

# 2005 BCSECCOM 15

## Headnote

Securities Act s. 114(2) Takeover Bids - Exemption from the formal take over bid requirements in Part 13 of the Act - An issuer wants to complete a take over bid that meets some, but not all of the conditions set out in s. 98 (1)(e) of the Act required for an exempt take over bid - The bid is being done in compliance with Swedish law; Sweden is not a jurisdiction that is recognized for the purposes of s. 98(1)(e); the bid will satisfy all other conditions required for an exempt take over bid, except documents were not mailed to BC shareholders concurrently; offeror did not become aware of BC shareholders until bid had already been commenced; offeror will contact the BC shareholders directly to ensure they are aware of the offer

## Exemption Order

### Electronic Arts Inc. and Electronic Arts Holding AB

#### Section 114(2)(c) of the *Securities Act*, R.S.B.C. 1996, c. 418

## Background

- ¶ 1 Electronic Arts Inc. (EA) and Electronic Arts Holding AB (EAAB) applied for an exemption from the take over bid requirements in sections 105 to 110 of the Act (the take-over bid requirements) in connection with a cash offer (the offer) by EAAB to acquire all of the Class A shares (the DICE shares) of Digital Illusions CE AB (publ) (DICE).

## Representations

- ¶ 2 EA and EAAB (the applicants) represent that:
1. EA is a Delaware company listed on the Nasdaq National Market with its principal executive offices in Redwood City, California;
  2. EA is subject to the reporting requirements of the federal securities legislation of the United States;
  3. EAAB is a Swedish corporation and is an indirectly wholly-owned subsidiary of EA;
  4. DICE is a Swedish corporation with its principal office in Sweden;

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5. the DICE shares are listed for trading on the Nya Marknaden of the Stockholm Stock Exchange;
6. EA, EAAB and DICE are not reporting issuers in British Columbia or any other jurisdiction in Canada;
7. the offer, which expires December 16, 2004, is an all-cash offer to acquire all of the issued and to be issued DICE shares not already owned by the applicants for 61 SEK (Swedish kroner) per share;
8. according to a beneficial shareholders list the applicants obtained on November 29, 2004, as of November 19, 2004 there was one shareholder of DICE resident in British Columbia (the BC shareholder) that holds 2,400 DICE shares representing 0.02% of the outstanding DICE shares;
9. EAAB has complied with the corporate and securities laws of Sweden and the rules applicable to tender offers in Sweden issued by the Swedish Industry and Commerce Stock Exchange Committee in respect of the offer;
10. EAAB mailed an offer document reflecting the terms of the offer to DICE's shareholders (other than shareholders in Canada, Japan and Australia) on November 25, 2004, and mailed the offer document to the BC shareholder on December 7, 2004;
11. EA will contact the BC shareholder directly to ensure the shareholder is aware of the offer;
12. EAAB will make the offer on the same terms and conditions to the BC shareholders as to all other shareholders, including offering identical consideration; and
13. except for the fact that Sweden is not a recognized jurisdiction for the purposes of section 98(1)(e) of the Act, the applicants would have been entitled to rely on the exemption from the take-over bid requirements contained in section 98(1)(e) of the Act in connection with the offer.

### **Order**

- ¶ 3 Because it is not prejudicial to the public interest, the Commission orders under section 114(2)(c) of the Act, that the applicants are exempt from the take over bid requirements in connection with the offer, provided that:

- (a) the offer and any amendments to the Offer comply with the corporate and securities laws of Sweden and the rules applicable to tender offers in

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Sweden issued by the Swedish Industry and Commerce Stock Exchange Committee;

(b) EAAB files a copy of the offer document with the Commission; and

(c) EAAB sends BC shareholders

(i) all material related to the offer, other than the offer document, and

(ii) any amendments to any material related to the offer, including the offer document,

at the same time that it sends those materials to DICE's shareholders residing outside of Canada, and files them with the Commission.

¶ 4 December 7, 2004

Martin Eady, CA  
Director