

# 2006 BCSECCOM 616

## **IDEXX Laboratories Canada Corporation, Associate Veterinary Clinics (1981) Ltd. and Central Laboratory for Veterinarians Ltd.**

**Section 114(2) and 161(1) of the *Securities Act*, RSBC 1996, c. 418**

### **Hearing**

<b>Panel</b>	Douglas M. Hyndman	Chair
	Robin E. Ford	Commissioner
	David J. Smith	Commissioner

**Date of application**      October 26, 2006

**Date of first decision**      October 27, 2006

**Date of second decision**      October 30, 2006

### **Appearing**

Susan A. Griffin Gary Sollis Sean K. Boyle	For IDEXX Laboratories Canada Corporation
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Robert W. Cooper Miranda Lam	For Associate Veterinary Clinics (1981) Ltd.
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Warren B. Learmonth Jennifer Wilson	For Central Laboratory for Veterinarians Ltd.
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James A. Angus Denise Duifhuis Pamela Egger	For the Executive Director
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### **Decision**

- ¶ 1 On October 27, we issued our findings on an application by IDEXX Laboratories Canada Corporation for regulatory orders related to a bid by Associate Veterinary Clinics (1981) Ltd. (AVC) for the shares of Central Laboratory for Veterinarians Ltd. (CLV), together with temporary orders and a proposed final order on which we sought submissions. On October 30, we received some additional evidence and

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heard submissions on whether the right AVC is offering to shareholders to purchase shares in CLV after AVC acquires it is a security, and on our proposed order.

- ¶ 2 After reviewing the letter agreement between AVC and Dr. Sally Lester, and considering the submissions of the parties, we find that the right offered by AVC as part of the consideration for the bid is an “interest in or to a security” and is therefore a security.
- ¶ 3 We have also concluded that, in the unique circumstances of this case, it is not necessary for AVC to provide full “prospectus-level” disclosure about the right, as long as it provides sufficient disclosure for shareholders to assess its value in deciding whether to tender to the bid.
- ¶ 4 Based on our findings and conclusions, and considering it in the public interest to do so, we order that:
1. under section 161(1)(a) of the Act, AVC comply with or cease contravening Part 13 of the Act and, among other things,
    - provide notice of the variation to waive the condition that 90% of the CLV shares must be tendered and the resulting extension of the bid,
    - provide disclosure that the shareholders’ rights of withdrawal continue as a result of the extension,
    - provide disclosure about the discount it is offering to shareholders of CLV who tender their shares, and
    - provide the disclosure required by item 19 of BC Form 62-902F about the right AVC is offering to shareholders to purchase shares in CLV after AVC acquires it;
  2. under section 161(1)(b), that AVC cease trading in or purchasing the securities of CLV that it purported to take up on October 25, 2006, except that it may
    - take up and pay for the shares in accordance with the Act and this decision,
    - return the shares to shareholders who withdraw them, or
    - return the shares to shareholders in accordance with the terms of the offer;
  3. under section 114(2)(c), that AVC is exempt from the requirement in section 105(j) to pay for shares that it purportedly took up on October 25 if
    - it takes up and pays for the shares in accordance with the Act,
    - it returns the shares to shareholders who exercise their right to withdraw them, or

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- it returns the shares to shareholders in accordance with the terms of the offer;
- 4. under section 114(2)(c), that AVC is exempt from the requirement in item 15 of BC Form 62-902F to include the information prescribed by the form of prospectus for the right AVC is offering to shareholders to purchase shares in CLV, if it provides disclosure about the right in accordance with item 19 of the BC Form 62-902F.

¶ 5 October 30, 2006

¶ 6 **For the Commission**

Douglas M. Hyndman  
Chair

Robin E. Ford  
Commissioner

David J. Smith  
Commissioner