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May 10, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications and Multilateral Instrument 11-101 *Principal Regulator System* - 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 public company; the acquired business has been in default of filing its financial statements due to questions relating to its historical reporting; the acquired business cannot provide the issuer with the required financial statements because, among other reasons, the statements do not exist, the acquired business' auditors have resigned, and new auditors would not complete an audit without conducting a forensic audit; the issuer will provide alternative financial information that will give investors information about the acquisition

Applicable British Columbia Provisions

National Instrument 51-102, s. 13.1

In the Matter of
the Securities Legislation
of British Columbia and Ontario (the Jurisdictions)

and

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

and

In the Matter of
Glacier Ventures International Corp. (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 the Filer be exempt from the requirements in the Legislation to include historical financial statements and pro forma financial information in the Filer's business acquisition report (BAR) relating to its acquisition, through its wholly owned subsidiary 0744062 B.C. Ltd. (0744062), of all of the issued and outstanding shares of

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3120574 Nova Scotia Company (3120574) on February 6, 2006 (the Requested Relief).

Application of Principal Regulator System

- ¶ 2 Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications
- (a) the British Columbia Securities Commission is the principal regulator for the Filer,
 - (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in Alberta and Québec, and
 - (c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

In this decision,

“Acquisition” means the Filer’s indirect acquisition, through 0744062, of 3120574 and the additional direct acquisition of a 3% interest in HCNLP,

“Ecolog” means Eco Log Environmental Risk Information Services Ltd.,

“Effective Date” means January 31, 2006, the effective date of the Acquisition,

“HCNLP” means Hollinger Canadian Newspapers, Limited Partnership,

“HCNLP Financial Information” means

- (a) the unaudited consolidated balance sheet and statements of partners’ equity for HCNLP as at December 31, 2004, June 30, 2005, and September 30, 2005 as prepared by management, and
- (b) the unaudited consolidated statements of operations for HCNLP for the year ended December 31, 2004, the six months ended June 30, 2005, and the nine months ended September 30, 2005, as prepared by management,

“HLR” means Hollinger International Inc.,

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“KCN” means KCN Capital News Company,

“NI 51-102” means National Instrument 51-102 *Continuous Disclosure Obligations*, and

“Required Disclosure” means

- (i) audited financial statements of each HCNLP, KCN and Ecolog for the years ended December 31, 2004 and 2003,
- (ii) unaudited interim financial statements of each of HCNLP, KCN and Ecolog for the nine month period ended September 30, 2005 together with comparatives for the nine month period ended September 30, 2004,
- (iii) an unaudited pro-forma consolidated balance sheet of the Filer as at December 31, 2005 giving effect to the Acquisition,
- (iv) an unaudited pro forma consolidated statement of operations for the year ended December 31, 2005 giving effect to the Acquisition as if it had taken place on January 1, 2005, and
- (v) a compilation report signed by the Filer’s auditor on the unaudited pro forma balance sheet as at December 31, 2005 and the unaudited pro forma consolidated statement of operations for the year ended December 31, 2005.

Representations

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

1. the Filer was incorporated under the laws of Canada and has a head office in Vancouver, British Columbia;
2. the Filer’s common shares trade on the Toronto Stock Exchange;
3. the Filer is a reporting issuer in the provinces of British Columbia, Alberta, Québec and Ontario;
4. to its knowledge, the Filer is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer, other than in connection with the filing the BAR in respect of the Acquisition;

