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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the registration and prospectus requirements for trades in securities to accredited investors as defined in Ontario Securities Commission Rule 45-501, *Exempt Distributions*.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61 and 76

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, NOVA SCOTIA, AND PRINCE EDWARD ISLAND

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF PLAZACORP RETAIL PROPERTIES LTD.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Makers”) in British Columbia, Alberta, Nova Scotia, and Prince Edward Island (the “Jurisdictions”) has received an application from Plazacorp Retail Properties (“Plazacorp”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that certain trades in Plazacorp debentures (the “Debentures”) be exempt from the requirements contained in the Legislation to be registered to trade in a security (the “Registration Requirement”) and to file and obtain a receipt for a prospectus before effecting a trade that is a distribution (the “Prospectus Requirement”);
2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Plazacorp has represented to the Decision Makers that:
 - 3.1 Plazacorp is a corporation governed by the New Brunswick *Business Corporations Act* and was formed by the amalgamation of Plazacorp Retail Properties Ltd. and Plazafund Retail Properties Ltd.;

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- 3.2 Plazacorp is a real estate company focused on the acquisition and redevelopment of retail shopping centres in Atlantic Canada and Québec;
- 3.3 Plazacorp's head office is located in Fredericton, New Brunswick;
- 3.4 Plazacorp or its predecessors have been a reporting issuer under the *Securities Act* (Alberta) since June 23, 1999, under the *Securities Act* (British Columbia) since November 29, 1999 and under the *Securities Act* (Ontario) since January 16, 2001. Plazacorp was deemed or declared to be a reporting issuer under the securities legislation of Nova Scotia, Québec and Saskatchewan under a Mutual Reliance Review System order dated September 8, 2000;
- 3.5 Plazacorp is not in default of any of the requirements of the Legislation;
- 3.6 the authorized capital of Plazacorp consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preference shares issuable in series, of which, as of the date hereof, there are 28,226,397 Common Shares outstanding. In addition, there are an aggregate of 400,000 options to purchase Common Shares outstanding;
- 3.7 the Common Shares are listed for trading on the Canadian Venture Exchange ("CDNX");
- 3.8 Plazacorp proposes to offer the Debentures to investors (the "Investors") in the Jurisdictions, as well as to investors in Ontario and New Brunswick;
- 3.9 the Debentures will only be offered to Investors if the Investors purchase the Debentures as principal and, at the time of the trade, the Investors are accredited investors (an "Accredited Investor") as defined in paragraph 1.1 of Ontario Securities Commission Rule 45-501, *Exempt Distributions*;
- 3.10 Plazacorp will file a report in the required form in the jurisdiction in which the distribution of Debentures takes place on or before the 10th day after the distribution;
- 3.11 the Debentures:
- 3.11.1 will be issued in denominations of \$1,000 with a maximum authorized issuance of \$5 million;

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- 3.11.2 have a term of 36 months and bear interest at the rate of 11% per annum, calculated monthly and paid on the first of each month beginning the month immediately following the closing date; and
- 3.11.3 are redeemable by Plazacorp on 90 days prior written notice but no earlier than the second anniversary of the initial closing date; and
- 3.12 the proceeds from the sale of Debentures will be used primarily to finance capital and tenant improvements in Plazacorp's portfolio of properties and for general corporate purposes;
- 4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
- 5. AND WHEREAS 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;
- 6. THE DECISION of the Decision Makers under the Legislation is that:
 - 6.1 trades in Debentures by Plazacorp to an Investor are exempt from the Registration Requirement and the Prospectus Requirement;
 - 6.2 the first trade of any securities distributed under this Decision is deemed to be a distribution unless the conditions found in subsection (2) or (3) of section 2.5 of Multilateral Instrument 45-102, *Resale of Securities* are satisfied; and
 - 6.3 the Decision, as it relates to the jurisdiction of the Decision Makers in Alberta and British Columbia, will terminate immediately on the publication in final form of proposed Multilateral Instrument 45-103, *Capital Raising Exemptions*.

DATED this 25th day of February, 2002

Glenda A. Campbell, Q.C., Vice-Chair

Stephen P. Sibold, Q.C., Chair