

# **2003 BCSECCOM 798**

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Application - relief from subsection 2.1(b) of National Instrument 54-101 that the record date for a shareholders' meeting must be no more than 60 days before the meeting date

## **Applicable British Columbia Provisions**

National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, ss. 2.1(b) and 9.2

## **IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA AND BRITISH COLUMBIA**

**AND**

## **IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS**

**AND**

## **IN THE MATTER OF NORAC INDUSTRIES INC.**

## **MRRS DECISION DOCUMENT**

WHEREAS an application (the "Application") has been received by the securities regulatory authority or regulator in each of Alberta and British Columbia (the "Decision Makers") from Norac Industries Inc. (Norac) for a decision under National Instrument 54-101 (the "Legislation") that, in connection with the proposed amalgamation of Norac, Norac Acquisitions Inc. ("NAI") and ViRexx Research Inc. ("ViRexx") to form ViRexx Medical Corp. (the "Amalgamation"), Norac be exempt from the requirement to establish a record date for the annual and special meeting of shareholders of Norac (the "Norac Meeting") to vote upon regular business and special business, including the Amalgamation, not more than 60 days before the date of the Norac Meeting in accordance with subsection 2.1(b) of National Instrument 54-101 (the "Record Date Requirement");

AND WHEREAS, pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for the Application;

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AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS Norac has represented to the Decision Makers that:

1. the head office of Norac is located at Suite 1500, 10025-102A Avenue, Edmonton, Alberta, T5J 2Z2.
2. Norac was incorporated under the *Business Corporations Act* (Alberta) on September 22, 1986.
3. the subordinate voting shares of Norac began trading on the TSX Venture Exchange ("TSXV") in April 1987 under the symbol "NRC.A" which was subsequently changed to the symbol "NRC.T". On August 18, 2003, Norac was transferred to the NEX board of TSXV ("NEX"), and its trading symbol was changed to "NRC.H".
4. Norac has been a reporting issuer in the Province of Alberta since October 2, 1986 and a reporting issuer in the Province of British Columbia since November 26, 1999.
5. on June 20, 2003, Norac entered into a letter of intent with ViRexx, among others, regarding the Amalgamation. On June 23, 2003, Norac issued a press release and on June 24, 2003, filed a material change report with the appropriate securities regulators regarding the letter of intent.
6. as a result of the proposed Amalgamation, at the request of Norac, effective at the opening of the TSXV market on June 23, 2003, trading in the shares of Norac on the TSXV was halted.
7. no Norac shares have traded on the TSXV or NEX since trading in such shares was halted and only 4,000 shares of Norac out of 4,455,000 outstanding subordinate voting shares of Norac have been traded on the TSXV or NEX since January 2003.
8. on September 15, 2003, Norac obtained an order from the Court of Queen's Bench of Alberta extending the time in which the next annual meeting of Norac shall be held to November 30, 2003.
9. Norac and its management have endeavoured to conclude the Amalgamation and, in furtherance of such, on August 27, 2003 caused a second amended notice of special and annual meeting to be mailed to

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shareholders. This notice set the meeting date for October 22, 2003 and the record date at September 22, 2003.

10. in addition to requiring shareholder approval, the Amalgamation requires approval of the TSXV. Due to the relatively complicated nature of this regulatory approval and the associated disclosure requirements, Norac and ViRexx have been delayed in being able to provide the required materials to Norac shareholders in respect of the Norac Meeting which is now scheduled to take place on or about December 19, 2003.
11. Section 2.1(b) of the Legislation provides that the record date for shareholder meetings shall not precede by more than 60 days the date on which the meeting is to be held.
12. the current record date of September 22, 2003 precedes the proposed meeting date of December 19, 2003 by 88 days.
13. Norac received an order of the Court's of Queen's Bench of Alberta on November 21, 2003 that permits the Norac Meeting to be held no later than December 31, 2003 using September 22, 2003 as the record date notwithstanding the *Business Corporations Act* (Alberta) provides that a record date cannot be more than 50 days before the applicable meeting.
14. as a result, Norac is seeking a order under section 9.2(1) of the Legislation permitting September 22, 2003 to be the record date for the Norac Meeting notwithstanding the requirement of section 2.1(b) of the Legislation that the record date shall not precede by more than 60 days the date on which the meeting is to be held.

AND WHEREAS, pursuant to the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that, in connection with the Norac Meeting, Norac shall be exempt from the Record Date Requirement provided that:

- (i) the Record Date is September 22, 2003 for the Norac Meeting which is to be held on or before December 31, 2003, 2003; and

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- (ii) Norac complies with all other provisions of the Legislation applicable to the Norac Meeting.

DATED this 24<sup>th</sup> day of November, 2003.

David C. Linder  
Executive Director