

ALBERTA SECURITIES COMMISSION

EXEMPTION ORDER EXCHANGE RECOGNITION

Citation: Alpha Exchange Inc., Re, 2012 ABASC 534

Date: 20121219

ALPHA EXCHANGE INC. and ALPHA TRADING SYSTEMS LIMITED PARTNERSHIP

Background

1. Alpha Exchange Inc. and Alpha Trading Systems Limited Partnership (together, **Alpha**) are recognized as exchanges by the Ontario Securities Commission (**OSC**).
2. Under the *Memorandum of Understanding respecting the Oversight of Exchanges and Quotation and Trade Reporting Systems* among the Commission and other Canadian securities regulatory authorities (the **MOU**), the OSC is the designated lead regulator for Alpha.
3. Alpha is exempt from the requirement to be recognized as an exchange (the **Recognition Requirement**) in all other provinces and territories of Canada.
4. The exemption from the Recognition Requirement in Alberta, under Alberta Securities Commission (the **Commission**) order cited as *Re Alpha Exchange Inc.*, 2012 ABASC 121, as varied by *Re Alpha Exchange Inc.*, 2012 ABASC 357 (together, the **Current Exemption Order**):
 - (a) was granted on the basis of representations that, among other things, Alpha will operate listing markets including one focused on venture-equivalent issuers; and
 - (b) will terminate upon the earliest of several specified occurrences, including 31 December 2012 if Alpha has not, by that date, applied to the Commission for recognition as an exchange or exchanges.
5. Alpha has informed Commission staff that Alpha will not operate listing markets, including one focused on venture-equivalent issuers, thereby removing the primary component of Alpha's exchange operations warranting direct regulatory oversight by the Commission through the Recognition Requirement.

Interpretation

6. Terms defined in National Instrument 14-101 *Definitions* or National Instrument 21-101 *Marketplace Operations* have the same meaning if used in this decision unless otherwise defined herein.

Representations

7. Alpha represents that:
- (a) it will not operate any listing market;
 - (b) its head offices are in Toronto, Ontario and there are no Alpha offices in any other jurisdiction;
 - (c) it will be subject to the regulatory oversight of the OSC, as lead regulator, as contemplated by the MOU (as from time to time amended or superseded);
 - (d) it will comply with the terms and conditions of its recognition by the OSC as exchanges; and
 - (e) it is not in default of securities legislation in any jurisdiction of Canada.

Decision

8. The Commission, considering that it would not be prejudicial to the public interest, orders under sections 213 and 214 of the *Securities Act* (Alberta) (the **Act**) that:
- (a) Alpha is exempt from the requirement under section 62 of the Act that it be recognized as an exchange or exchanges provided that, and for so long as:
 - (i) the representations in paragraphs 7(a), (c) and (d) above remain true;
 - (ii) the Commission remains a party to the MOU (as from time to time amended or superseded);
 - (iii) Alpha concurrently files with or delivers to the Commission copies of all documents it files with or delivers (respectively) to the OSC; and
 - (iv) Alpha furnishes to the Commission, promptly on request, any other information relating to Alpha or its marketplace operations, including information in its possession relating to its participating organizations, products, trading information and disciplinary decisions;
 - (b) the Commission will notify Alpha 30 days in advance of any intended revocation of this exemption order grounded on non-satisfaction of a proviso of paragraph (a) above; and
 - (c) the Current Exemption Order is revoked.

19 December, 2012

For the Commission:

“original signed by”

Glenda Campbell, QC
Vice-Chair

“original signed by”

Stephen Murison
Vice-Chair