

2007 BCSECCOM 88

January 19, 2007

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 not more than 50 persons and are not traded through any exchange or market - The issuer falls within the definition of “closely held reporting issuer” contained in BC Instrument 11-502 Voluntary Surrender of Reporting Issuer Status as the securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market

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 and Ontario
(the Jurisdictions)

and

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

and

In the Matter of
API Electronics Group Corp. (the Filer)

MRRS Decision Document

Background

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 each 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 Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

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Interpretation

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

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer (formerly API Electronics Group Inc. and previously, InvestorLinks.com Inc.) was formed on amalgamation under the laws of the Province of Ontario on May 1, 1993. The head office and the registered and records office of the Filer are located at Suite 1400, 505 University Avenue, Toronto, Ontario M5G 1X3.
2. The Filer is engaged in the manufacture of electronic components and systems for the defence and communications industries. The Filer has manufacturing facilities in Ontario, New York and Connecticut, and has manufacturing capabilities in China and a distribution centre in Britain.
3. The authorized capital of the Filer consists of an unlimited number of common shares. As at the date hereof, there are 2,825,406 common shares issued and outstanding.
4. The Filer and API Nanotronics Corp. (Nanotronics) merged pursuant to a plan of arrangement (the Arrangement) under Section 182 of the *Business Corporations Act* (Ontario). Pursuant to the Arrangement, each common share of the Filer was exchanged for ten (10) shares of Nanotronics common stock or at the option of the Filer's shareholders resident in Canada, ten (10) RVI Sub, Inc. (Exchangeco) exchangeable shares. The shareholders of Nanotronics and the Filer approved the Arrangement on October 31, 2006 and the Arrangement became effective on November 6, 2006. Further details of the Arrangement are set out in the joint information circular of Nanotronics and the Filer dated October 3, 2006 and filed on SEDAR.
5. Pursuant to the Arrangement, both Exchangeco and Nanotronics became reporting issuers in Alberta, British Columbia and Ontario.
6. Exchangeco was incorporated in the Province of Ontario on May 29, 2006 and subsequently changed its name to API Nanotronics Sub, Inc. pursuant to Articles of Amendment dated November 16, 2006.

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7. Pursuant to the Arrangement described above, Exchangeco acquired all 2,825,406 of the issued and outstanding shares of the Filer and the Filer is now a wholly owned subsidiary of Exchangeco.
8. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the Jurisdictions and fewer than 51 securityholders.
9. None of the Filer's securities are traded on a marketplace in Canada as defined in National Instrument 21-101 – *Marketplace Operation*.
10. The Filer has no current intention of distributing its securities in any jurisdiction in Canada through a public or private offering.
11. The Filer is not in default of any of its obligations as a reporting issuer in the Jurisdictions.
12. The Filer is a reporting issuer (or the equivalent) in each of the Jurisdictions and is not a reporting issuer (or the equivalent) in any other jurisdiction in Canada.
13. The Filer is applying for relief to cease to be a reporting issuer in the Jurisdictions in Canada in which it is currently a reporting issuer.

Decision

The Decision Maker 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 Maker under the Legislation is that the Requested Relief is granted.

Jo-Anne Matear
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Ontario Securities Commission