

2006 BCSECCOM 724

November 21, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 171 - Revoke or Vary Decision – Variation of a MRRS decision document dated November 18, 2005 granting various registration and prospectus exemptions for an equity line arrangement to permit the use of a short form rather than a long form prospectus - An issuer wants to vary a previous decision it received to revise the conditions to the relief granted - The applicant previously obtained relief from certain requirements in securities legislation; the policy reasons for granting that relief have not changed, but certain of the conditions to the relief are no longer appropriate because of a change in the issuer's circumstances; the previous relief would no longer be available to the applicant; alternative conditions can be structured that address the issuer's new circumstances

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 48, 76, and 171

In the Matter of
the Securities Legislation of
Alberta, British Columbia, Nova Scotia
and Ontario (the Jurisdictions)

and

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

and

In the Matter of
MedMira Inc. (MedMira)
and Cornell Capital Partners, LP
(Cornell, and collectively with MedMira, the Filer)

MRRS Decision Document

Background

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) varying a MRRS decision document of the Decision Makers dated November 18, 2005 (the Original Decision) in favour of the Filer which granted an exemption from certain

2006 BCSECCOM 724

registration and prospectus requirements concerning the ongoing distribution of MedMira common shares to Cornell (the Distributions) in connection with an equity line arrangement between MedMira and Cornell.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Nova Scotia Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. MedMira is a corporation governed by the Business Corporations Act (Alberta) having its registered office in Calgary, Alberta, and its head office in Halifax, Nova Scotia. MedMira is a reporting issuer not in default under the Legislation.
2. Under the Original Decision, exemptions were granted that certain registration requirements under the Legislation do not apply to Cornell and that certain prospectus requirements under the Legislation do not apply to MedMira and Cornell in respect of the Distributions. MedMira was issued a receipt for a (final) long-form prospectus on November 21, 2005 for the Distributions.
3. The Original Decision requires MedMira to file further (final) long-form prospectuses with the Decision Makers in order to qualify the Distributions.
4. Since the Original Decision, MedMira has become eligible under National Instrument 44-101 – *Short Form Prospectus Distributions* to file a prospectus in the form of a short-form prospectus. MedMira filed a (preliminary) short-form prospectus in connection with the Distributions on October 20, 2006.
5. The Filer wishes to give effect to the Distributions by filing subsequent (final) short-form prospectuses. The Filer also wishes to continue to rely on the relief granted in the Original Decision. Accordingly, it is necessary to vary the

2006 BCSECCOM 724

Original Decision so as to permit MedMira, in its discretion, to file a (final) prospectus rather than a (final) long-form prospectus.

Decision

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 Original Decision is varied by deleting from paragraph 10 the words “long-form” appearing in line 9, such that paragraph 10 now reads as follows:

“the MedMira Shares to be issued during the first 12 months pursuant to Draw Downs will be qualified by filing a (final) long-form prospectus (the First Prospectus) with the Decision Makers. Immediately following issuance of all receipts for the First Prospectus, the obligations of Cornell under the Subscription Agreement will become unconditional. After the end of the first 12 month period, and after the end of each succeeding 12 month period, if additional Draw Downs may be made pursuant to the Subscription Agreement, the MedMira Shares to be issued pursuant to such Draw Downs will be qualified by filing a further (final) prospectus (each, a Subsequent Prospectus) with the Decision Makers (the First Prospectus and each Subsequent Prospectus are collectively referred to as the Prospectus);”

H. Leslie O’Brien, Q.C.
Chairman
Nova Scotia Securities Commission

R. Daren Baxter
Chairman
Nova Scotia Securities Commission