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Headnote

Issuer deemed to cease to be a reporting issuer – Issuer's securities are publicly traded, but not on any market in Canada – Canadian shareholders hold less than 10% of the issued and outstanding shares and will continue to receive foreign jurisdiction continuous disclosure documents

Exemption Order

Novadigm, Inc.

Section 88 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Novadigm applied for an order under section 88 of the Act to be deemed to have ceased to be a reporting issuer.

Representations

- ¶ 2 Novadigm represents that:
1. it is incorporated under the laws of the State of Delaware;
 2. 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;
 3. it is not a reporting issuer in any other province or territory of Canada;
 4. it is subject to the reporting requirements of the *Securities Exchange Act of 1934* of the United States of America (the 1934 Act) and is not in default of any requirements of the 1934 Act;
 5. its authorized capital consists of 30,000,000 common shares, of which 19,079,804 common shares were issued and outstanding as of September 30, 2003;

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6. its common shares are traded on the Nasdaq National Market and are not listed or quoted on any other exchange or market in Canada or elsewhere;
7. as of September 30, 2003, 1,047,978 common shares, representing approximately 5.49% of its total outstanding common shares, were held by 19 Canadian shareholders, including intermediaries, and of those shareholders, nine have addresses in British Columbia;
8. it has no other securities, including debt securities, outstanding, except for options and warrants entitling the holders to purchase common shares; as of September 30, 2003 there were outstanding options or rights to acquire options to acquire an aggregate of 31,000 common shares, held by six Canadian holders, all of whom were employees of Novadigm;
9. its management, assets and business are primarily located outside of Canada;
10. there is no market in Canada for its common shares;
11. all of its shareholders resident in Canada, whether registered or unregistered, will continue to be provided with the same continuous disclosure documents that are provided to its shareholders resident in the United States, including audited financial statements; and
12. it does not intend to seek public financing by way of an offering of its securities in Canada.

Order

- ¶ 3 Because it is not prejudicial to the public interest the Commission orders, under section 88 of the Act, that Novadigm is deemed to cease to be a reporting issuer.
- ¶ 4 February 26, 2004

Derek E. Patterson
Acting Director