

# 2006 BCSECCOM 182

January 26, 2006

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Securities Rules s. 162(3) - Exemption from the Valuation Requirements - An issuer wants relief from the requirement to obtain a formal valuation in connection with an issuer bid for its outstanding securities - A liquid market for the issuer's securities exists before the bid; after the bid, there will be a market for the issuer's securities that is not materially less liquid than before the bid

## **Applicable British Columbia Provisions**

*Securities Act*, R.S.B.C. 1996, c. 418, ss. 162(2) and 162(3)

In the Matter of  
the Securities Legislation  
of Alberta, British Columbia, Saskatchewan, Manitoba, Nova Scotia, and  
Newfoundland and Labrador  
(the Jurisdictions)

and

In the Matter of  
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of  
MediSolution Ltd. (the Filer)

MRRS Decision Document

## **Background**

¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with the Filer's proposed issuer bid (the Offer),

- (a) the Filer be exempt from the requirements in the Legislation to obtain a valuation of the Filer's common shares (the Shares) and disclose the valuation in the Filer's issuer bid circular (the Valuation Relief), and

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(b) this decision be kept confidential until the earlier of the Filer's announcing the Offer and February 15, 2006,

(the Requested Relief).

Under the Mutual Reliance Review system for Exemptive Relief Applications (the System):

(a) the British Columbia Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

### **Interpretation**

¶ 2 Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

### **Representations**

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

1. the Filer is a reporting issuer in each of the Jurisdictions and is not in default of any requirement of the Legislation;
2. the Filer's authorized capital includes
  - (a) an unlimited number of Shares, of which approximately 159,738,596 were outstanding as at December 15, 2005, and
  - (b) an unlimited number of Class A special shares, issuable in series, none of which are outstanding;
3. the Shares trade on the Toronto Stock Exchange;
4. no person or company holds more than 10% of the Shares other than a wholly-owned subsidiary of Brookfield Asset Management Inc. (BAM), which beneficially owns or exercises control or direction over approximately 95 million Shares, representing approximately 60% of the outstanding Shares;
5. BAM has advised the Filer that it does not intend to tender any Shares to the Offer;

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6. the Filer intends to repurchase up to 15 million Shares under the Offer, representing approximately 9.4% of the outstanding Shares;
7. in connection with the Offer, the Filer intends to rely upon the exemption from the valuation requirement in section 3.4(3) of Quebec Regulation Q-27 and section 3.4(3) of Ontario Securities Commission Rule 61-501 (the Liquid Market Exemptions);
8. the Filer will not rely on the Liquid Market Exemptions in connection with the Offer unless
  - (a) the Filer receives an opinion (the Opinion) that there is a liquid market in the Shares at the date the Offer is publicly announced from a qualified and independent company, and
  - (b) the Opinion states that it is reasonable to conclude that, following completion of the Offer, there will be a market for beneficial owners of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer;
9. the issuer bid circular will
  - (a) include the Opinion and the disclosure relating to the Opinion that the Filer is required to include to rely on the Liquid Market Exemptions, and
  - (b) except to the extent exemptive relief is granted by this decision, contain the disclosure prescribed by the Legislation for issuer bids.

### **Decision**

- ¶ 4 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.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that, in respect of the Valuation Relief, the Filer can rely on the Liquid Market Exemptions and complies with representation 9.

Martin Eady, CA  
Director, Corporate Finance  
British Columbia Securities Commission