

## 2003 BCSECCOM 312

### Headnote

Securities Act s. 48, 76 Corp Acquisitions & Reorgs - Exemption from s. 34(1)(a) requirement to be registered as a dealer for a trade and s. 61 requirement to file a prospectus for a distribution in connection with a corporate acquisition or reorganization. - Trades in securities of an issuer for the acquisition of an asset by the issuer's subsidiary. - The asset has a value of at least \$100,000; in consideration for the issuer's securities, the owner of the asset will transfer the asset to the issuer's wholly-owned subsidiary.

### Exemption Order

#### Western Wind Energy Corporation

#### Sections 48 and 76 of the *Securities Act*, R.S.B.C. 1996, c. 418

### Background

- ¶ 1 Western Wind applied for an exemption from the requirements to be registered to trade and to file and obtain receipts for a preliminary prospectus and prospectus in sections 34(1)(a) and 61 of the Act (the Registration and Prospectus Requirements) for certain intended trades.

### Representations

- ¶ 2 Western Wind represents that:
1. it was incorporated in British Columbia on January 5, 1998;
  2. it is a reporting issuer under the Act and is not in default of any requirements of the Act or the *Securities Rules*, B.C. Reg. 194/97;
  3. its shares are listed for trading on the TSX Venture Exchange (the Exchange);
  4. Verde Resources Corporation, a wholly-owned subsidiary of Western Wind, is incorporated under the laws of the State of Arizona and is not a reporting issuer under the Act;
  5. under an Easement Agreement between Verde and REMO, LLC, REMO agreed to grant an exclusive easement (the Asset) over certain lands located in the State of Arizona;
  6. as consideration for the Asset, Western Wind will issue 100,000 common shares to REMO on receipt of certain regulatory approvals;

## 2003 BCSECCOM 312

7. it has determined that the fair value of the Asset is not less than \$100,000;
8. the Exchange has accepted the Easement Agreement for filing;
9. upon Verde acquiring the Asset, Western Wind will indirectly own a 100% interest in the Asset through its ownership of all the outstanding common shares of Verde; and
10. the distribution of common shares by Western Wind to REMO would be exempt from the Registration and Prospectus Requirements under sections 45(2)(6) and 74(2)(5) of the Act if Western Wind, rather than Verde, was acquiring the Asset.

### **Order**

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders:
1. under sections 48 and 76 of the Act, Western Wind is exempt from the Registration and Prospectus Requirements for trades of the 100,000 common shares to REMO under the Easement Agreement, provided that Western Wind files a Form 45-902F and pays the required fee within 10 days of distributing the shares; and
  2. under section 76 of the Act, any trade in Western Wind common shares acquired by REMO under this order is deemed to be a distribution, unless the conditions in subsection 2.5 (2) or (3) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

¶ 4 May 7, 2003

Derek E. Patterson  
Manager