

## 2003 BCSECCOM 292

### **Headnote**

Mutual Reliance Review System for Exemptive Relief Application – issuer deemed to cease to be a reporting issuer because it has one Canadian shareholder and a de minimus connection to B.C. – Canadian shareholder will get U.S. state corporate disclosure

### **Applicable British Columbia Provisions**

*Securities Act*, R.S.B.C.1996, c. 418, s. 88

### **IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA AND ALBERTA**

**AND**

### **IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTION RELIEF APPLICATIONS**

**AND**

### **IN THE MATTER OF DRUMMOND FINANCIAL CORPORATION**

### **MRRS DECISION DOCUMENT**

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia and Alberta (the "Jurisdictions") has received an application from Drummond Financial Corporation ("Drummond") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Drummond be deemed to cease to be a reporting issuer in the Jurisdictions;
- ¶ 2 AND WHEREAS under the Mutual Reliance System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;
- ¶ 3 AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;
- ¶ 4 AND WHEREAS Drummond has represented to the Decision Makers that:

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1. it is organized under the laws of the State of Washington and has a head office located in Vienna, Austria;
2. it is currently a reporting issuer in the Jurisdictions and is in default of the requirements to file interim financial statements for the period ended December 31, 2002 and other continuous disclosure documents;
3. on January 14, 2003, pursuant to the terms and conditions of a court order dated December 9, 2002 approving the settlement of an action against it, it made an offer to purchase for cash its outstanding common stock to all its shareholders other than certain of its directors, officers and associates (the "Offer");
4. on February 14, 2003, it completed the Offer and filed a Form 15 with the Securities and Exchange Commission (the "SEC") containing notice of the de-registration of its securities in the United States and the suspension of its duty to file reports with the SEC;
5. its authorized capital consists of 50,000,000 shares of common stock, with a par value of \$0.01 per share, and 5,000,000 preferred shares with a par value of \$0.01 per share;
6. as of February 14, 2003, it had 1,471,467 of its common shares issued and outstanding held by approximately 104 registered and beneficial shareholders, one shareholder holding 3,000,000 preferred shares representing all of its issued and outstanding preferred shares, and a promissory note in the amount of approximately \$1.9 million outstanding;
7. as of February 14, 2003, it had one Canadian shareholder resident in British Columbia holding 10,000 common shares, representing approximately 1% of its total issued and outstanding common shares;
8. as of February 14, 2003, and except as disclosed above, it had no other securities, including debt securities, outstanding;
9. its common shares were delisted from the TSX Venture Exchange on April 11, 2003, and are not listed on any stock exchange or quoted on any exchange or market;
10. there is no market in Canada for its common shares;

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11. all of its shareholders will continue to be provided with the financial statements and other materials required under the corporate legislation of the State of Washington; and

12. it does not intend to seek any public financing by way of an offering of its securities in Canada;

¶ 5 AND WHEREAS under the System, this MRRS Decision document evidences the decision of each Decision Maker (collectively, the "Decision");

¶ 6 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;

¶ 7 THE DECISION of the Decision Makers under the Legislation is that Drummond is deemed to have ceased to be a reporting issuer under the Legislation.

¶ 8 April 28, 2003

Brenda Leong  
Director