

2007 BCSECCOM 327

May 28, 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, Saskatchewan, Manitoba, Ontario, Quebec, New
Brunswick, Nova Scotia, Newfoundland And Labrador, Yukon And Nunavut
(the “Jurisdictions”)

and

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

and

In the Matter of
Rockwater Capital Corporation
(the “Applicant”)

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application for the Applicant for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that it be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

2007 BCSECCOM 327

- (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.

Interpretation

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

Representations

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

- a) the Applicant's head office is located in Toronto, Ontario;
- b) on February 23, 2007, CI Financial International LP ("CI Financial") mailed an offer to purchase all issued and outstanding common shares of the Applicant to all holders thereof (the "Offer"). The Offer expired at 5:00 p.m. Toronto time on April 2, 2007. More than 94% of the Applicant's shareholders accepted the Offer;
- c) pursuant to a notice of compulsory acquisition dated April 11, 2007, CI Financial provided shareholders of the Applicant who did not accept the Offer with notice of the intention of CI Financial to exercise its rights under section 188 of the *Business Corporations Act* (Ontario) (the "OBCA") to acquire all common shares of the Applicant not purchased by it under the Offer;
- d) pursuant to subsection 188(10) of the OBCA, common shares of the Applicant not tendered to the Offer shall be deemed to have been acquired by CI Financial on May 11, 2007 if no applications pursuant to subsection 188(9) of the OBCA are made by that date;
- e) the issuer has confirmed that the securities of all dissenting offerees have been deemed to have been acquired by the Applicant as no applications were made within the time frame set out in subsection 188(9) of the OBCA and that time frame has expired;
- f) the Applicant is not in default of any of its obligations as a reporting issuer under the securities legislation of the Jurisdictions, other than its obligation to file interim financial statements, related management's discussion and analysis and certificates in respect of the interim period ended March 31, 2007 by May 15, 2007;

2007 BCSECCOM 327

- g) as CI Financial became the sole beneficial holder of all of the issued and outstanding common shares of the Applicant prior to the date upon which the Applicant was required to file its interim financial statements and related management's discussion and analysis, the Applicant has not prepared or filed its interim financial statements, related management's discussion and analysis or certificates;
- h) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- i) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- j) the Applicant has no current intention to seek public financing by way of an offering of securities; and
- k) upon the grant of the relief requested herein, the Applicant will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Decision

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.

Harold P. Hands
Commissioner
Ontario Securities Commission

Suresh Thakrar
Commissioner
Ontario Securities Commission