



Securities Transfer Association of Canada

William Speirs
President

May 22, 2008

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité de marchés financières
New Brunswick Securities Commission
Nova Scotia Securities Commission
c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

Dear Sir or Madam:

SUBJECT: REQUEST FOR COMMENT, PROPOSED NATIONAL POLICY 12-203 - CEASE TRADE ORDERS FOR CONTINUOUS DISCLOSURE DEFAULTS

Thank you for the opportunity to provide our comments on this proposed National Policy. I am submitting this on behalf of the Securities Transfer Association of Canada (STAC), the industry association representing eight of Canada's transfer agents. Our members act as transfer agent for the vast majority of Canadian corporations and, to our knowledge, every Canadian corporation listed on the TSX, TSX-V and CNQ exchanges.

Our comment focuses on the following section extracted from the request for comment document:

3.2 Why do we issue cease trade orders in response to a specified default?

We acknowledge that a CTO can impose a burden on issuers and investors because:

- existing investors are unable to sell their securities, and prospective investors are unable to purchase securities of the issuer, while the CTO remains in effect

In particular we would like the Commissions to consider implementing a system to allow investors who had purchased securities prior to the imposition of the Cease Trade Order ("CTO")

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to register securities during the period the cease trade is in effect. At this time these transactions are rejected by the transfer agents to ensure there is no possibility of their contravening the CTO.

This situation comes up often when requests for transfer come in via the mail from locations outside the city in which the issuer's transfer agent is located. In these situations the seller has obtained payment and remains the "registered" holder while the purchaser is not able to register the securities in their name until the CTO is lifted. The other consideration is for investors to register securities prior to the record or effective date for an upcoming corporate event, assuming the CTO would not prevent the event or transaction from taking place. For example, a purchaser who is not able to register the securities may be left with having to claim their entitlement from the seller on an event such as a stock split.

Some time ago securities legislation provided the mechanism whereby a transfer could be presented with an affidavit from the transferee/broker/beneficial owner; provided it was complete and properly executed, it would allow the transfer agent to process the transfer during the CTO. These historical forms still exist and we attach them to this comment letter for your information.

We would be pleased to discuss this further if it was thought to be a matter that should be provided for with in this regulation or if appropriate separately. Thank you for your attention to this matter.

Yours truly,



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BRITISH COLUMBIA

FORM A

Instructions: This form of Affidavit is to be used in cases of gifts inter vivos of securities already issued and registered where the applicant seeks a registration of the transfer of ownership.

IN THE MATTER OF THE SECURITIES ACT

-and-

IN THE MATTER OF _____

AFFIDAVIT OF _____

I, _____ of _____
(state full name) (state full address)

make oath and say as follows that:

1. I was the owner of _____
(state full description of security)

(including certificate(s), number(s) and registration(s))

2. Said security was given by me on the _____ day of _____, 20____, to _____

(state full name and address of transferee)

upon which time the gift became absolute and such gift was not made upon the existence or expectation of any term, condition, restriction or warranty or upon the existence or expectation of any consideration, value or services the benefit of which did or were to accrue to myself or any other person or company other than the transferee.

3. I had full title to said security at the time of the gift and no other person or company was beneficially entitled thereto or had a beneficial interest therein immediately prior to such time.

4. I have such knowledge of the matters herein deposed to and no material facts having any bearing on the foregoing have been omitted or misrepresented.

SWORN BEFORE ME at the _____)
 _____)
 of _____) _____
 _____)
 in the _____ of _____)
 _____)
 A Commissioner, etc.)

NOTE: Upon receipt of an appropriate Affidavit a transfer and registration may be made in respect of a trade for value or a gift which took place prior to the effective date of the ceased trading order currently in force. Copy of such Affidavit is to be sent to the Commission within five days of its receipt by the transfer agent. No Affidavit need be delivered to a transfer agent in the case of transmissions as from a deceased to an administrator, executor, next-of-kin or beneficiary, or in the case of a change of name of the registered holder by operation of law or in the case of splits and consolidations of certificates and replacement of lost, destroyed or stolen certificates where there is no change of ownership.

