

2003 BCSECCOM 433

COR#03/100

Decision

**Pretium Industries Inc. (formerly VisuaLABS Inc.), Quest Ventures Ltd.,
Brian A. Bayley and A. Murray Sinclair**

Section 171 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 In a letter dated April 25, 2003, Pretium Industries Inc. (formerly VisuaLABS Inc.), Quest Ventures Ltd., Brian A. Bayley and A. Murray Sinclair apply to the Commission under section 171 of the *Securities Act*, RSBC 1996, c. 418. They seek an order revoking in part our decision dated February 27, 2002, respecting Pretium: *Re Mercury Partners & Company Inc. and Canadian Venture Exchange Inc., VisuaLABS Inc., and Quest Ventures Ltd.*, 2002 BCSECCOM 173.
- ¶ 2 In our decision, we reversed a decision of the Canadian Venture Exchange (now the TSX Venture Exchange) and ordered Pretium to hold a meeting of its shareholders on or before May 30, 2002, during which the shareholders would vote whether to ratify or approve certain transactions involving the company. In addition, we made the following observations and orders:

[para 104]

We have concluded that the Exchange should have required VisuaLABS to obtain shareholder approval of the private placement to Quest, the changes in VisuaLABS' board and the proposed change in VisuaLABS' business. Consequently, we have ordered VisuaLABS to put these matters before its shareholders at the meeting. In our view, it is imperative that the status quo be maintained to the greatest extent possible until the meeting is held. For example, we expect that, until the meeting, VisuaLABS will carry out only those activities and incur only those expenses that arise in the ordinary course of business. Further, we consider it to be in the public interest to order:

1. under section 161(1)(c) of the Act that the exemptions described in sections 44 to 47, 74, 75, 98 or 99 do not apply to VisuaLABS until the meeting has been held; and
2. under section 161(1)(c) of the Act that the exemptions described in sections 44 to 47, 74, 75, 98 or 99 do not apply to Quest in respect of the 4,000,000 VisuaLABS shares issued to Quest on November 28, 2001, until the meeting has been held.

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- ¶ 3 Pretium held the meeting on May 23, 2002. Consequently, the paragraph 104 orders are no longer in force. However, the fact that they were issued must be disclosed by the applicants, and by certain other people, in personal information forms filed with the Commission and the TSX Venture Exchange. These forms must be filed by specified persons who are involved in the affairs of a reporting issuer, such as the issuer's directors and officers.
- ¶ 4 The applicants now ask that we revoke *ab initio* the paragraph 104 orders, so that the applicants no longer have to disclose those orders in their personal information forms. We have considered the submissions of the applicants in their letter of April 25, 2003, and the submissions of Commission staff, as set out in a letter of May 30, 2003.
- ¶ 5 We made the paragraph 104 orders after a hearing in which we considered evidence of the applicants' involvement in a series of transactions that we concluded resulted in a Change of Control, a Change of Business, a Change of Management and a Reverse Take-Over, as defined in the Exchange's policies at that time. Consequently, we ordered Pretium to put those transactions to its shareholders for ratification or approval at a shareholders meeting. Further, we were sufficiently concerned about maintaining the status quo that we concluded it was in the public interest to prohibit Pretium and Quest from using the exemptions in the Act. This is relevant information in regard to the applicants' involvement in the securities industry. Therefore, we deny their application to revoke the paragraph 104 orders.
- ¶ 6 In their letter, the applicants also seek an alternative form of relief. Our decision of February 27, 2002, also provided that "if any issue arises in connection with our order, any of the parties may apply to the Commission for further direction." The applicants request that we direct that they are no longer required to disclose the paragraph 104 orders in their personal information forms. We deny this request as well, for the reasons set out in the preceding paragraph.
- ¶ 7 June 26, 2003

Adrienne Salvail-Lopez
Vice Chair

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Joan L. Brockman
Commissioner

Roy Wares
Commissioner