



## **We Help Canadians Gain S.E.C. Foreign Private Issuer Exemptions**

Foreign private issuers with total assets in excess of US\$10,000,000 and a class of equity securities held of record by 500 or more persons, of which 300 or more reside in the U.S., are subject to registration under Section 12(g) of the Securities Exchange Act of 1934.

Unless it gains exemptions from the SEC, a foreign private issuer must make regulatory filings with the Securities & Exchange Commission as if it were a fully-reporting U.S. public company, which can be very costly.

### **Foreign Private Issuers**

S.E.C. Rule 3b-4 defines a “foreign private issuer” as a corporation or other organization incorporated or organized under the laws of any foreign country unless it meets the following conditions:

- more than 50% of its voting securities are directly or indirectly held of record by residents of the United States
- Any one of the following applies: (a) the majority of the executive officers or directors are U.S. citizens or residents, (b) more than 50% of the assets of the issuer are located in the U.S. and (c) the business of the issuer is administered principally in the U.S.

### **How We Help Our Canadian Clients Satisfy S.E.C. Exemption Requirements**

Allen Nelson & Co. conducts basic, geographic, round lot, share range, and other shareholder surveys designed to provide essential information that assists our clients in gaining exemptions from registration under regulation 12(g) of the Securities Exchange Act of 1934; from having to file annual reports on Form 20-F or Form 40-F; and from having to make reports on Form 6-K. The following is a brief description of various surveys we conduct:

- A basic survey requires us to contact the brokerage firms and banks shown on depository listings to find out how many investors are holding our client's shares
- For a geographic survey, we contact the brokerage firms and banks shown on the depository listings to detect the state, province or country where the shareholders reside and then learn the exact number of shares held in each state, province or country.
- A round lot or share range survey requires that we contact all the individual brokerage firms and banks shown on the depository listings to find out how many shareholders own shares above a certain requisite threshold.

### **Our Canadian Expertise**

Dozens of Canadian public companies retain Allen Nelson & Co. each year to secure shareholder approval of stock options, rights plans, mergers, acquisitions, and other management proposals to be voted upon at their annual general and extraordinary meetings of shareholders. We are proud of our ability to achieve a successful outcome on these challenging assignments.

To learn more about Allen Nelson & Co.'s shareholder surveys and other WorldProxy® services, please visit our website at [www.worldproxy.com](http://www.worldproxy.com) or call us to discuss how we can be of assistance to your company. We look forward to working with you.

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