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July 27, 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, and Ontario  
(the Jurisdictions)

and

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

and

In the Matter of  
3530639 Canada Inc. (formerly The Spectra Group of Great Restaurants Inc.)  
(the Filer)

## MRRS Decision Document

## Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is deemed to have ceased to be a reporting issuer (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the British Columbia Securities Commission is the principal regulator for this application; and

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(b) this MRRS decision document evidences the decision of each Decision Maker.

### **Interpretation**

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

### **Representations**

- ¶ 3 This decision is based on the following facts represented by the Filer:
1. the Filer was incorporated on August 28, 1968 pursuant to the federal laws of Canada; the Filer has its principal place of business, head office and registered office located at 2<sup>nd</sup> Floor – 1880 West 1<sup>st</sup> Avenue, Vancouver, British Columbia V6J 1G5;
  2. the Filer is a reporting issuer (or equivalent) in the Jurisdictions; prior to the Arrangement (defined below), the Class A common shares (the Voting Shares) and Class A non-voting shares (the Non-Voting Shares) of the Filer traded on the Toronto Stock Exchange (TSX) under the symbols “SPA” and “SPA.A” respectively;
  3. the Filer and Madison Pacific Properties Inc. (MadPac) entered into an arrangement agreement dated for reference May 17, 2007, as amended June 15, 2007, (the Arrangement Agreement) to effect an arrangement (the Arrangement) under section 192 of the *Canada Business Corporations Act*;
  4. on June 21, 2007, the Arrangement was approved by over 99% of the votes cast by holders of the Voting Shares and 100% of the votes cast by the holders of the Non-Voting Shares at a special meeting of the shareholders of the Filer;
  5. on June 22, 2007, the Supreme Court of British Columbia approved the Arrangement;
  6. the Arrangement became effective on June 25, 2007, when Industry Canada issued the Filer a certificate of arrangement;
  7. prior to the Arrangement, the authorized capital of the Filer consisted of an unlimited number of the Voting Shares and an unlimited number of the Non-Voting Shares and immediately prior to the Arrangement; 2,407,933 Voting Shares and 5,449,009 Non-Voting Shares were issued and outstanding;
  8. pursuant to the Arrangement Agreement, the articles of the Filer were amended to create an unlimited number of Class B non-voting shares (the

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Class B Non-Voting Shares) and an unlimited number of Class C non-voting shares (the Class C Non-Voting Shares);

9. under the Arrangement, the shareholders of the Voting Shares of the Filer were entitled or deemed to elect one of the following options:
  - (a) to receive one Class B common share of MadPac (the MadPac Common Shares) for each of the Voting Shares held by the shareholders in the capital of the Filer;
  - (b) to receive 0.25 of a new common share of the Filer (the New Common Shares) and 0.75 of a Class B Non-Voting Share for each of the Voting Shares held by the shareholders in the capital of the Filer, and following that exchange:
    - (i) each of the New Common Shares were exchanged for one MadPac Common Share; and
    - (ii) all of the Class B Non-Voting Shares were each purchased for \$2.60 by the Filer for cancellation;
  - (c) to choose an elected amount for each of the New Common Shares, greater than 0.25 and equal to less than 1.00, for some of the Voting Shares and to receive one Class B Non-Voting Share for each of the remaining Voting Shares held by the shareholders in the capital of the Filer, and following that exchange:
    - (i) each of the New Common Shares were exchanged for one MadPac Common Share; and
    - (ii) all of the Class B Non-Voting Shares were each purchased for \$2.60 by the Filer for cancellation;
  - (d) to have all of the Voting Shares purchased by the Filer and to use all or part of the proceeds to purchase at an elected amount of MadPac Common Shares;
  - (e) to receive one Class C Non-Voting Share for each of the Voting Shares held by the shareholders in the capital of the Filer, and following that exchange:

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- (i) each of the shareholders of the Class C Non-Voting Shares were paid an eligible dividend of \$1.95 for each Class C Non-Voting Shares held; and
  - (ii) each of the Class C Non-Voting Shares, after the dividend, were exchanged for 0.25 of a MadPac Common Shares;
- 10. under the Arrangement, the shareholders of the Non-Voting Shares of the Filer were entitled or deemed to elect one of the following options:
  - (a) to receive one Class C common share of MadPac (the MadPac Non-Voting Shares) for each of the Non-Voting Shares held by the shareholder in the capital of the Filer;
  - (b) to receive 0.25 of a new non-voting share of the Filer (the New Non-Voting Shares) and 0.75 of a Class B Non-Voting Share for each of the Non-Voting Shares held by the shareholders in the capital of the Filer, and following that exchange:
    - (i) each of the New Non-Voting Shares were exchanged for one MadPac Non-Voting Share; and
    - (ii) all of the Class B Non-Voting Shares were each purchased for \$2.60 by the Filer for cancellation;
  - (c) to choose an elected amount for each of the New Non-Voting Shares, greater than 0.25 and equal to less than 1.00, for some of the Non-Voting Shares and to receive one Class B Non-Voting Share for each of the remaining Non-Voting Shares held by the shareholders in the capital of the Filer, and following that exchange:
    - (i) each of the New Non-Voting Shares were exchanged for one MadPac Non-Voting Share; and
    - (ii) all of the Class B Non-Voting Shares were each purchased for \$2.60 by the Filer for cancellation;
  - (d) to have all of the Non-Voting Shares purchased by the Filer and to use all of part of the proceeds to purchase an elected amount of MadPac Non-Voting Shares;

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- (e) to receive one Class C Non-Voting Share for each of the Non-Voting Shares held by the shareholders in the capital of the Filer, and following that exchange:
  - (i) each of the shareholders of the Class C Non-Voting Shares were paid an eligible dividend of \$1.95 for each Class C Non-Voting Shares held; and
  - (ii) each of the Class C Non-Voting Shares, after the dividend, were exchanged for 0.25 of a MadPac Non-Voting Shares;
- 11. as a result of the Arrangement, MadPac beneficially owns, directly or indirectly, all of the outstanding securities of the Filer;
- 12. the Filer has no debt securities outstanding;
- 13. no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- 14. as of the date of this application, the Filer 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 annual financial statements, related management's discussion and analysis, an annual information form and related officer certificates on or before June 30, 2007 (being the 90<sup>th</sup> day after the end of its financial year); as MadPac became the sole beneficial holder of all of the issued and outstanding shares in the Filer five days prior to the date upon which the Filer was required to file its annual financial statements, related management's discussion and analysis, annual information form and related officer certificates in respect of its financial year ended April 1, 2007, the Filer has not prepared or filed its annual financial statements, related management's discussion and analysis, annual information form and related officer certificates;
- 15. the TSX delisted the Voting Shares and Non-Voting Shares of the Filer at the close of business on June 28, 2007;
- 16. the Filer does not intend to seek public financing by way of an offering of its securities; and
- 17. upon the grant of the Requested Relief, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

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### **Decision**

- ¶ 4 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.

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