

Headnote

Multilateral Instrument 11-102 *Passport System* – National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* – *Securities Act*, s. 88 – Cease to be a reporting issuer in BC – The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market - The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

December 9, 2022

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

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
Avcorp Industries Inc.
(the Filer)

Order

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Saskatchewan, Québec and Yukon, and

(c) this order is the order 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 if used in this order, unless otherwise defined.

Representations

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

1. the Filer exists under the *Canada Business Corporations Act* and its head office is located in Delta, British Columbia;
2. the Filer is a reporting issuer in all jurisdictions of Canada;
3. the Filer's share capital consists of an unlimited number of common shares;
4. on May 4, 2022, Avcorp Industries Inc. (Old Avcorp) and Latécoère S.A. entered into an arrangement agreement (the Arrangement Agreement) that contemplated the implementation of a court-approved plan of arrangement (the Arrangement) under which Latécoère S.A. would acquire all of the issued and outstanding common shares of Old Avcorp (each, an Avcorp Share) for cash consideration of \$0.11 per Avcorp Share and each outstanding option to acquire an Avcorp Shares (each, an Avcorp Option) would automatically vest and be cancelled in exchange for a cash payment equal to the amount (if any) by which \$0.11 exceeded the exercise price of such Avcorp Option;
5. on June 24, 2022, Latécoère S.A. (i) assigned, transferred and conveyed to Albatross Bidco Inc. (the Purchaser), a wholly-owned subsidiary of Latécoère S.A., all of its rights, title and interest in and to, and all benefits of Latécoère S.A. under, the Arrangement Agreement, and (ii) delegated to the Purchaser all of its obligations and liabilities under the Arrangement Agreement;
6. the Arrangement was approved by shareholders and optionholders of Old Avcorp at an annual general and special meeting of securityholders of the Filer held on June 30, 2022;
7. the final order of the British Columbia Supreme Court to Approve the Arrangement was issued on July 5, 2022, with the closing of the Arrangement being the effective date of the Arrangement;
8. on November 7, 2022, the Arrangement closed and the Purchaser amalgamated with the Old Avcorp to form the Filer;

9. following the Arrangement, Latécoère S.A. is the only shareholder and securityholder of the Filer;
10. the Avcorp Shares were delisted from the Toronto Stock Exchange (the TSX) as of the close of trading on November 9, 2022;
11. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
12. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
13. no securities of the Filer, including debt securities, are traded in Canada or another country 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;
14. the Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer;
15. the Filer has no intention to seek public financing by way of an offering of securities;
16. the Filer is not in default of securities legislation in any jurisdiction other than its obligations to file on or before November 14, 2022 its interim financial statements and related management's discussion and analysis for the interim period ended September 30, 2022, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certificates as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Filings);
17. the requirement to file the Filings did not arise until after both the completion of the Arrangement and the delisting of the Avcorp Shares from the TSX;
18. the Filer is not eligible to use the simplified procedure under National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) as it is in default for failure to file the Filings; and
19. but for the fact that the Filer failed to file the Filings, the Filer would be eligible for the simplified procedure under NP 11-206.

Order

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

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

Noreen Bent
Chief, Corporate Finance Legal Services
British Columbia Securities Commission