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Contact:

For distribution to relevant parties within your firm

Gregory M. Clarke
Senior Vice-President, Member Regulation
(416) 865-3038

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By-laws and Regulations

Notice of Exemption Granted Pursuant to By-law 17.18

On September 23, 1998, the Board of Directors granted an exemption from the requirements of By-law 5.6 to Robert Cross, a Director and shareholder of Yorkton Securities Inc. Under the terms of the Ontario Securities Commission Order recognizing the Investment Dealers Association of Canada as a self-regulatory organization, the Association is required to publish this notice informing Members of this exemption which was granted pursuant to the Board's general exempting power in By-law 17.18.

By-law 5.6 prohibits an industry investor from owning securities issued by a Member or holding company of a Member other than the Member in respect of which the investor is approved, unless those securities are of a class in which there is public ownership pursuant to a distribution in accordance with By-law 5.9 (a), (b) or (d). The intention of the by-law is to limit conflicts of interest which may occur when an individual exercises influence over two competing investment dealers.

This exemption was granted in connection with a private placement of special warrants of Versus Technologies Inc. done on a bought deal basis by Yorkton Securities Inc. In the transaction, Mr. Cross acquired an interest of less than 1% in Versus. The Board of Directors concluded that such an interest does not result in Mr. Cross having influence over Versus and thus that the exemption granted is not contrary to the interest of the public or the Members.

Lyn M. Gilchrist
Association Secretary