

2002 BCSECCOM 1021

Headnote

Relief from the requirements to send forms of proxy and information circulars to voting security holders, as long as the company has only four voting security holders, each of whom is represented on the board of directors.

Exemption Order

Bancorp First Mortgage Fund Inc.

Section 155 of the *Company Act*, R.S.B.C. 1996, c. 62

Background

- ¶ 1 Bancorp applied for an exemption from the requirements in sections 153 and 154 of the *Company Act*, respectively, to send forms of proxy and information circulars to security holders entitled to attend and vote at its general meetings.

Representations

- ¶ 2 Bancorp represents that:
1. it is a reporting company organized under the *Company Act* and is not a reporting issuer, or its equivalent, in any province or territory of Canada;
 2. it has distributed and is continuing to distribute non-voting securities in Alberta and British Columbia under applicable prospectus and registration exemptions;
 3. it is up to date with all its filings under the *Securities Act*, R.S.B.C. 1996, c. 418, and the *Company Act*;
 4. it has only four security holders (the voting shareholders) who are entitled to attend and vote at its general meetings;
 5. each of the voting shareholders has a nominee elected to Bancorp's board of directors;
 6. section 153 of the *Company Act* requires that management send a form of proxy to every security holder entitled to vote at general and class meetings of the company and section 154 of the *Company Act* requires an information

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circular to be sent to security holders of a company whose votes are being solicited (together, the Delivery Requirements);

7. the voting shareholders derive no benefit from the Delivery Requirements because they are represented on the board of directors and Bancorp would incur unnecessary expense in complying with the Delivery Requirements for the voting shareholders.

Order

¶ 3 Because in the circumstances of this case there is adequate justification for so doing, the Commission orders, under section 155 of the Company Act, that Bancorp is exempt from the Delivery Requirements in connection with any general meeting for so long as representations 4 and 5 subsist.

¶ 4 December 13, 2002

Brenda M. Leong
Director