

2006 BCSECCOM 147

March 15, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to cease to be a reporting issuer - the securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market - Canadian shareholders hold less than 10% of the issued and outstanding shares and will continue to receive foreign jurisdiction continuous disclosure documents

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

In the Matter of
the Securities Legislation
of British Columbia and Alberta (the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Shellcase Ltd. (the Filer)

MRRS Decision Document

Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be deemed to have ceased to be a reporting issuer (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

2006 BCSECCOM 147

Interpretation

- ¶ 2 Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. it was incorporated under the laws of Israel on December 22, 1992;
 2. its head office is located in Jerusalem, Israel;
 3. it is a reporting issuer in each of the Jurisdictions;
 4. it is not a reporting issuer in any other province or territory of Canada;
 5. it is subject to annual report filing requirements of Israel and is not in default of any requirements of the applicable legislation in Israel;
 6. its authorized capital consists of 3,000,000,000 ordinary shares with a par value of New Israeli Shekels (NIS) 0.10, and 2,400,000,000 preferred shares. The preferred shares are divided into series: 400,000,000 Series A1 preferred shares, and 2,000,000,000 Series B1 preferred shares, each with a par value of NIS 0.10;
 7. there are 15,893,320 ordinary shares, 379,115,235 Series A1 preferred shares, and 1,808,473,290 Series B1 preferred shares currently issued and outstanding;
 8. its ordinary shares were voluntarily de-listed from the TSX Venture Exchange on February 27, 2004 and are not currently traded on, or listed or quoted on, any other exchange or market;
 9. as of November 30, 2005, 1,084,769 ordinary shares, representing approximately 6.8% of its total issued ordinary shares, or less than 0.1% of its total issued and outstanding shares on a fully diluted basis, were held by Canadian registered shareholders, including intermediaries, of which one has an address in British Columbia and none have an address in Alberta;
 10. it has no other securities, including debt securities, held by residents of Canada;
 11. its management, business and assets are located in Israel;

2006 BCSECCOM 147

12. there is no market in Canada for its ordinary shares or any other of its securities;
13. it does not intend to seek public financing by way of an offering of its securities in Canada or to list its securities on any stock exchange or market in Canada; and
14. it has undertaken to continue to provide all of its shareholders resident in Canada, whether registered or unregistered, with the same continuous disclosure documents that it currently provides to its shareholders wherever they are resident, including annual audited financial statements.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted.

Martin Eady, CA
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British Columbia Securities Commission