

**REGULATION TO AMEND THE SECURITIES REGULATION\***

Securities Act  
(R.S.Q. c. V-1.1, s. 331.1, pars. (32.1) and (34); 2007, c. 15)

**1.** The Securities Regulation is amended by adding the following after section 252.1:

**“TITLE V.1**

“Civil actions for secondary market

**“252.2.** For the purposes of Division II of Chapter II of Title VIII of the Act:

“market capitalization” means the sum of the following amounts determined for each class of equity securities:

(1) for securities for which there is a published market, the amount determined by adding the number of outstanding securities of the class at the close of trading on each of the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred, by dividing the sum determined by 10, and by multiplying the quotient obtained by the trading price of the securities of the class on the principal market for the securities for the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

(2) for securities not traded on a published market, the amount determined by adding the fair market value of the outstanding securities of that class as of the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

“trading price” means, in respect of a security of a class of securities for which there is a published market, the following market prices:

(1) for securities on which there were no trades during the period for which the trading price is to be determined, the trading price is the fair market value of the security;

(2) for securities on which there was trading on fewer than half of the trading days during the period for which the trading price is to be determined, the trading price is determined by calculating the sum of the average of the highest bid and lowest ask prices for each trading day in the period on which there were no trades in the securities, by dividing the sum determined by the number of trading days on which there were no trades, by adding to the quotient obtained the volume weighted average price of securities of that class on the published market for those trading days on which securities of that class were traded, and by dividing by two the amount determined;

(3) for all other securities, the trading price is the volume weighted average price of securities of that class on the published market during the period for which the trading price is to be determined;

“trading day” means a day during which the principal market for a security is open;

“principal market” means, in respect of a class of securities, the published market in Canada or, failing which, the foreign published market on which the greatest volume of trading in securities of that class occurred during the 10 trading days before the day on which the misrepresentation was made or the failure to make timely disclosure first occurred;

\* The Securities Regulation, enacted by Order-in-Council 660-83 dated March 30, 1983 (1983, G.O. 2, 1269), was last amended by the regulations approved by Order-in-Council 1183-2005 dated December 7, 2005 (2005, G.O. 2, 5159) and by Ministerial Order no. 2005-22 dated August 17, 2005 (2005, G.O. 2, 1496). For previous amendments, refer to the Tableau des modifications et Index sommaire, Éditeur officiel du Québec, 2007, updated to September 1, 2007.

“equity security” means a security of an issuer that carries the residual right to participate in the earnings of the issuer and, on liquidation or winding-up of the issuer, in its assets.

**“252.3.** Division II of Chapter II of Title VIII of the Act applies to any person who subscribes to or acquires a security pursuant to the prospectus exemption set out in section 2.8 of Regulation 45-102 respecting Resale of Securities approved by Ministerial Order no. 2005-21 dated August 12, 2005.

The Division applies also to any person who acquires or disposes of a security in connection with or pursuant to a take-over bid made under an exemption set out in any of sections 119 to 121 and 126 of the Act. It also applies to any person who acquires or disposes of a security in connection with or pursuant to an issuer bid made under an exemption set out in any of sections 119 to 121 of the Act, applicable to such bid pursuant to section 147.20 of the Act, or set out in paragraph (2) of section 147.21 of the Act.”

**2.** This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.