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Headnote

1996 Securities Act s. 48 Dealer - Exemption from s.34(1)(a) requirement to be registered as a dealer to trade securities and the obligations of dealers in Part 5 of the Act and rules - A person registered in BC wants to do a trade not covered by their registration. - The person is a registered mutual fund dealer; the person wants to sell shares of an issuer; the offering of the issuer's shares is equivalent to the offering of units of a mutual fund.

Exemption Order

Working Opportunity Fund (EVCC) Ltd.

Sections 48 and 171 of the *Securities Act*, R.S.B.C. 1996, c. 418

¶ 1 Background

1. On August 20, 2001, the British Columbia Securities Commission issued an exemption order (the existing order) under sections 48 and 171 of the Act to permit registered mutual fund dealers to trade in common shares of Working Opportunity Fund (EVCC) Ltd. (WOF) offered on a continuous basis under a prospectus;
2. WOF has applied for a variation of the existing order to reflect alterations made to WOF's share capital;

¶ 2 Representations

WOF represents that:

1. it is a reporting issuer under the Act and is not in default of any requirement of the Act or the *Securities Rules* B.C. Reg. 194/97;
2. it is registered as an employee venture capital corporation under the *Employee Investment Act*, R.S.B.C. 1996, c. 112 (the EIA);
3. it is a widely held venture capital investment fund that makes venture capital investments in a variety of small and medium sized British Columbia businesses that are considered eligible or permitted investments under the EIA;
4. its investment objective is to achieve long-term capital appreciation in its portfolio of investments;

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5. under a prospectus dated January 15, 1992 and filed with the Commission, WOF distributed common shares to purchasers in British Columbia; after the completion of the distribution WOF has distributed and intends to continue to distribute its tax credit-eligible shares under a continuous offering prospectus substantially similar to the simplified form of prospectus and annual information form that mutual funds are required to use under National Instrument 81-101 *Mutual Fund Prospectus Disclosure* or any other form of prospectus that the Executive Director requires or permits (the Continuous Offering);
6. at the time of the existing order, WOF's authorized capital consisted of Balanced Class Shares, Growth Class Shares, and common shares; in January 2005, WOF consolidated the Balanced Class Shares and Growth Class Shares into a single class designated Class A Shares, which are issuable in series (the Shares), and redesignated the common shares as Class B Shares;
7. each series of the Shares has or will have substantially similar rights and restrictions;
8. any individual who is a resident of British Columbia may purchase the Shares;
9. the net asset value of WOF and the net asset value per Share, adjusted for issuance and redemption purposes (the adjusted net asset value per Share), are calculated at the end of each valuation period determined by the Valuation Committee (currently weekly and cannot be less than monthly) and is published after the end of each valuation period in two newspapers of general circulation in British Columbia;
10. as at December 31, 2004, WOF's net asset value was approximately \$411 million;
11. the Shares are qualified investments for trusts governed by RRSPs and RRIFs;
12. except for a transfer to a trust governed by an RRSP or an RRIF, a purchaser and an RRSP or an RRIF under which the purchaser or his or her spouse is the annuitant may transfer the Shares only:
 - (a) after the eighth anniversary of the date of issue of the Shares; or
 - (b) after the shareholder (or if the shareholder is a permitted trust, the annuitant or beneficiary of the trust) dies or becomes bankrupt, disabled and permanently unfit for work, or suffers an involuntary loss of employment;

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13. a shareholder may require WOF to redeem his or her Shares at a price equal to the adjusted net asset value per Share at any time after eight years after the date of issue of the Shares, or earlier if the shareholder (or if the shareholder is a permitted trust, the annuitant or beneficiary of the trust) dies, becomes bankrupt, becomes disabled and permanently unfit for work, or suffers an involuntary loss of employment;
14. WOF is treated as a mutual fund corporation for income tax purposes; and
15. the Continuous Offering is analogous to an offering of shares or units by a mutual fund;

¶ 3 **Order**

Because it is not prejudicial to the public interest, the Executive Director orders that

1. the existing order is revoked; and
2. section 34(1)(a) of the Act does not apply to trades in the Shares under the Continuous Offering by a person who is registered as a mutual fund dealer or registered to trade on behalf of a mutual fund dealer under the Act.

¶ 4 February 16, 2005

L.E. Evans, CA
Director