

# **2003 BCSECCOM 747**

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – relief from the formal valuation requirement for an issuer bid where issuer is offering its assets in exchange for its shares

## **Applicable British Columbia Provisions**

*Securities Rules*, B.C. Reg. 194/97, s. 162(2) and (3)

## **IN THE MATTER OF THE SECURITIES LEGISLATION OF QUÉBEC, BRITISH COLUMBIA, ALBERTA, MANITOBA and ONTARIO**

**AND**

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

**AND**

## **IN THE MATTER OF BRIDGEPOINT INTERNATIONAL INC.**

## **MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Quebec, British Columbia, Alberta, Manitoba and Ontario (the "Jurisdictions") has received an application (the "Application") from BridgePoint International Inc. (the "Company" or "BridgePoint") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to obtain a Valuation (the "Valuation Requirement") shall not apply to the proposed issuer bid for all issued and outstanding BridgePoint Class A common shares ("BridgePoint Common Shares"). In consideration therefore the Company will deliver on a prorated basis the 4,500,000 Units of Afcan Mining Corporation ("Afcan" and the "Afcan Units") held by the Company.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

AND WHEREAS the Applicant has represented to the Decision Makers that:

1. On December 2, 1999, the shareholders of Mines Vauquelin Ltée, a mining company continued under *Part IA of the Companies Act (Quebec)*, approved a transaction by virtue of which Mines Vauquelin Ltée acquired all the shares of

## 2003 BCSECCOM 747

a company doing business under the name of BridgePoint Entreprises and changed its mission to a company which, through neutral telehousing or co-location facilities provided central office and outsourcing services, Internet management services and technical support services. Mines Vauquelin Ltée changed its name to BridgePoint International inc. To operate its business, the Company set up a wholly-owned Canadian subsidiary (BridgePoint International (Canada) inc.) and a wholly-owned American subsidiary (BridgePoint International (USA) inc.).

2. The Company is authorized to issue an unlimited number of BridgePoint Common Shares. As of the date hereof, there are 58,058,311 BridgePoint Common Shares issued and outstanding.
3. BridgePoint is a reporting issuer in Quebec, British Columbia, Alberta, Manitoba and Ontario and is not on the list of defaulting reporting issuer maintained pursuant to such legislation, where applicable. Its head office is located at Saint-Laurent, Quebec.
4. On November 13, 2001, as a consequence of the severe financial woes experienced worldwide by all telecommunications companies, BridgePoint International (Canada) inc., filed a notice of intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act (Canada)*.
5. During the months of December 2001 and January 2002, BridgePoint International (USA) inc., disposed of all its assets in the United States of America.
6. On January 31, 2002, the TSX advised the Company that trading on its shares had been suspended. The shares were delisted a year later.
7. The proposal to creditors, funded by the sale of all of the assets of BridgePoint International (Canada) inc., was approved by said creditors on February 12, 2002.
8. As a result of the disposition of the assets of its subsidiaries, the Company, as one of the major creditor of said subsidiaries, received sums totaling in excess of \$1,000,000.
9. In view of the uncertain future of the Company, a number of shareholders had, on different occasions, advised the directors of their preference for obtaining shares of another publicly traded company rather than cash, in lieu of their BridgePoint Common Shares.

## 2003 BCSECCOM 747

10. At a shareholders' meeting held on March 3, 2003, the shareholders of the Company approved a resolution authorizing the Company to realise an investment in an amount of \$800,000 to \$1,000,000 (mainly all available cash less certain amounts required for maintaining the Company in good order) with Afcan.
11. The acquisition by BridgePoint, through a Private Placement, of 4,500,000 Afcan Units at \$0.20 per unit was completed on April 1st, 2003. Each Afcan Unit is comprised of one Afcan common share (the "Afcan Share") and one half of one warrant. Each whole warrant entitles its holder to subscribe before October 1<sup>st</sup>, 2004, one (1) Afcan Share at a price of \$0.31 per share.
12. The Company proposes to effect a formal issuer bid (the "Proposed Issuer Bid"), by way of a Circular, for all issued and outstanding BridgePoint Common Shares and deliver in consideration therefore, the 4,500,000 Afcan Units held by BridgePoint on the basis of one (1) Afcan Unit for each twelve and nine tenth (12.9) BridgePoint Common Shares.
13. The number of Afcan Shares to be delivered to a BridgePoint shareholder is a prorated number based on the number of BridgePoint Common Shares held by the shareholder and the number of Afcan Units held by BridgePoint (58,058,311 BridgePoint Common Shares / 4,500,000 Afcan Units = One (1) Afcan Units for each 12.9 BridgePoint Common Shares).
14. The number of Afcan Units to be delivered is not based on the value of the BridgePoint Common Shares nor is it based on the value of the Afcan Shares.
15. As at the date hereof, to the knowledge of the Company, no person, company or entity beneficially owns or exercises control or direction over more than 10% of the BridgePoint Common Shares except for PGL Capital Inc. and other related entities over which control is indirectly exercised by Messrs. Benoit La Salle and Yves Grou, which hold directly and indirectly 6,440,000 (11%) BridgePoint Common Shares. Mr. Benoit La Salle is a director of the Company and the Chairman of the Board of Afcan. Mr. Yves Grou is the President of BridgePoint and a Director and Chief Financial Officer of Afcan.
16. No directors or senior officer of the Company or their respective associates and no persons holding 10% or more of the BridgePoint Common Shares will receive a direct or indirect benefit as a result of tendering or not his or her BridgePoint Common Shares pursuant to the Proposed Issuer Bid, other than the benefits which will be received by any other holder of BridgePoint Common Shares.

## **2003 BCSECCOM 747**

17. The exemptive relief if granted will not be prejudicial to the protection of investors.

AND WHEREAS under 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;

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that the Valuation Requirement shall not apply to the Proposed Issuer Bid.

DATED at Montréal, Québec, this 20<sup>th</sup> day of October 2003.

Josée Deslauriers  
Director Capital Markets