

# 2002 BCSECCOM 433

## Headnote

Relief from filing interim financial statements for three month period during which the issuer completed initial public offering under a prospectus but did not carry on any business

## Exemption Order

### Skylon Capital Yield Trust

#### Section 91(1)(b) of the *Securities Act*, R.S.B.C. 1996, c. 418

## Background

Skylon applied for an exemption from the requirement to file interim financial statements for the three month period ended March 31, 2002 and from the requirement to file comparative interim financial statements for the three month period ending March 31, 2003 in section 144(1) of the *Securities Rules*, B.C. Reg. 194/97 (the Financial Requirements).

## Representations

Skylon represents that:

1. it is an investment trust established under the laws of Ontario pursuant to a trust agreement made March 27, 2002;
2. it is a reporting issuer under the Act and is not in default of any requirement of the Act or the Rules;
3. its fiscal year end is December 31;
4. it carried out its initial public offering under a prospectus dated March 27, 2002 (the Prospectus);
5. the Prospectus included an audited statement of financial position of Skylon as at March 27, 2002 as well as an unaudited *pro forma* statement of financial position (the Pro Forma Statements) that gave effect to the completion of Skylon's initial public offering;
6. it did not carry on any business during the three month period ended March 31, 2002, and the benefit to Skylon's security holders and the market in general from receiving interim financial statements as at March 31, 2002 would be minimal;

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7. the expense of complying with the Financial Requirements would not be justified in view of the minimal benefit to be derived by Skylon's security holders from receiving such statements; and
8. there are no material differences between Skylon's financial position as at March 31, 2002 and its financial position described in the Pro Forma Statements.

### **Order**

Because it is not prejudicial to the public interest, the Executive Director orders under section 91(1)(b) of the Act that Skylon is exempt from the Financial Requirements, provided that:

1. Skylon's financial information for the three month period ended March 31, 2002 will be included in Skylon's (a) interim financial statements prepared after March 31, 2002, and (b) annual financial statements for the year ending December 31, 2002; and
2. Skylon issues a press release disclosing the details of this order.

May 29, 2002

Derek E. Patterson  
Manager