

2002 BCSECCOM 839

Headnote

Novel registration and prospectus relief to distribute shares to residents outside Canada, where issuer's shares are currently halted from trading on the TSX Venture Exchange

Exemption Order

Stream Communications Network Inc.

Sections 48 and 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Stream applied for an exemption from the requirements to be registered to trade and to file and obtain receipts for a preliminary prospectus and prospectus in sections 34(1)(a) and 61 of the Act (the Registration and Prospectus Requirements) for certain trades of common shares of Stream to purchasers resident in Poland and other jurisdictions outside Canada.

Representations

- ¶ 2 Stream represents that:
1. it is incorporated under the laws of British Columbia and is a reporting issuer under the Act;
 2. its shares are interlisted on the TSX Venture Exchange (TSX-V) and the Frankfurt Stock Exchange (FSE), but have been halted from trading on both exchanges since January 25, 2001 pending approval by the TSX-V of a change of business application;
 3. it has filed a prospectus with the Polish Securities Commission (PSEC) in connection with a possible initial public offering of its securities in Poland;
 4. once the PSEC accepts the prospectus, Stream will apply for a listing of its common shares on the Warsaw Stock Exchange (WSE) and intends to delist from the TSX-V and FSE;
 5. Stream shareholders approved the Polish IPO at a special meeting held June 28, 2002, and an information circular with disclosure on the Polish IPO was mailed to Stream shareholders in connection with that meeting;
 6. no common shares will be sold to residents of Canada under the Polish IPO;

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7. common shares distributed under the Polish IPO will be traded only on the WSE, and no market will exist for the common shares outside of Poland;
8. under British Columbia Interpretation Note 72-702 *Distributions of Securities to Persons Outside British Columbia*, the distribution of the common shares to the purchasers in the Polish IPO will be a distribution from British Columbia and subject to the Registration and Prospectus Requirements; and
9. there may not be exemptions available from the Registration and Prospectus Requirements in respect of the proposed distribution of common shares to certain of the purchasers.

Order

¶ 3 Because it is not prejudicial to the public interest, the Commission orders that:

1. under sections 48 and 76 of the Act, common shares distributed by Stream under the Polish IPO to residents of jurisdictions other than Canada are exempt from the Registration and Prospectus Requirements; and
2. under section 76 of the Act, any trade in common shares acquired under this order is deemed to be a distribution unless the conditions in section 2.5 of Multilateral Instrument 45-102 *Resale of Securities* is satisfied.

¶ 4 September 25, 2002

Brent Aitken
Vice Chair