BRITISH COLUMBIA

FORM B

Instructions: This form of Affidavit is to be used to effect a change in the ownership of record of securities already issued and registered, after a sale or transfer for value.

IN THE MATTER OF THE SECURITIES ACT

-and-

IN THE MATTER OF _____

AFFIDAVIT OF _____

I, _____ of _____
(state full name) (state full address)

make oath and say as follows that:

1. The deponent is the owner of/the agent of the owner of, the following security: _____

(state full description of security including certificate(s), number(s), and registration(s))

2. Said security was purchased, acquired or transferred for valuable consideration on the _____ day of _____, 20__ which date was prior to the date that a cease trading order was issued against the security under Section 77A of the Act.

3. This declaration is made for the purpose of having the within described security, transferred into the name of:

(state full name and address of transferee)

4. I have such knowledge of the matters herein deposed to and no material facts having any bearing on the foregoing have been omitted or misrepresented.

SWORN BEFORE ME at the _____)
)
 of _____) _____
)
 in the _____ of _____)
)
 A Commissioner, etc.)

Where the applicant is a body corporate, indicate the office and authority of the person making and signing the Affidavit.

NOTE: Upon receipt of an appropriate Affidavit a transfer and registration may be made in respect to a trade for value or a gift which took place prior to the effective date of the cease trading order currently in force. Copy of such Affidavit is to be sent to the Commission within five days of its receipt by the transfer agent. No Affidavit need be delivered to a transfer agent in the case of transmissions as from a deceased to an administrator, executor, next-of-kin or beneficiary, or in the case of a change of name of the registered holder by operation of law or in the case of splits and consolidations of certificates and replacement of lost, destroyed or stolen certificates where there is no change of ownership.

BRITISH COLUMBIA

FORM C

Instructions: This form of Affidavit is to be used in cases of initial registration of securities or re-issued securities.

IN THE MATTER OF THE SECURITIES ACT

-and-

IN THE MATTER OF _____

(see instructions #1)

AFFIDAVIT OF _____

(see instructions #2)

I, _____ of the _____
of _____ in the _____
of _____ make oath and say as follows that:

(see instructions #3)

1. The applicant was the transferor of _____

of _____
(see instructions #4)

2. Said securities were sold or disposed of for valuable consideration by the applicant on
the _____ day of _____, 20____, to _____

(see instructions #5)

upon which time the transfer or ownership in said securities became absolute and such sale or disposition was not made upon the existence of expectation of any term, condition, restriction or warranty whatsoever.

OR

Said securities were sold or disposed of for valuable consideration by the applicant on the _____ day of _____, 20____, to _____

(see instructions #6)

as trustee or agent for _____

(see instructions #7)

upon which time transfer of ownership in said securities became absolute and such sale or disposition was not made upon the existence or expectation of any term, condition, restriction or warranty whatsoever.

3. Immediately prior to the time of the sale or disposition for valuable consideration, the applicant had full title and power in and over the securities so sold or disposed of, and no applicable restriction, interest or lien was outstanding or exercisable with respect to their issue.

4. The sale of disposition for valuable consideration was made pursuant to or in connection with _____

(see instructions #8)

5. I have such knowledge of the matters herein deposed to and not material facts having any bearing on the foregoing have been omitted or misrepresented.

SWORN BEFORE ME at the _____)
 _____)
 of _____) _____
 _____)
 in the _____ of _____)
 _____)
 A Commissioner, etc.)

NOTE: Upon receipt of an appropriate Affidavit a transfer and registration may be made in respect to a trade for value or a gift which took place prior to the effective date of the cease trading order currently in force. Copy of such Affidavit is to be sent to the Commission within five days of its receipt by the transfer agent. No Affidavit need be delivered to a transfer agent in the case of transmissions as from a deceased to an administrator, executor, next-of-kin or beneficiary, or in the case of a change of name of the registered holder by operation of law or in the case of splits and consolidations of certificates and replacement of lost, destroyed or stolen certificates where there is no change of ownership.