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5. 0744062 is a wholly-owned subsidiary of the Filer and is not a reporting issuer in any jurisdiction;
6. through 0744062, the Filer acquired all of the issued and outstanding shares of 3120574 under the terms of a share purchase agreement dated January 11, 2006 between 0744062, the Filer, Hollinger Canadian Publishing Holdings Co., and HLR on February 6, 2006;
7. on February 6, 2006, the Filer concurrently purchased an additional 3% of the units of HCNLP;
8. 3120574 holds
 - (i) 158,909,495 units of HCNLP (approximately 87% of the units),
 - (ii) 100 common shares of Hollinger Canadian Newspapers G.P. Inc.,
 - (iii) all of the outstanding shares of KCN and Ecolog, and
 - (iv) a beneficial interest in certain real property;
9. on February 23, 2006, the Filer caused HCNLP to consolidate the balance of its units on the basis of one unit for every 25,000,000 units outstanding, which consolidation was effective on March 22, 2006;
10. HCNLP is currently a reporting issuer in each of the provinces of Canada except British Columbia, where it has voluntarily surrendered its reporting issuer status;
11. before the consolidation, HCNLP's units were listed on the NEX board of the TSX Venture Exchange;
12. KCN and Ecolog are not reporting issuers in any jurisdiction;
13. under Part 8 of NI 51-102, the Filer is required to file a BAR relating to the Acquisition;
14. based on the significance tests in Part 8 of NI 51-102, the Filer is required to include the Required Disclosure in its BAR;
15. before the Acquisition, the businesses, entities and interests acquired from 3120575 were owned by subsidiaries of HLR;

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16. a special committee of independent directors of HLR was formed on June 17, 2003 to investigate past related party transactions and other historical payments made to certain executives of HLR and its controlling shareholder, Hollinger Inc., and other affiliates in connection with the sale of HLR's assets and other transactions, following which, executives in charge of managing HLR and its subsidiaries, of HLR ceased to be executives of HLR or its subsidiaries;

17. during the course of the investigation, HCNLP did not file

- (i) annual audited comparative financial statements for the years ended December 31, 2004 and 2003, and
- (ii) interim financial statements for any interim periods in fiscal 2004 or 2005

based on the opinion that it was necessary to review the final report from the investigation before financial statements could be completed and, after the report on the investigation was released, because of the work that was required to be performed by its auditors to provide those audited and interim financial statements;

18. historical financial statements of KCN and Ecolog were not audited for any of the required periods because

- (i) the entities were not reporting issuers, and
- (ii) the interests in these entities held by HLR were not material to HLR;

19. no interim financial statements were prepared for any of KCN or Ecolog;

20. the Filer filed the HCNLP Financial Information on SEDAR on January 11, 2006 as part of a material change report;

21. because the personnel of HRL that would have information necessary to complete an audit of HCNLP, Ecolog or KCN are no longer employees of HRL or any of its subsidiaries, the Filer does not have access to individuals necessary to prepare audited financial statements for HCNLP, Ecolog or KCN; and

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22. with respect to Ecolog and KCN, the financial information of these entities is very insignificant in comparison to the financial results of each of the Filer and HCNLP.

Decision

¶ 5 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 the Filer

(a) includes the following in the BAR:

- (i) an audited balance sheet of HCNLP as at the Effective Date,
- (ii) unaudited annual financial statements of HCNLP prepared by management of HCNLP for the years ended December 31, 2005 and 2004,
- (iii) an audited statement of consolidated revenue and operating costs for HCNLP for the year ended December 31, 2005 that will include:
 - (A) revenue from operations with separate disclosure of revenue from advertising, circulation and job printing and other,
 - (B) cost of operations with separate disclosure of labour costs, newsprint costs, management fees and other normal operating costs, and
 - (C) operating profit,
- (iv) a pro forma balance sheet of the Filer as at December 31, 2005, based on the Filer's audited balance sheet at December 31, 2005 and the HCNLP balance sheet at the Effective Date, that gives effect to the acquisition of HCNLP and presents the acquisition of KCN and Ecolog as a separate pro forma adjustment (taken together),
- (v) a pro forma statement of operations for the 12 months ended December 31, 2005 based on the Filer's audited financial statements for the year ended December 31, 2005 and the audited

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statement of revenues and operating costs for HCNLP for the year ended December 31, 2005 as described in (a)(iii) above, and

(vi) a compilation report on the unaudited pro forma balance sheet as at December 31, 2005 and the unaudited pro forma consolidated statement of operations for the year ended December 31, 2005 signed by the Filer's audited and prepared in accordance with the Handbook; and

(b) the Filer explains in the BAR

(i) why the audited statement of revenue and operating costs for HCNLP does not reflect other items such as depreciation, tax, interest and other extraordinary items, and

(ii) why full audited financial statements of HCNLP could not be prepared as required under Part 8 of NI 51-102.

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