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Headnote

Mutual Reliance Review System for Exemptive Relief Application – order that an issuer has ceased to be a reporting issuer – securities of issuer are beneficially owned by more than 50 persons, all of whom are directors, officers, employees, consultants or their permitted transferees, or the parent company – issuer’s securities are not listed or quoted for trading and the issuer does not intend to offer its securities to the public

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, SASKATCHEWAN AND QUÉBEC

AND

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

AND

IN THE MATTER OF 4221079 CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan and Québec (the “Jurisdictions”) has received an application from 4221079 Canada Inc. (“IPC Holdco”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that, in connection with the plan of arrangement (the “Arrangement”) among IPC Holdco, IGM Financial Inc. (“IGM Financial”) and IPC Financial Network Inc. (“IPC”), IPC Holdco be deemed to have ceased to be a reporting issuer;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the *Agence nationale d’encadrement du secteur financier* (also known as “*Autorité des marchés financiers*”) is the Principal Regulator for the Application;

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

AND WHEREAS IPC Holdco has represented to the Decision Makers that:

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1. IPC was incorporated under the *Canada Business Corporations Act* on May 14, 1998; and its registered and principal office is located in Mississauga, Ontario.
2. IPC is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario, Québec and Nova Scotia and is not in default of its requirements under the Legislation.
3. IPC and its subsidiaries conduct business across Canada through a network of independent financial advisors (the “Advisors”).
4. According to an information memorandum provided to IGM Financial by IPC, there are currently 92 Advisors in British Columbia, 26 Advisors in Alberta, 4 Advisors in Saskatchewan, 9 Advisors in Manitoba, 454 Advisors in Ontario, 3 Advisors in Québec, 4 Advisors in New Brunswick, 41 Advisors in Nova Scotia, 9 Advisors in Newfoundland and Labrador and 1 Advisor in Prince Edward Island. IPC has advised IGM Financial that approximately 175 Advisors currently hold common shares of IPC (“IPC Shares”).
5. Although some of the Advisors are not employees of IPC, all Advisors have a written contract with IPC pursuant to which they devote a substantial amount of their time and attention to IPCs business.
6. IPC Holdco was incorporated under the *Canada Business Corporations Act* on February 10, 2004. Its registered and principal office is in Toronto, Ontario.
7. IGM Financial and IPC entered into an acquisition agreement made as of February 24, 2004 pursuant to which IGM Financial and IPC Holdco, subject to certain conditions being met, agreed to acquire all of the shares of IPC by way of the Arrangement.
8. On April 28, 2004 the holders of IPC Shares voted in favour of the resolution approving the Arrangement.
9. On May 10, 2004 the Arrangement became effective and IPC Holdco became a reporting issuer under the Legislation.
10. Under the Arrangement, IPC Holdco acquired all of the issued and outstanding IPC Shares for, at the election of the IPC shareholder: (i) cash and/or common shares of IGM Financial (“IGM Shares”), or (ii) cash, IGM Shares and/or common shares of IPC Holdco (“IPC Holdco Shares”), in the case of certain

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shareholders of IPC who are Advisors and members of IPC management (the “Officers”).

11. The Advisors and the Officers (collectively the “IPC Holdco Shareholders”) do not own, as a group, more than 30% of the outstanding IPC Holdco Shares; IGM Financial owns the balance of the outstanding IPC Holdco Shares. IPC Holdco Shares were used as consideration under the Arrangement in order to maintain the ownership interest of the Officers and the Advisors in the IPC business (indirectly through IPC Holdco).
12. As a condition to receiving IPC Holdco Shares under the Arrangement, all potential IPC Holdco Shareholders entered into one or, in the case of certain IPC Holdco Shareholders, two shareholders’ agreements (collectively, “Shareholders’ Agreements”) with IPC Holdco and IGM Financial.
13. The letter of transmittal signed by each IPC Holdco Shareholder for the purpose of depositing his or her shares of IPC and receiving IPC Holdco Shares contained an acknowledgement from the IPC Holdco Shareholder that he or she is aware that IPC Holdco will not become a reporting issuer, and that IPC Holdco will not be subject to the continuous disclosure requirements under the Legislation.
14. Pursuant to the terms of the Shareholders’ Agreements, each IPC Holdco Shareholder will receive copies of IPC Holdco’s quarterly and annual financial statements.
15. Other than IGM Financial and its affiliates, all of the IPC Holdco Shareholders are, and will continue to be, “employees”, “senior officers”, “directors”, “consultants” or “permitted assigns” for the purpose of Multilateral Instrument 45-105 – *Trades to Employees, Senior Officers, Directors and Consultants*.
16. IPC Holdco does not intend to seek public financing by way of an offering of securities.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS 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;

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THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that IPC Holdco is deemed to have ceased to be a reporting issuer under the Legislation.

DATED at Montreal, Québec on May 17, 2004

Stéphanie Lachance
Le chef du Service du financement des sociétés