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June 9, 2010

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 51-102, s. 13.1 - *Continuous Disclosure Obligations* - BAR – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report - The issuer made a significant acquisition of a private company; the necessary information to prepare the required financial statements is unavailable; the BAR will contain sufficient alternative information about the acquisition

Applicable British Columbia Provisions

National Instrument 51-102, s. 13.1 - *Continuous Disclosure Obligations*

In the Matter of
the Securities Legislation of
British Columbia
(the Jurisdiction)

and

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

and

In the Matter of
Eagle I Capital Corporation
(the Filer)

Decision

Background

- ¶ 1 The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for an exemption from the requirement to include certain financial statements in a business acquisition report (BAR) to be filed in connection with the Proposed Transaction (as defined below), as required

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by section 8.4 of National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) (the Exemption Sought).

Under the Process for Exemptive Relief Application in Multiple Jurisdictions (for a passport application):

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 - *Passport System* (MI 11-102) is intended to be relied upon in Alberta.

Interpretation

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

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. the Filer is incorporated under the *Business Corporations Act* (British Columbia) and its head office is located at 900 - 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5;
 - 2. the Filer is a reporting issuer in the Jurisdiction and Alberta;
 - 3. the Filer is authorized to issue an unlimited number of common shares of which 5,000,000 common shares are issued and outstanding;
 - 4. the Filer's common shares have been listed on the TSX Venture Exchange (the TSXV) since January 14, 2009 under the symbol "EIC.P" and the Filer is a "capital pool company" under the policies of the TSXV;
 - 5. the Filer is a "Venture Issuer" as defined in NI 51-102;
 - 6. the Filer's financial year-end is May 31;
 - 7. Eagle Acquisition, Inc. (Eagle Subco), a company incorporated under the laws of the State of Delaware, is a wholly-owned subsidiary of the Filer;
 - 8. on April 21, 2009, the Filer and Eagle Subco entered into a merger agreement, as amended on September 24, 2009, (the Merger Agreement) with Miguel's Products, LLC (Miguel's);

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9. Miguel's is a limited liability company formed under the laws of the State of Delaware on December 15, 2004, and was a specialty manufacturer of Miguel's and private label all natural and organic tortilla chips, salsa and other snack products;
10. under the Merger Agreement, Eagle Subco agreed to merge with Miguel's in exchange for the issuance by the Filer to former Miguel's securityholders of 9,488,473 common shares of the Filer, 550 Class BB Units of the merged Miguel's entity exchangeable into 9,011,527 common shares of the Filer, and a convertible note with a principal value of US \$500,000 (the Merger Transaction); the Filer terminated the Merger Agreement on October 23, 2009, after the Merger Transaction failed to obtain requisite shareholder approval;
11. on March 26, 2010, the Filer and Eagle Subco entered into a non-recourse purchase and sale agreement with WWS Holdings, LLC (WWS) and Dean J. Lynch (Lynch), under which the Filer and Eagle Subco have agreed to purchase from WWS and Lynch, subject to TSXV approval, substantially all of the assets (the Miguel's Assets) comprising the snack food business previously operated by Miguel's for 1,600,000 common shares of the Filer, promissory notes of US\$600,000 in favour of WWS and Lynch to be paid from revenues generated by the Miguel's Assets, and US\$214,198.87 to be paid from the proceeds of acquired inventory and accounts receivable (the Proposed Transaction);
12. WWS and Lynch acquired the Miguel's Assets from TZ Business Lenders, Inc. (the Secured Creditor), a secured creditor of Miguel's, after the Secured Creditor realized on its first priority security interest in and lien on all of the assets of Miguel's and, on April 1, 2010, sold all of the Miguel's Assets to WWS and Lynch for a cash payment of US \$1,038,139.97 at a public sale conducted in accordance with the terms and conditions of the *United States Uniform Commercial Code* under which public notice was provided in the States of Vermont, New Jersey and Delaware;
13. although the corporate entity "Miguel's Products LLC" has ceased operations, the Filer understands that at no time during or since the sale of the Miguel's Assets, has the business of Miguel's ceased operations; the Filer understands from WWS and Lynch that since the sale of the Miguel's Assets to WWS and Lynch on April 1, 2010, WWS and Lynch have received orders for approximately US\$980,000 in Miguel's products and have continued to fulfill orders previously received; the Filer understands that all significant customers for Miguel's products and manufacturers of Miguel's products have been

