

2009 BCSECCOM 711

November 26, 2009

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 Saskatchewan
(the Jurisdictions)

and

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

and

In the Matter of

HFG Holdings Inc.
(the Filer)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) 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 Alberta Securities Commission 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 was incorporated under the *Business Corporations Act* (Alberta) on March 2, 2007 and its head office is located at 702, 2303 - 4 Street S.W., Calgary, Alberta, T2S 2S7.
2. The Filer is a reporting issuer in the provinces of British Columbia, Alberta and Saskatchewan.
3. The Filer's authorized share capital consists of an unlimited number of common shares (the Common Shares) and an unlimited number of preferred shares, of which 227,682,490 Common Shares and no preferred shares were issued and outstanding as of November 16, 2009.
4. Cequence Energy Ltd. (Cequence) acquired all of the issued and outstanding Common Shares by way of a take-over bid dated October 6, 2009 and subsequent compulsory acquisition and thus the outstanding securities of the Filer, including debt securities, are 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.
5. The Common Shares were delisted from the TSX Venture Exchange effective at the close of business on November 16, 2009 and no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
6. The Filer has no current intention to seek public financing by way of an offering of securities.
7. The Filer is applying for a decision that the Filer is not a reporting issuer in all the jurisdictions in Canada in which it is currently a reporting issuer.

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8. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.
9. The Filer was 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* as it is a reporting issuer in British Columbia.
10. Upon grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of 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.

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

Blaine Young
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