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For distribution to relevant parties within your firm

BULLETIN #3068

November 4, 2002

By-laws and Regulations Amendments to By-law No. 7, Partners, Directors and Officers

The Board of Directors of the Association has approved an amendment to By-law No. 7, Partners, Directors and Officers.

By-law No. 7 sets out the general criteria for the composition of the board of directors or the partners, as the case may be of a Member. By-law No. 7.1A states that “no person shall be a partner, director or officer in respect of a Member unless such person has been granted approval by the applicable District Council. A Member must have at least two officers qualified in accordance with By-law No. 7.1 who are engaged full-time in the business of the Member.”

Diversification of the types of Members and changes in business structures have made By-law No. 7.1A a burden to some Members and prospective Members. Smaller introducing Members may have insufficient business to support two full-time officers.

The amendment removes the requirement to have two full-time officers at a Member. While Members will still be required to have two qualified officers, only one of the qualified officers is required to be full-time.

Please note that under the Quebec Securities Act, if a Member operates in Quebec, the Member must receive an exemption from the CVMQ to operate in this manner.

Kenneth A. Nason

Association Secretary

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INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENT TO BY-LAW NO 7, PARTNERS, DIRECTORS AND OFFICERS

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law No. 7.1A is repealed and replaced as follows:

"No person shall be a partner, director or officer in respect of a Member unless such person has been granted approval as a partner, director or officer, respectively, for such Member by the applicable District Council. A Member must have 1 full-time and 1 part-time officer qualified in accordance with By-law 7.1 who are engaged in the business of the Member."

PASSED AND ENACTED BY THE Board of Directors this 16th day of January 2002, to be effective on a date to be determined by Association staff.