

### Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – *Securities Act* s.76 Prospectus Requirements - First trade relief for securities acquired under an exemption that are subject to a seasoning period – First trades will occur within a limited group of permitted transferees, such as extended family members of the founder of the issuer, their holding companies, family trusts established for their benefit, current and former directors, officers and employees of the issuer, and a charitable foundation established by extended family members of the founder of the issuer. There is no market for the securities, and none is expected to develop.

### Applicable Legislative Provisions

*Securities Act*, R.S.B.C. 1996, c.418, ss. 61 and 76

July 8, 2025

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

and

In the Matter of  
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
**Montrose Property Holdings Ltd.**  
(Filer)

### Decision

### Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that trades of Montrose Shares (defined below) between Permitted Transferees (defined below) be exempt from the prospectus requirements of the Legislation (the Requested Relief), subject to certain terms and conditions.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut, and

- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### **Interpretation**

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning as is used in this decision, unless otherwise defined.

### **Representations**

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

1. Montrose Property Holdings Ltd. (Montrose) is a corporation existing under the *Canada Business Corporations Act* (CBCA); Montrose's registered and head office is located at 208 - 10991 Shellbridge Way, Richmond, British Columbia, V6X 3C6;
2. Montrose operates a business primarily as a landfill and land development business;
3. N'Oubliez Charitable Foundation is a charitable foundation existing under the *Societies Act* (BC) that exists for the sole purpose of receiving and maintaining a fund or funds and applying all or part of the principal and income therefrom, from time to time, to qualified donees as such term is defined in the *Income Tax Act* (Canada) (the Foundation);
4. the shareholders of Montrose are:
  - (a) members of the extended Graham family, being children, grandchildren and other descendants, whether by birth or adoption, of the late F. Ronald Graham (the Extended Graham Family);
  - (b) companies of which a majority of the voting shares are owned, directly or indirectly, by or for the benefit of persons described in paragraph (a) above and their spouses, children and siblings (the Graham Family Holdcos);
  - (c) trusts established for the benefit of the persons described in paragraph (a) above and their spouses (the Graham Family Trusts and, together with the Extended Graham Family and the Graham Family Holdcos, the Graham Family Shareholders); and
  - (d) current or former directors, officers or employees of Montrose or its subsidiaries and Graymont, or companies of which a majority of the voting shares are owned, directly or indirectly, by or for the benefit of such persons (Montrose Management Shareholders).(collectively, the Montrose Shareholders);
5. shares in the capital of Montrose are referred to in this Order as Montrose Shares;
6. the Graham Family Shareholders, Montrose, the Foundation and Montrose's transfer agent will enter into a second amended and restated shareholder agreement (the Graham Family Shareholder Agreement), pursuant to which a Graham Family Shareholder may only transfer beneficial ownership of, or a beneficial interest in, Montrose Shares to:
  - (a) the children, grandchildren or other descendants, whether by birth or adoption, of such Graham Family Shareholder;
  - (b) trusts established for the benefit of the persons described in paragraph (a) above and

the spouse of such Graham Family Shareholder;

(c) companies of which a majority of the voting shares are owned, directly or indirectly, by or for the benefit of persons described in paragraphs (a) and (b) above;

(d) other Montrose Shareholders;

(e) Montrose;

(f) the Foundation;

(collectively, the Permitted Montrose Family Transferees); or

(g) any other buyer.

7. each of the Montrose Management Shareholders has entered into a management shareholders' agreement with Montrose dated December 31, 2014, and additional agreements were entered into between September 27, 2022 and June 24, 2024 (collectively, the Management Shareholders' Agreement); the Management Shareholders' Agreement may be amended to add the Foundation as one of the Permitted Montrose Management Transferees (as defined below) in the future. Pursuant to the Management Shareholders' Agreement, a Montrose Management Shareholder may only transfer beneficial ownership of, or a beneficial interest in, Montrose Shares to:

(a) the estate of such Montrose Management Shareholder;

(b) other Montrose Shareholders;

(c) Montrose;

(collectively, with the Foundation, the Permitted Montrose Management Transferees); or

(d) any other buyer.

8. the Permitted Montrose Family Transferees and the Permitted Montrose Management Transferees are referred to collectively as the Permitted Transferees;

9. the Graham Family Shareholder Agreement and the Management Shareholders' Agreement are referred to collectively as the Montrose Shareholder Agreements;

10. the Filer is not and has no current intention of becoming a reporting issuer in any jurisdiction of Canada;

11. no securities of the Filer, including debt securities, are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported; and

12. the Filer is not in default of any of its obligations under the Legislation.

### **Decision**

¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that:

- (a) Montrose restricts the transfer of Montrose Shares to Permitted Transferees and any transfer of Montrose Shares complies with the transfer restrictions described above in the Montrose Shareholder Agreement to which the transferor of such Montrose Shares is a party;
- (b) any certificate representing Montrose Shares contains a legend stating all applicable resale and transfer restrictions;
- (c) Montrose provides each Montrose Shareholder with annual audited financial statements consisting of a statement of net assets, a statement of operations and a statement of change in assets, together with notes to such financial statements and management discussion and analysis of Montrose's operations, for each financial year of Montrose within 120 days of the end of such financial year;
- (d) Montrose provides each Montrose Shareholder with unaudited interim financial statements consisting of a statement of net assets, a statement of operations and a statement of change in assets, together with notes to such financial statements and management discussion and analysis of Montrose's operations, for each interim period of Montrose within 60 days of the end of such interim period;
- (e) prior to any transfer of Montrose Shares to a Permitted Transferee who is not a Montrose Shareholder, Montrose provides to such Permitted Transferee a copy of the financial statements described in paragraphs (c) and (d) for its most recent financial year and interim financial period; and
- (f) the first trade in Montrose Shares other than to a Permitted Transferee is deemed to be a distribution.

John Hinze  
Director, Corporate Finance  
British Columbia Securities Commission