulatory organization or a person or company approved by the Commission;
6. In Blanket Order No. 31-505 In the Matter of the Contingency Trust Fund of the Nova Scotia Securities Commission (BO 31-505), the Commission had granted an exemption from Section 27 of the General Securities Rules for certain categories of a dealer that existed prior to the Effective Date; and

7. The Commission is of the opinion that to do so is not prejudicial to the public interest.

IT IS ORDERED pursuant to Section 151 of the Act that the order in BO 31-505 is revoked and replaced with the following:

IT IS ORDERED pursuant to subsection 151A(1) of the Act that the following categories of a dealer are exempt from the requirements of subsection 27(1) of the General Securities Rules:

- a) a mutual fund dealer that is not a member of the MFDA and not a participant in the MFDA IPC;
- b) a scholarship plan dealer;
- c) an exempt market dealer, and
- d) a restricted dealer.

DATED at Halifax, Nova Scotia, this 15 day of July, 2009.

NOVA SCOTIA SECURITIES COMMISSION

“H. Leslie O’Brien”
H. Leslie O’Brien, Q.C.

“R. Daren Baxter”
R. Daren Baxter

Blanket Order No. 31-505

IN THE MATTER OF THE SECURITIES ACT,
R.S.N.S. 1989, CHAPTER 418, AS AMENDED

- AND -

IN THE MATTER OF THE CONTINGENCY TRUST FUND OF
THE NOVA SCOTIA SECURITIES COMMISSION

ORDER
(Subsection 151A(1))

WHEREAS:

1. Under subsection 27(1) of the General Securities Rules, every dealer, other than a security issuer, shall participate in a compensation fund or contingency trust fund that is approved by the Commission and established by a self-regulatory organization or a trust company;
2. An investment dealer registered under the Act complies with subsection 27(1) of the General Securities Rules by virtue of being a participant in the Canadian Investor Protection Fund ("CIPF");
3. Prior to July 1, 2005, a mutual fund dealer registered under the Act complied with subsection 27(1) of the General Securities Rules by virtue of being a participant in the Plan as defined in the Contingency Trust Fund Agreement between the Commission and Central Guaranty Trust Company (now TD Private Client Group) (the "Trustee") dated June 29, 1990, as amended (the "Agreement");
4. On May 18, 2005, the Commission approved the MFDA Investor Protection Corporation ("MFDA IPC") as a compensation fund pursuant to subsection 27(1) of the General Securities Rules. The MFDA IPC will provide protection to eligible customers of mutual fund dealers that are members of the Mutual Fund Dealers Association of Canada ("MFDA") if securities, cash and other property held by a member are unavailable as a result of the member's insolvency. The MFDA IPC commenced coverage of customer accounts on July 1, 2005. As of July 1, 2005, a mutual fund dealer registered under the Act was required to participate in the MFDA IPC rather than the Plan;
5. Pursuant to section 10.02 of the Agreement, the Commission has declared to the Trustee that the Plan shall terminate on December 30, 2005. Subsequent to the termination of the Plan, investment dealers will continue to be

participants in the CIPF and mutual fund dealers that are members of the MFDA will be participants in the MFDA IPC;

6. Defined terms contained in Rule 14-501 Definitions have the same meaning in this order unless they are defined in this order;
7. Pursuant to subsection 151A(1) of the Act, where, in the opinion of the Commission it is not prejudicial to the public interest, the Commission may on its own motion by order, exempt any category of persons or companies from any or all of the provisions of the Act or the regulations, which includes the General Securities Rules; and
8. The Commission is of the opinion that to do so is not prejudicial to the public interest.

IT IS ORDERED pursuant to subsection 151A(1) of the Act that the following categories of a dealer as described in section 13 of the General Securities Rules are exempt from the requirements of subsection 27(1) of the General Securities Rules:

- a) a mutual fund dealer that is not a member of the MFDA and not a participant in the MFDA IPC;
- b) a scholarship plan dealer;
- c) a real estate securities dealer; and
- d) a securities dealer.

DATED at Halifax, Nova Scotia, this 4th day of January, 2006, effective the 30th day of December, 2005.

NOVA SCOTIA SECURITIES COMMISSION

“H. Leslie O’Brien”
H. Leslie O’Brien

“R. Daren Baxter”
R. Daren Baxter