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contacted and informed of the Proposed Transaction and no objections have been raised by these parties;

14. the Proposed Transaction, if completed, will constitute the “qualifying transaction” of the Filer under the policies of the TSXV;
15. shareholder approval is not required for the Proposed Transaction;
16. the Proposed Transaction, if completed, will constitute a “significant acquisition” for the purposes of NI 51-102 and the Filer will be required to file a BAR within 75 days of the closing of the Proposed Transaction;
17. under section 8.4 of NI 51-102, the BAR must be accompanied by:
 - (a) annual financial statements for Miguel’s two most recently completed financial years prior to the Proposed Transaction, being the financial years ending December 31, 2009, and December 31, 2008, and the financial statements for the most recently completed financial year prior to the Proposed Transaction must be audited;
 - (b) unaudited interim financial statements for Miguel’s most recently completed interim period, being the period ended March 31, 2010; and
 - (c) pro forma financial statements of the Filer giving effect to the Proposed Transaction;
18. audited annual financial statements of Miguel’s for the year ended December 31, 2008, do exist and were filed by the Filer in connection with a management information circular of the Filer dated September 25, 2009, concerning the Merger Transaction;
19. the Filer has made reasonable inquiries into obtaining the records of Miguel’s for the year ended December 31, 2009, and the period ended March 31, 2010, from:
 - (a) the former auditor of Miguel’s (the Former Auditor), and has been informed that the Former Auditor does not have sufficient financial information on Miguel’s for the period ended December 31, 2009, to prepare audited annual financial statements of Miguel’s and does not have any records for the period ended March 31, 2010;

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- (b) the Secured Creditor, and has been informed that the Secured Creditor did not request or receive any historical documents or financial records of Miguel's;
 - (c) the former management of Miguel's, namely, Anthony Cusano, Robert Rosco and Bruce Duley ("Miguel's Former Management"), and has been informed that Miguel's Former Management:
 - (i) resigned from Miguel's in February 2010 and upon such resignation left all records of Miguel's at the office of Miguel's; and
 - (ii) were informed by the Secured Creditor that when the Miguel's Assets were turned over to the Secured Creditor, the Miguel's office was closed and all of the contents were left to be discarded by the landlord who subsequently cleared out the space so that it could be leased and destroyed all of the records that were left at the Miguel's office;
 - (d) WWS, and has been informed that WWS has no records or documents of Miguel's; and
 - (e) Lynch (the only remaining officer of Miguel's after the resignation of Miguel's Former Management), and has been informed that Lynch has no records or documents of Miguel's;
20. Miguel's Former Management have informed the Filer that they did not know at the time they left Miguel's that the Filer would reach an agreement to acquire the Miguel's Assets;
21. accordingly, the Filer has determined that it is not possible to prepare audited annual financial statements of Miguel's for the year ended December 31, 2009, and unaudited financial statements for the period ended March 31, 2010, because the books, records and other justificatory documents pertaining to the Miguel's Assets for these periods were abandoned after the public sale of the Miguel's Assets when the corporate entity "Miguel's Products LLC" ceased operations and were subsequently destroyed;
22. apart from the requirements to include annual financial statements of Miguel's for the year ended December 31, 2009, interim financial statements for the period ended March 31, 2010, and certain pro forma financial statements required under subsection 8.4(5) of NI 51-102, the Filer is otherwise able to prepare and file the BAR in accordance with NI 51-102; and

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23. the Filer is not in default of its obligations under the securities legislation in the Jurisdiction and Alberta.

Decision

- ¶ 4 The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

1. the Filer includes in the BAR:
 - (a) an audited statement of assets purchased and liabilities assumed by the Filer as at the closing date of the Proposed Transaction;
 - (b) audited annual financial statements of Miguel's for the year ended December 31, 2008;
 - (c) an unaudited consolidated pro forma balance sheet of the Filer giving effect to the Proposed Transaction; and
 - (d) an explanation as to why audited financial statements of Miguel's for the year ended December 31, 2009, unaudited interim statements of Miguel's for the period March 31, 2010, and certain pro forma financial statements, could not be prepared and included in the BAR as required under Part 8 of NI 51-102; and
2. the Proposed Transaction is completed within 75 days of the date of this decision.

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