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Headnote

Mutual Reliance Review System for Exemptive Relief Application – Securities Rules s. 162(3) - Exemption from the Requirement to Include a Formal Valuation of the Offeree Issuer in an Issuer Bid Circular - An issuer wants relief from the requirement to obtain a formal valuation in connection with its insider bid for the outstanding common shares of a target company - The offeror has not had any board or management representation with the target company in the last 12 months; the offeror does not have access to any material information concerning the target company or its securities that have not been publicly disclosed; the offeror can rely on exemptions from the requirement to obtain a valuation and disclose prior valuations in OSC Rule 61-501 or Québec Policy Q-27

Applicable British Columbia Provisions

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

In the Matter of
the Securities Legislation
of Alberta, British Columbia, Saskatchewan,
Manitoba, Nova Scotia and Newfoundland and Labrador (the Jurisdictions)

And

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

And

In The Matter of Geosam Acquisition Corporation (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) that the Filer be exempted from having to include a summary of a valuation (the Valuation Requirement) of the common shares (the COP Shares) of Consolidated Properties Ltd. (COP) in the take-over bid circular (the Geosam Circular) to be provided to COP's shareholders (the COP Shareholders) in connection with the proposed offer (the Offer) by the Filer to purchase all of the COP Shares, other than the COP Shares presently held by the Filer and its associates and affiliates (the Requested Relief).

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Under the Mutual Reliance Review System for Exemptive Relief Applications

1. the Alberta Securities Commission is the principal regulator for this application, and
2. 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. The Filer is a private corporation incorporated under the *Business Corporations Act* (Alberta) (the ABCA) and is a wholly-owned subsidiary of Geosam Investments Limited (Geosam Investments). Geosam Investments is a private corporation incorporated under the laws of the Province of Nova Scotia that is engaged in investment activities. The Filer and Geosam Investments' principal offices are located at 10th Floor, 6009 Quinpool Road, Halifax, Nova Scotia, B3K 5J6.
2. COP was incorporated as 624097 Alberta Ltd. on September 9, 1994 under the ABCA. On November 24, 1994 it changed its name to "Consolidated Properties Ltd.". On August 26, 1998, it was continued under the *Canada Business Corporations Act*. On February 10, 2004, Consolidated Properties Ltd. and 6173039 Canada Ltd., previously 8th & 8th Medical Centre Ltd., were amalgamated and continued under the name "Consolidated Properties Ltd.". COP is a real estate company engaged in the investment in and management of office buildings. COP's principal office is located at 1120, 833 – 4th Avenue S.W., Calgary, Alberta T2P 3T5. The outstanding COP Shares are listed on the Toronto Stock Exchange (the TSX).
3. The Offer will be on the basis of \$2.50 (Canadian) for each COP Share. The closing price of the COP Shares on the TSX on August 31, 2004 was \$2.35.
4. Neither the Filer nor its associates and affiliates has, or has ever had, any board or management representation in respect of COP, or has knowledge of any material information concerning COP or its securities that has not been generally disclosed. However, the Filer, together with its associates and affiliates, owns or controls 1,141,113 COP Shares, representing approximately 10.8% of the issued and outstanding COP Shares. As a result, the Filer is

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considered an “insider” of COP by the securities legislation of the Jurisdictions.

5. The Filer intends to rely on available exemptions in the provinces of Ontario and Québec from the Valuation Requirement and the Filer will provide the relevant disclosure in the Geosam Circular in order to enable the Filer to rely on such exemptions.
6. The Filer lacks access to the relevant information that would enable the Filer to satisfy the Valuation Requirement.
7. The Filer anticipates mailing the Geosam Circular to the COP Shareholders on or about September 9, 2004.

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 Requested Relief is granted provided that the Filer complies with the other requirements in the Legislation applicable to formal take-over bids made by issuers.

Agnes Lau
Deputy Director, Capital Markets
September 9, 2004