

## **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Issuer has only one security holder – issuer deemed to have ceased being a reporting issuer.

Subsection 1(6) of the OBCA – Issuer deemed to have ceased to be offering its securities to the public under the *Business Corporations Act* (Ontario).

## **Applicable Ontario Statutory Provisions**

*Securities Act*, R.S.O. 1990, c.S.5, as am., s. 83

*Business Corporations Act*, R.S.O. 1990, c.B.16, as am., s.1(6)

**IN THE MATTER OF THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA,  
SASKATCHEWAN, ONTARIO, QUEBEC,  
NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR**

**AND**

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

**AND**

**IN THE MATTER OF  
IVANHOE CAMBRIDGE I INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Ivanhoe Cambridge I Inc. (the "Corporation") for:

- (i) a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Corporation be deemed to have ceased to be a reporting issuer under the Legislation; and
- (ii) in Ontario only, an order pursuant to the *Business Corporations Act* (Ontario) (the "OBCA") that the Corporation be deemed to have ceased to be offering its securities to the public;

**AND WHEREAS** pursuant to the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

**AND WHEREAS** the Corporation has represented to the Decision Makers that:

1. The Corporation is a corporation governed by the OBCA and its head office is located in Toronto, Ontario.
2. The Corporation is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any of the requirements of the Legislation.

3. The Corporation is the successor company to Cambridge Shopping Centres Limited ("CSCL") by virtue of several corporate reorganizations. These corporate reorganizations followed the completion of a take-over bid made in June 2000 (the "Offer") by Ivanhoe Inc. and its affiliates ("Ivanhoe") to purchase all of CSCL's common shares (the "CSCL Shares") not already held by Ivanhoe and the subsequent compulsory acquisition, in September 2000, of all the CSCL Shares not tendered under the Offer.
4. The authorized capital of the Corporation consists of common shares and special shares, of which 222,000,000 common shares and 100 special shares (collectively, the "Shares") are currently issued and outstanding.
5. All of the Shares are held by Ivanhoe Realities Inc. ("Realities"), a wholly-owned subsidiary of Ivanhoe Cambridge Inc. (formerly Ivanhoe Inc.).
6. The Corporation is, as a result, a wholly-owned subsidiary of Realities.
7. On April 16, 2002, the Corporation obtained relief from the requirement to file and send certain continuous disclosure documents for the year ended December 31, 2001 and the quarter ended March 31, 2002 (the "CD Relief"). The CD Relief was conditional upon the Corporation (i) redeeming all of its outstanding 6% Convertible Subordinated Debentures due June 30, 2007 (the "Debentures") on or about June 30, 2002, and (ii) filing an application as soon as reasonably possible after the redemption of the Debentures to have the Corporation deemed to have ceased to be a reporting issuer in the Jurisdictions.
8. On July 2, 2002, the Corporation redeemed all of the outstanding Debentures at their redemption price in accordance with the terms thereof and as required by the CD Relief.
9. As a result of the foregoing redemption, the Corporation has no securities outstanding except for the Shares and certain mortgage bonds secured by its real estate (the "Mortgages").
10. The Corporation has less than 15 securityholders, including holders of Mortgages, in each of the provinces of Nova Scotia, Newfoundland and Labrador, Saskatchewan and Quebec.
11. No securities, including debt securities, of the Corporation are listed or quoted on any exchange or market. The CSCL Shares were de-listed from the Toronto Stock Exchange in October 2000.
12. The Corporation does not intend to seek public financing by way of an offering of its securities.

**AND WHEREAS** pursuant to 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 under the Legislation is that the Corporation is deemed to have ceased to be a reporting issuer under the Legislation as of the date hereof.

