

# 2006 BCSECCOM 172

## **Headnote**

1996 Securities Act s. 88 - Cease to be a reporting issuer in BC - Becomes a reporting issuer by exchanging its securities with a BC reporting issuer or its shareholders as set out in the item (d) of the definition of "reporting issuer" in section 1(1) of the Securities Act and its securities are traded only through a market or exchange outside of Canada - On completion of the share exchange transaction, Canadian residents own less than 10% of the issuer's securities and represent less than 10% of the issuer's total number of security holders; 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 a Canadian jurisdiction; the issuer is subject to the reporting requirements of US securities laws and has undertaken that it will provide all disclosure materials required by US securities laws to be delivered to the issuer's shareholders resident in the US to its shareholders resident in Canada in the manner and at the time required by US securities law and US market requirements

## **Exemption Order**

### **Merge Technologies Incorporated**

#### **Section 88 of the *Securities Act*, R.S.B.C. 1996, c. 418**

### **Background**

- ¶ 1 Merge Technologies Incorporated (Merge) applied for an order under section 88 of the Act to be deemed to have ceased to be a reporting issuer.

### **Representations:**

- ¶ 2 Merge represents that:
1. it was incorporated in Wisconsin in 1987, and its head office is located in Milwaukee, Wisconsin;
  2. the shares of Merge (the Shares) are listed on NASDAQ, and it is subject to the continuous disclosure requirements of the Securities Exchange Act of 1934 of the United States and is not in default of any requirements of that act; the Shares are not traded on any market in Canada;
  3. it owns all of the issued and outstanding common shares of the Merge Cedara ExchangeCo Limited (ExchangeCo);

## 2006 BCSECCOM 172

4. effective June 1, 2005, Merge, ExchangeCo and Cedara Software Corporation (Cedara) participated in a business combination (the Business Combination) which gave shareholders of Cedara the opportunity to exchange shares of Cedara for either Shares or exchangeable shares of ExchangeCo (the ExchangeCo Exchangeable Shares); the ExchangeCo Exchangeable Shares are listed on The Toronto Stock Exchange and are exchangeable at any time for Shares;
5. ExchangeCo is a reporting issuer in British Columbia, Alberta, Manitoba, and Ontario;
6. ExchangeCo is an exchangeable security issuer as defined in s.13.3 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) and it fulfils its continuous disclosure obligations under NI 51-102 by filing in Canada the documents that Merge files with the Securities Exchange Commission (SEC);
7. as a result of the Business Combination, Merge became a reporting issuer as defined in Section 1(1) of the Act;
8. as of March 10, 2006, there were 28,299,279 Shares outstanding, held by 8,613 holders;
9. as of March 10, 2006, 159 shareholders of Merge reside in Canada, holding 617,611 Shares, representing approximately 1.846% of all shareholders of Merge and 2.182% of the Shares issued and outstanding; of these, 8 British Columbia resident hold 5,377 Shares;
10. other than the Shares, no securities of Merge are held by residents in Canada;
11. its management, business and assets are primarily located in the United States;
12. it does not currently 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
13. it has undertaken to continue to provide all disclosure materials required by US securities law to be delivered to its securityholders in the US to its securityholders in Canada in the manner and at the time required by US securities law and US market requirements; this information is also available to securityholders through the website of the SEC at [www.sec.gov](http://www.sec.gov) and through the website of the NASDAQ at [www.nasdaq.com](http://www.nasdaq.com).

## 2006 BCSECCOM 172

### **Order**

- ¶ 3 Because it is not prejudicial to the public interest, the Commission orders, under section 88 of the Act, that Merge is deemed to cease to be a reporting issuer.
- ¶ 4 March 21, 2006

Martin Eady, CA  
Director, Corporate Finance  
British Columbia Securities Commission