

2010 BCSECCOM 435

July 2, 2010

Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions – Securities Act*, s.88 – *Cease to be a reporting issuer in BC* - The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market - The issuer falls within the definition of “closely held reporting issuer” contained in BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* as the securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market

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, Alberta and Québec
(the “Jurisdictions”)

and

In the Matter of
the Process for Exemptive Relief Applications
in Multiple Jurisdictions

and

In the Matter of
Cagim Real Estate Corporation
(the “Filer”)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the “Decision Makers”) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the Filer is not a reporting issuer in the Jurisdictions (the “Exemptive Relief Sought”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

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- (a) the Autorité des marchés financiers is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation that was incorporated on July 15, 1998 and is governed by the *Canada Business Corporations Act* (the “CBCA”) with its head office located at 2155, Crescent Street, Suite 300, Montréal (Québec).
2. The Filer is a reporting issuer in the Jurisdictions.
3. On May 10, 2010, BTB Real Estate Investment Trust (“BTB”) acquired 19,863,601 class “A” common shares of the Filer (the “Common Shares”), for a consideration in cash of CAN \$1.05 per Common Share, deposited pursuant to a take-over bid circular dated March 31, 2010 (the “Offer”), representing 97.05% of the issued and outstanding Common Shares.
4. On May 17, 2010, BTB filed a notice of compulsory acquisition to persons who had not tendered to the Offer, to acquire 604,780 Common Shares, which represents the balance of the issued and outstanding Common Shares that were not acquired by BTB under the Offer, pursuant to its statutory right of compulsory acquisition under the CBCA (the “Compulsory Acquisition”) (the Offer and the Compulsory Acquisition hereinafter collectively referred to as the “Transaction”), which represented 2.95% of the issued and outstanding Common Shares.
5. On June 8, 2010, BTB completed the Compulsory Acquisition by the taking up and the payment of all the remaining 604,780 Common Shares pursuant to the Transaction. BTB has submitted cheques to CIBC Mellon Trust Company for the payment of the Common Shares that were not acquired by BTB under the Offer. Any shareholder that has not delivered such share certificates must do so in order to receive the consideration the shareholder is entitled to.
6. Following the completion of the Transaction, the authorized capital of the Filer consists of an unlimited number of Common Shares without par value

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and an unlimited number of class “B” preferred shares without par value (the “Preferred Shares”), of which 20,468,381 Common Shares are issued and outstanding and no Preferred Shares are issued and outstanding.

7. Following the completion of the Transaction, BTB is the only shareholder of the Filer and the Filer is a wholly-owned subsidiary of BTB.
8. Trading on the Filer’s Common Shares on the TSX Venture Exchange (“TSXV”) was halted on May 10, 2010; the TSXV issued a final bulletin on May 28, 2010 to delist the Common Shares from the TSXV effective at the close of the market on May 31st, 2010.
9. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
10. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except that it has not filed on May 30, 2010 its interim financial statements and related management’s discussion and analysis for the interim period ended March 31, 2010 (the “Interim Filings”), as required under National Instrument 51-102 *Continuous Disclosure Obligations*, and the certificates of Interim Filings as required under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*.
11. The outstanding securities of the Filer, including debt securities, are currently beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.
12. The Filer has no current intention to proceed with an offering of its securities in a jurisdiction in Canada by way of a private placement or public offering.
13. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the Exemptive Relief Sought because it is in default of certain continuous disclosure obligations.
14. Upon the grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer in any jurisdiction in Canada.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

Alida Gualtieri
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