

# 2005 BCSECCOM 102

February 1, 2005

## Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 88 - Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market - The issuer became a wholly owned subsidiary of another company; the issuer has debt securities outstanding that are held by more than 50 holders; there is a *de minimis* number of Canadian holders of the debt securities holding a *de minimis* amount of the outstanding debt; there is no market for the debt securities; the issuer is required under the terms of the debt instrument to provide certain continuous disclosure to the holders of the debt securities as long as the securities are outstanding, but is not required to remain a reporting issuer in Canada; the issuer does not intend to do a public offering of its securities to Canadian residents; the issuer will not be a reporting issuer in any Canadian jurisdiction

## 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, Alberta, Saskatchewan, Ontario, Québec, New Brunswick  
and Nova Scotia (the Jurisdictions)

and

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

and

In the Matter of Riverside Forest Products Limited (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 is deemed to have ceased to be a reporting issuer under the Legislation.

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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.

### **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.

In this decision,

“Noteholders” means the holders of the Notes;

“Notes” means senior notes issued by the Filer and due 2014;

“Tolko” means Tolko Industries Ltd.; and

“Trust Indenture” means the trust indenture dated February 25, 2004 in respect of the Notes.

### **Representation**

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. the Filer is amalgamated under the laws of British Columbia with its head office in Kelowna, British Columbia;
  2. the Filer is a reporting issuer in each of the Jurisdictions and is not in default of its obligations under the Legislation;
  3. the Filer’s authorized share capital consists of 25,000,000 common shares, of which 9,434,987 common shares are outstanding as of January 24, 2005;
  4. as a result of a take over bid and subsequent compulsory acquisition, Tolko owns all of the outstanding common shares;
  5. effective December 3, 2004, the common shares were delisted from the Toronto Stock Exchange;

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6. the Filer also has approximately US\$150 million principal amount of Notes outstanding as at January 24, 2005;
7. the Notes are not, and never have been, listed on a public exchange;
8. the Filer is not able to obtain complete information as to the total number of beneficial Noteholders or the number of beneficial Noteholders resident in Canada, but, to the best of its knowledge and based on the information that is available, there are less than 10 beneficial Noteholders resident in Canada representing less than 10% of the total number of beneficial Noteholders and holding less than 10% of the value of the outstanding Notes;
9. the Filer filed an exchange offering prospectus dated June 30, 2004 with the SEC as a result of which the Filer became subject to the continuous reporting requirements of the SEC;
10. under the Trust Indenture, the Filer is not required to file any financial or other information with any Decision Maker or to be a reporting issuer or the equivalent in any Jurisdiction;
11. under the terms of the Trust Indenture, as long as any Notes are outstanding, and whether or not required by the rules and regulations of the SEC, the Filer must provide the Noteholders with
  - (a) all annual financial information that would be required to be contained in the Filer's Form 20-F or Form 40-F filing with the SEC, as applicable, and
  - (b) all interim financial information that would be required to be contained in the Filer's Form 6-K filing with the SEC, including, at a minimum, all the information that would be required to be included in an interim report filed under the laws of British Columbia,either directly or through the Trustee;
12. if the Filer becomes no longer required to make any filings with the SEC, the Filer will provide the above information to the Noteholders by posting it on its website and sending it to the Noteholders on request;
13. the Filer does not presently intend to seek public financing by way of an offering of its securities in Canada; and

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14. the Filer does not have any securities outstanding other than the common shares and the Notes.

### **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 Filer is deemed to have ceased to be a reporting issuer.

Andrew S. Richardson, CA  
Deputy Director, Corporate Finance  
British Columbia Securities Commission