

Citation: 2013 BCSECCOM 570

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - 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 (BCI 11-502) 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

December 23, 2013

In the Matter of
the Securities Legislation of
Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia,
Newfoundland and Labrador, Prince Edward Island, the Northwest Territories,
Yukon and Nunavut
(the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
Bonnett's Energy Corp.
(the Filer)

Decision

Background

¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Filer is deemed not to be a reporting issuer.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

(a) the Alberta Securities Commission is the principal regulator for this application; and

(b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

¶ 2 Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined herein.

Representations

¶ 3 This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation subsisting under the laws of the Province of Alberta. The principal office of the Filer is located in Alberta.
2. The Filer is a reporting issuer in each of the Jurisdictions.
3. The Filer is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. Currently, the securities of the Filer consist of 501,586 common shares (no preferred shares have been issued); there are no other securities of the Filer issued and outstanding other than share purchase options held by two management shareholders.
4. On November 5, 2013, Bonnett's Energy Corp. (Bonnett's) and BEC Acquisition Ltd. (BEC) completed an amalgamation pursuant to a plan of arrangement under section 193 of *the Business Corporations Act* (Alberta) (the Arrangement). The Arrangement was approved at the special meeting of shareholders of Bonnett's (the Bonnett's Shareholders) held on October 31, 2013. Under the terms of the Arrangement, among other things, each common share of Bonnett's (the Common Shares) held by Bonnett's Shareholders, other than certain Bonnett's Shareholders and members of the Bonnett's management team (each an On-Going Shareholder), was exchanged for Cdn.\$7.08 in cash. Each Common Share held by an On-Going Shareholder was exchanged for either 0.0708 of a common share in the capital of BEC (a BEC Share) or a combination of cash and BEC Shares.
5. As a result of the Arrangement, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.
6. Following completion of the Arrangement, the common shares of the Filer were delisted from the Toronto Stock Exchange at the close of market on November 8, 2013.
7. No securities of the Filer, including debt securities, are listed, traded or quoted in Canada or another country on a "marketplace" as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported and the Filer does not intend to have any of its securities listed, traded or quoted on such a marketplace in Canada or any other jurisdiction.
8. The Filer is not in default of any requirement of the Legislation of the Jurisdictions except for the obligation to file its quarterly financial statements for the interim period ended September

30, 2013, and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certification of such financial statements as required under National Instrument 52-109 *Certification of Disclosure in Filers' Annual and Interim Filings*, all of which became due on November 14, 2013.

9. The Filer was not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* as it is currently a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation of the Jurisdictions as described in paragraph 8.
10. The Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it wanted to avoid the 10-day waiting period under that instrument.
11. The Filer has no intention to seek public financing by way of an offering of securities in Canada.
12. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer.

“original signed by”

Denise Weeres
Manager, Legal
Corporate Finance