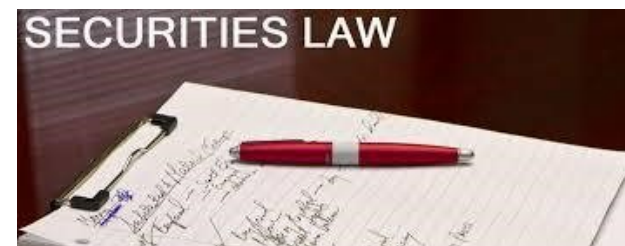


# FARRIS, VAUGHAN, WILLS & MURPHY LLP Mitchell Gropper Q.C.

**MORTGAGES AND SECURITIES LAWS  
NOVEMBER 20, 2018**

**A Short Course in  
Basic Securities Regulation**



# Mortgages and Securities Laws

- A Short Course in Basic Securities Regulation



# Mortgages and Securities Laws (cont'd)

- What is a Security?



# Mortgages and Securities Laws (cont'd)

- Is a Mortgage a Security?



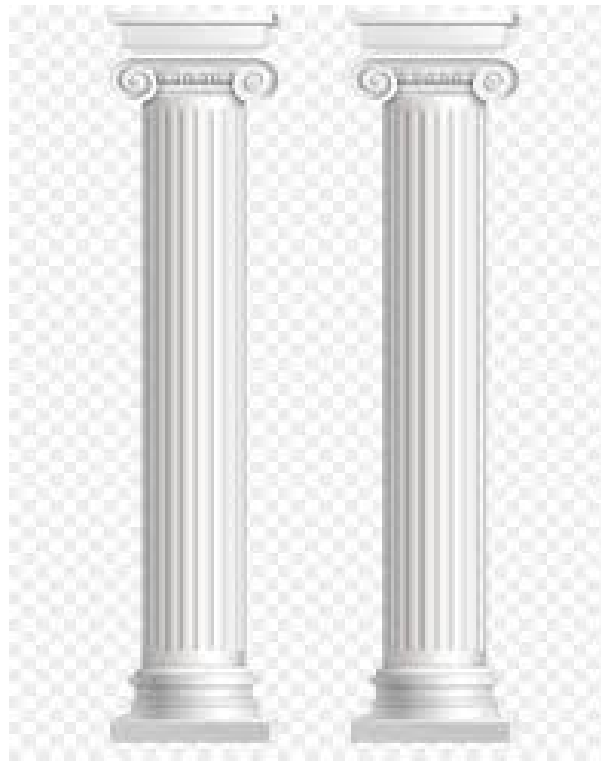
# Mortgages and Securities Laws (cont'd)



# Mortgages and Securities Laws (cont'd)

- Two Pillars of Securities Regulation

What is sold   Who sells it



# Mortgages and Securities Laws (cont'd)

- What is a trade or distribution of a security



# Mortgages and Securities Laws (cont'd)

- Who regulates trading in securities

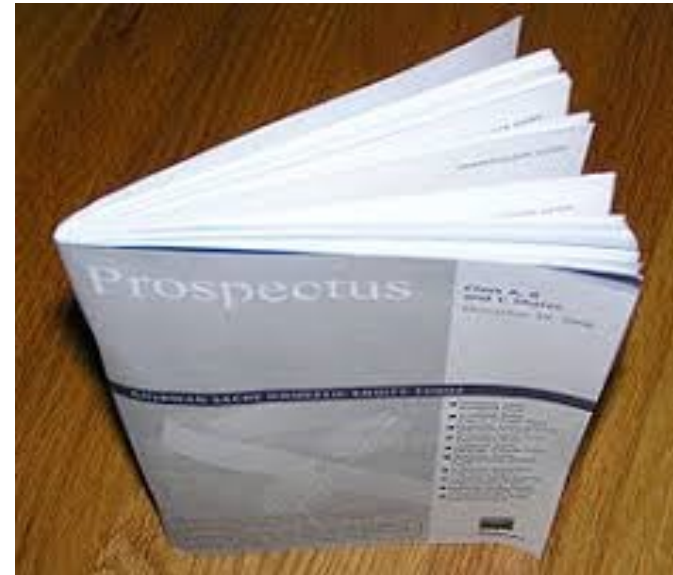
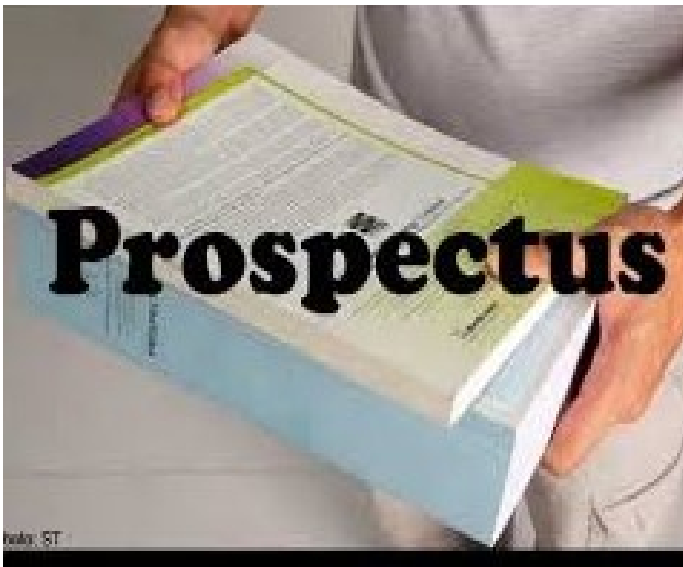


BRITISH COLUMBIA  
SECURITIES COMMISSION



# Mortgages and Securities Laws (cont'd)

- What is sold
  - A Prospectus is required



# Mortgages and Securities Laws (cont'd)

- Who Sells the Security



- Called the Prospectus and Registration Requirements

# Mortgages and Securities Laws (cont'd)

- Exemptions



# Mortgages and Securities Laws (cont'd)

- From the Prospectus Requirement
  - Type of Security
    - Primarily government or bank debt
- Type of Purchaser
  - Accredited Investor
  - \$150,000
  - Friends Family and Close Business Associates
  - Private Issuer
  - Offering Memorandum
- Reporting and payment of fees



# Mortgages and Securities Laws (cont'd)

- The Offering Memorandum Exemption





# Mortgages and Securities Laws (cont'd)

- Types of Registrants
  - Dealers
  - Exempt Market Dealers (EMD)
  
- Compliance Requirements
  - Know your client or KYC
  - Investor Suitability



# Mortgages and Securities Laws (cont'd)

- Registration as an EMD



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# Mortgages and Securities Laws (cont'd)

## Existing Exemptions

The Northwestern Exemption

The MEI Exemption



August 15, 2018

# Mortgages and Securities Laws (cont'd)

Transitional Relief - February 15, 2019



# Mortgages and Securities Laws (cont'd)

Captive EMDs and Conflicts of Interest



"Under disclosure rules, I'm required to tell you I own stock in the company whose drug I'm prescribing."

# Mortgages and Securities Laws (cont'd)

- The Road Ahead

