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COR#03/116

Headnote

Mutual Reliance Review System for Exemptive Relief Application – relief granted from the requirement to send copies of an information circular to the latest address known for the issuer’s shareholders – issuer permitted to send a summary of the information circular, form of proxy, and a notice of meeting to its shareholders, and post the full information circular on its web page – the notice of meeting will state that the full information circular is available electronically or, on request, in printed form – issuer recently emerged from bankruptcy protection and its operating subsidiary is still in bankruptcy protection, so cost of mail out would be prohibitive

Applicable British Columbia Provisions

Securities Act, R.S.B.C.1996, c. 418, s. 180

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA AND ONTARIO

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF GENSCI REGENERATION SCIENCES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta and Ontario (collectively, the “Jurisdictions”) has received an application from GenSci Regeneration Sciences Inc. (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation to send copies of an information circular (the “Joint Information Circular”), prepared in connection with a proposed plan of arrangement (the “Plan of Arrangement”) involving the Filer and IsoTis S.A., to the latest address known for each of the Filer’s shareholders shall not apply to the Filer in connection with the meeting of its shareholders to be held to consider the Plan of Arrangement;

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AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer was amalgamated under the British Columbia *Company Act* (the “Company Act”) and has its head office in Irvine, California;
2. the Filer is a reporting issuer in each of the Jurisdictions and is up to date with all its filings under the Legislation and under the Company Act;
3. the Filer will be calling an extraordinary general meeting (the “Meeting”) to obtain shareholder approval of the Plan of Arrangement;
4. the Filer will be required to send over 4,321 copies of the Joint Information Circular, estimated to be over 250 pages in length, to its shareholders in connection with the Meeting;
5. the estimated costs per shareholder associated with the printing and mailing of the Joint Information Circular will be greater than the current value of the shares owned by many of the Filer’s shareholders;
6. the Filer emerged from United States Chapter 11 bankruptcy protection on August 1, 2003, but its material subsidiary, GenSci OrthoBiologics, Inc., which operates most of the Filer’s business, is still under United States Chapter 11 bankruptcy protection;
7. the cost of sending the Joint Information Circular to all of the Filer’s shareholders would be prohibitive to the Filer;
8. in accordance with National Policy 11-201 *Delivery of Documents by Electronic Means*, the Filer will ensure that:
 - (a) its shareholders receive written notice, by mail, that the Joint Information Circular is electronically available to them;
 - (b) its shareholders are provided with a summary of the Joint Information Circular (the “Summary”) which will contain a succinct and clear outline of the Plan of Arrangement, with references to where and how the full

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text of the Joint Information Circular may be accessed electronically or provided to the shareholder in printed form, free of charge;

- (c) its shareholders have easy access to the Joint Information Circular through SEDAR and through the Filer's website designated in the notice referred to in paragraph (a) or by requesting and receiving a printed copy, free of charge, from the Filer; and
- (d) the Joint Information Circular available electronically to shareholders is identical in its content to the printed copy;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS 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 requirement contained in the Legislation to send printed copies of the Joint Information Circular to the latest address known for each of the Filer's shareholders shall not apply to the Filer in connection with the Meeting, provided that the Filer ensures that:

- (a) it sends by mail to its shareholders, at the latest address known to the Filer, copies of the notice of meeting, the Summary, and a form of proxy;
- (b) the notice of meeting states that the Joint Information Circular is available to the shareholders electronically or, by request, in its printed form;
- (c) its shareholders have access to the Joint Information Circular through SEDAR and through the Filer's website designated in the notice of meeting or by requesting and receiving from the Filer, a printed copy, free of charge; and
- (d) the Joint Information Circular available electronically to shareholders is identical in its content to the printed copy.

DATED August 18, 2003.

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Joyce C. Maykut, Q.C.
Vice Chair