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Headnote

Relief from the take over bid requirements to permit the acquisition of partnership units from 52 partners as part of the restructuring of the service providers for a law partnership

Exemption Order

MT Services Limited Partnership

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

Background

- ¶ 1 MT Services Limited Partnership (the National Services Partnership) applied for an exemption from the requirements in sections 105 to 110 of the Act in connection with the take over by it of Hallmark Management Services Limited Partnership (Hallmark).

Representations

- ¶ 2 The National Services Partnership represents that:
1. it is a limited partnership established under the laws of Ontario in 1997 for the primary purpose of providing secretarial, accounting, administrative, financial and other services for the Toronto office of McCarthy Tétrault LLP (the law partnership), a limited liability partnership formed under the laws of Ontario, with offices in London, Ottawa and Toronto, Ontario, Vancouver, British Columbia, Calgary, Alberta, Montreal and Quebec City, Quebec, London, England, and New York, U.S.A.;
 2. Hallmark is a limited partnership established under the laws of British Columbia in 1997 for the primary purpose of providing secretarial, accounting, administrative, financial and other services for the British Columbia offices of the law partnership;
 3. neither it nor Hallmark is a reporting issuer, or has any intention of becoming a reporting issuer, in any province or territory of Canada;
 4. Hallmark has issued limited partnership interests (Hallmark partnership interests) to discretionary trusts (partnership trusts) settled for the benefit of either active equity partners of the law partnership (active partners) or members of their families, specifically, their spouse, children, grandchildren, parents, siblings, nephews or nieces;

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5. active partners are lawyers, patent agents, trademark agents, or senior officers who are employed by or who provide services to the law partnership;
6. there are 52 partnership trusts holding Hallmark partnership interests, all of which are in British Columbia;
7. each partnership trust is or will be a discretionary trust with three trustees, one of whom is or will be the active partner who settled the partnership trust;
8. all investment decisions for the partnership trusts are made by the trustees of the partnership trust;
9. it is proposed that the Hallmark partnership interests, and limited partnership interests in similar limited partnerships established under the laws of Ontario and Alberta for the same purpose, will be exchanged effective January 1, 2003 for limited partnership units in the National Services Partnership (the take over bid);
10. after the take over bid is complete, the National Services Partnership will provide secretarial, accounting, administrative, financial and other services for all offices of the law partnership and not solely for the Toronto office, as is presently the case;
11. Hallmark, and the other limited partnerships referred to in paragraph 9, other than the National Services Partnership, will be dissolved following the closing of the take over bid; and
12. but for the fact that the holders of Hallmark partnership interests are discretionary trusts rather than persons who are employed by Hallmark, the take over bid would be exempt from the requirements of sections 105 to 110 of the Act under section 98(1)(d) of the Act.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Commission orders under section 114(2)(c) of the Act that the take over bid by the National Services Limited Partnership of Hallmark is exempt from sections 105 to 110 of the Act.
- ¶ 4 December 27, 2002.

Noreen Bent
Acting Director