INSTRUCTIONS**ALL PARAGRAPHS ON THIS FORM MUST BE ANSWERED**

1. Indicate the full name of the person or company who issued the securities sold.
2. Indicate the name of the individual making and signing the Affidavit.
3. Where the applicant is a body corporate, indicate the office and authority of the person making and signing the Affidavit.
4. In the first blank space, state the overall quantity or value of ALL the securities sold and give a brief description of their nature, rights and preferences.

In the second blank space, indicate the full name of the person or company who issued the securities sold.

5. Where the sale or disposition for valuable consideration was made directly to a person or company, give the name and address of such person or company and indicate the specific quantity or value of the securities sold or disposed of to such person or company.
6. Where the sale or disposition for valuable consideration was made indirectly through a person or company acting as trustee or agent, give the name and address of such person or company and indicate the specific quantity or value of the securities sold or disposed of to such person or company.
7. Where the sale or disposition for valuable consideration was made for the benefit of individual beneficiaries or a b class thereof, give the name of such beneficiaries or a brief description of the class.

Where the sale of disposition for valuable consideration was made on behalf of a principal, give the name and address of such person or company.

8. State the nature and particulars of the transaction or rights in connection with or pursuant to the exercise of which the securities were issued.

BRITISH COLUMBIA

FORM D

Instructions: This form of Affidavit is to be used to effect a change in the ownership of record of securities already issued and registered, where no change of beneficial ownership is contemplated.

IN THE MATTER OF THE SECURITIES ACT

-and-

IN THE MATTER OF _____

(page 4, instructions #1)

AFFIDAVIT OF _____

(page 4, instructions #1)

I, _____ of the _____
of _____ in the _____
of _____ make oath and say as follows that:

(page 4, instructions #3)

1. The applicant is the registered holder of _____

(page 4, instructions #4)

of _____

(page 4, instructions #5)

as bailee or trustee for

(page 4, instructions #6)

2. The applicant became entitled to possession of such securities on the _____ day of _____, 20__ pursuant to or in connection with _____

(page 4, instructions #7)

3. The applicant believes that a change in the ownership of record of said securities I now warranted for the following reasons or change of circumstances: _____

4. The applicant has no personal or beneficial interest in said securities.

5. I have such knowledge of the matters herein deposed to and no material fact having any bearing on the foregoing have been omitted or misrepresented.

SWORN BEFORE ME at the _____)
)
of _____) _____
)
in the _____ of _____)
)
A Commissioner, etc.)

NOTE: Upon receipt of an appropriate Affidavit a transfer and registration may be made in respect to a trade for value or a gift which took place prior to the effective date of the cease trading order currently in force. Copy of such Affidavit is to be sent to the Commission within five days of its receipt by the transfer agent. No Affidavit need be delivered to a transfer agent in the case of transmissions as from a deceased to an administrator, executor, next-of-kin or beneficiary, or in the case of a change of name of the registered holder by operation of law or in the case of splits and consolidations of certificates and replacement of lost, destroyed or stolen certificates where there is no change of ownership.

INSTRUCTIONS**ALL PARAGRAPHS ON THIS FORM MUST BE ANSWERED**

1. Indicate the full name of the company that issued the registered securities.
2. Indicate the name of the individual making and signing the Affidavit.
3. Where the applicant is a body corporate, indicate the office and authority of the person making and signing the Affidavit.
4. State the overall quantity or value of ALL the securities registered in the name of the applicant and give a brief description of their nature, rights and preferences.
5. Indicate the full name of the security.
6. Where the current registration was made for the benefit of individual beneficiaries or a class thereof, give the name of such beneficiaries or a brief description of the class and the specific quantity or value of such securities as each or some of such beneficiaries are now entitled to under distribution.

Where the current registration was made on behalf of principals, give the name and address of such principals and the specific quantity or value of such securities as are held for each such principal who is not entitled to have said securities registered under his name.

7. State the nature particulars of the transaction, rights or authority in connection with or pursuant to the exercise or satisfaction of which the securities were originally transferred to and registered under the name of the applicant.