

Headnote

Mutual Reliance Review System for Exemptive Relief Applications -- s. 83 of Securities Act (Ontario) -- Issuer has only one security holder -- Issuer deemed to cease to be a reporting issuer under applicable securities laws

Applicable Legislative Provisions

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

July 10, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NEW BRUNSWICK,
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
VFC INC. (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 deemed to have ceased to be a reporting issuer in the Jurisdictions (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission (the **OSC**) 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. The Filer is a corporation incorporated under the *Canada Business Corporations Act* (the "CBCA") by articles of incorporation dated December 14, 1994.
2. The Filer is a consumer finance company that provides non-prime automotive purchase financing and consumer instalment loans.
3. The head office and registered office of the Filer are located at 25 Booth Avenue, Suite 101, Toronto, Ontario, M4M 2M3.
4. The authorized capital of the Filer consists of an unlimited number of common shares (the "**Common Shares**"). As at the date hereof, there are 16,710,563 Common Shares issued and outstanding.
5. The Filer is a reporting issuer or the equivalent in each of the provinces and territories of Canada where that concept exists, except British Columbia, where the Filer elected to cease to be a reporting issuer effective June 16, 2006.
6. Pursuant to an offer (the "**Offer**") dated March 13, 2006 by The Toronto-Dominion Bank (the "**Bank**"), the Bank offered to purchase all of the Common Shares, including any Common Shares which became outstanding after the date of the Offer upon the exercise of outstanding options, warrants or other rights to purchase Common Shares, at a price of Cdn. \$19.50 per Common Share (the "**Offer Price**"). The Offer was made by way of take-over bid pursuant to Part XX of the Securities Act (Ontario).
7. The Offer expired on April 18, 2006. At the expiry of the Offer approximately 90.2% of the outstanding Common Shares had been deposited under the Offer and were taken up and paid for by the Bank.
8. Following the completion of the Offer, the Bank exercised its right under Section 206 of the CBCA to acquire the remaining issued and outstanding Common Shares not deposited under the Offer and this compulsory acquisition was completed on May 19, 2006. As a result, on May 19, 2006 the Bank became the beneficial owner of all of the Common Shares. The Filer has no other securities outstanding.
9. On April 19, 2006, the Bank delivered a notice of compulsory acquisition to shareholders of the Filer who did not tender their shares under the Offer. Following this delivery, the Toronto Stock Exchange ceased trading the Common Shares on April 21, 2006. From May 19, 2006, the

remaining holders of the Filer's Common Shares were only entitled to receive the Offer Price, in cash, for their Common Shares and there was no public market for their Common Shares.

10. The Filer has no current intention to seek public financing by way of an offering of securities.

11. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

12. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation, other than its obligation to file its interim financial statements, related management's discussion and analysis, and certificates under Multilateral Instrument 52-109 for the three month period ended March 31, 2006. On the last date by which the Filer was required to file its interim financial statements, related management's discussion and analysis and certificates for such period, the Bank (i) owned approximately 90.2% of the Common Shares and (ii) had delivered a notice of compulsory acquisition to shareholders of the Filer who had not tendered their shares under the Offer. Consequently, the Filer has not prepared or filed its interim financial statements, related management's discussion and analysis or certificates for the three month period ended March 31, 2006.

13. Upon the grant of the relief requested herein, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

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.

"Paul M. Moore"
Vice-Chair
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission