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**BULLETIN # 2582**  
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## **By-Laws and Regulations**

### **Amendment to By-law 5.4**

The Board of Directors of the Association has approved the attached housekeeping amendments to By-law 5.4, to be **effective July 1, 1999**.

The rule change seeks to make clear to Members the timing and procedure for seeking approval of a special warrant transaction that will have the effect of creating a significant ownership interest in a Member or holding company of a Member. Approval by the applicable District Council is required at the time the special warrants are initially issued rather than at their conversion.

Copies of the housekeeping amendment are attached.

Lyn M. Gilchrist  
*Association Secretary*

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**INVESTMENT DEALERS ASSOCIATION OF CANADA  
BY-LAW AMENDMENT**

By-law 5.4 is repealed and replaced as follows:

- "(1) Members shall seek District Council approval of any transaction that:
- (a) permits an investor, alone or together with its associates and affiliates, to own a significant equity interest in the Member; or
  - (b) permits an investor, alone or together with its associates and affiliates, to own special warrants or any other securities that are convertible, at any time in the future, to a significant equity interest in the Member.
- (2) For the purposes of this By-law 5.4, a significant equity interest means the holding of
- (a) voting securities carrying 10 per cent or more of the votes carried by all voting securities of the Member or of a holding company of a Member;
  - (b) 10 per cent or more of the outstanding participating securities of the Member or of a holding company of a Member; or
  - (c) an interest of 10 per cent or more of the total equity in the Member."

(3) Notwithstanding paragraph (1), the legal representatives of a deceased person who had been approved by the applicable District Council as the owner of a significant equity interest may continue as such registered holder or to hold such interest for such period as the applicable District Council may permit."