**DATED** at Toronto, Ontario on the 30<sup>th</sup> day of August, 2002.

"John Hughes"

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John Hughes  
Manager, Corporate Finance Branch

**AND IT IS HEREBY ORDERED** by the Ontario Securities Commission pursuant to subsection 1(6) of the OBCA that the Corporation is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

**DATED** at Toronto, Ontario on the 30<sup>th</sup> day of August, 2002.

"Paul M. Moore"

"Robert L. Shirriff"

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Commission de l'Ontario	Ontario étage Securities ouest	Commission des valeurs mobilières Toronto ON M5H 3S8	P.O. Box 55, 19 <sup>th</sup> Floor 20 Queen Street West Toronto ON M5H 3S8	CP 55, 19e 20, rue queen
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Web site: [www.osc.gov.on.ca](http://www.osc.gov.on.ca)  
TDX 76  
CDS-OSC

August 22, 2002

**MEMORANDUM TO:** The Commission

**AND TO:** John Hughes  
Manager, Corporate Finance Branch

**FROM:** Naizam Kanji  
Legal Counsel, Corporate Finance Branch

Stephanie Tjon  
Summer Law Student, Corporate Finance Branch

**RE:** **MRRS for Exemptive Relief Applications (the ASystem®) Application filed by Ivanhoe Cambridge I Inc. dated July 15, 2002 pursuant to section 83 of the *Securities Act* (Ontario) Application No. 672/02**

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## Application

This is an application on behalf of Ivanhoe Cambridge I Inc. (the "Filer") filed under the System in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") for a decision, pursuant to the securities legislation of each of the Jurisdictions (the "Legislation"), that the Filer be deemed to have ceased to be a reporting issuer under the Legislation. Ontario is the principal regulator for the purposes of the application.

The Filer is also applying, in Ontario only, for an order under the OBCA to be deemed to have ceased to be offering securities to the public.

## Recommendation

Staff recommends that the relief sought be granted in the form of the attached draft decision document (the "Decision Document").

## **Facts**

The relevant facts are as set out in the Decision Document. All capitalized terms have the same meaning as set out in the Decision Document unless otherwise defined in this memorandum.

## **Discussion and Analysis**

Staff submits that it would not be prejudicial to the public interest to grant the relief requested on the following basis:

- \$ All of the issued and outstanding shares of the Filer are owned by Realities.
- \$ Other than the Shares and mortgage bonds secured by its real estate, the Filer has no securities, including debt securities, outstanding.
- \$ The Filer has less than 15 security holders having addresses in each of the provinces of Nova Scotia, Newfoundland and Labrador, Saskatchewan and Quebec.
- \$ No securities, including debt securities, of the Filer are listed or quoted on any market or exchange.
- \$ The Filer does not intend to seek public financing by way of an offering of its securities.

Therefore, since the Filer has only one security holder (who will have access to material information relating to the Filer without the need to rely upon the statutory disclosure requirements applicable to reporting issuers under the Legislation) and there is no longer a public market for the securities of the Filer (and thus, capital market participants no longer have any need to obtain continuous disclosure of material information of the Filer), staff recommend that the relief be granted on the basis that it would not be prejudicial to the public interest.

## **Comments from Other Jurisdictions**

### **Alberta**

Staff requested an additional representation to indicate how Realities became the sole security holder of the Filer. Staff also requested inclusion of standard representations regarding whether or not the Filer has any outstanding debt securities and whether or not any securities of the Filer are listed or quoted on any exchange or market. Appropriate representations have been added to the Decision Document.

Drafting comments have also been incorporated into the Decision Document.

### **British Columbia**

Staff requested that the Filer confirm whether it could comply with the requirements of BC Instrument 11-502 and thereby not require relief in British Columbia. Filing counsel confirmed that the Filer cannot comply with BC Instrument 11-502 and, therefore, specific relief is required.

### **Saskatchewan**

Staff requested confirmation that the Filer has no debt securities outstanding. An appropriate representation has been added to the Decision Document.

### **Quebec**

There were no substantive comments from this jurisdiction.

### **Nova Scotia**

Staff requested an additional representation confirming that there were less than 15 securityholders resident in Nova Scotia. An appropriate representation has been added to the Decision Document.

### **Newfoundland and Labrador**

There were no substantive comments from this jurisdiction.