

March 29, 2019

In the Matter of  
the Securities Legislation of  
British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec,  
New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador  
(the Jurisdictions)

and

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

and

In the Matter of WEQ Holdings Inc.  
(formerly WesternOne Inc.)  
(the Filer)

Decision

**Background**

¶1 The securities regulatory authority or regulator in each of the Jurisdictions (the Reporting Issuer Relief Decision Makers) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all Jurisdictions (the Reporting Issuer Relief).

The securities regulatory authority or regulator in each of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the OTC Relief Decision Makers) has received an application from the Filer for a decision under the securities legislation of those jurisdictions (the OTC Jurisdiction Legislation) that the Filer is exempt from being designated a reporting issuer under section 3 of Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* (MI 51-105) (the OTC Relief, and together with the Reporting Issuer Relief, the Exemptive Relief Sought).

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

- (a) the British Columbia Securities Commission is the principal regulator for this application; and
- (b) this decision is the decision of the principal regulator and evidences the decision of each Reporting Issuer Relief Decision Maker and OTC Relief Decision Maker.

## **Interpretation**

- ¶2 Terms defined in Multilateral Instrument 11-102 *Passport System*, National Instrument 14-101 *Definitions*, or MI 51-105 have the same meaning if used in this decision, unless otherwise defined.

## **Representations**

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

1. the Filer is a company existing under the *Canada Business Corporations Act* (CBCA);
2. the Filer's head office is located in Vancouver, British Columbia;
3. the Filer currently has approximately 16,402,044 common shares (Shares) issued and outstanding;
4. the Filer has 8 registered shareholders, 5 from Alberta, 1 from British Columbia, 1 from Ontario and 1 from Quebec; the Filer has 5,145 beneficial shareholders: of the Canadian shareholders, there are 1,817 from Ontario, 969 from Alberta, 1,611 from British Columbia, 371 from Quebec, 86 from Saskatchewan, 94 from Manitoba, 26 from New Brunswick, 64 from Nova Scotia, 14 from Newfoundland and Labrador, 8 from Prince Edward Island, 4 from Yukon and 3 from Northwest Territories; of the remaining beneficial shareholders, 42 are from the United States and 36 are from other countries;
5. the Filer also had 6.25% convertible series 3 unsecured convertible debentures (Debentures) but they have now been fully paid out;
6. other than the Shares, the Filer has no other securities outstanding;
7. on October 22, 2018, November 30, 2018, December 17, 2018 and January 7, 2019, the Filer issued news releases announcing and describing, among other things, the intention to wind-up the Filer pursuant to a Court approved liquidation process, to distribute the remaining assets of the Filer, to apply for the delisting of the Filer's securities from the Toronto Stock Exchange (TSX) and the subsequent delisting, to apply to cease to be a reporting issuer in the Jurisdictions, and to payout the Debentures and the subsequent payout;
8. at a special meeting of shareholders of the Filer held on November 28, 2018, holders of 99.99% of the Shares represented at the meeting voted in favour of a special resolution to, among other things:
  - (a) sell substantially all of the remaining assets of the Filer;
  - (b) voluntarily wind-up the Filer;
  - (c) make an application to the TSX to voluntarily delist the Shares and Debentures; and
  - (d) make one or more distributions;

9. effective at the close of trading on December 12, 2018, the Shares and Debentures were delisted from trading on the TSX, pursuant to an application to voluntarily delist;
10. on December 13, 2018, the Filer received a Certificate of Intent to Dissolve from the Director under the CBCA following the Filer's filing of its Statement of Intent to Dissolve, which precludes the Filer from carrying on business except to the extent necessary to liquidate its business;
11. on December 17, 2018, the liquidation of the Filer commenced and is continued under the supervision of the British Columbia Supreme Court (the Court); the Court made orders, among other things, approving of the plan of liquidation and dissolution (the Liquidation Plan), appointing The Bowra Group Inc. as liquidator (the Liquidator), staying all proceedings against the Filer, exempting the Filer from the obligation to provide further financial statements or hold further shareholder meetings under the CBCA, establishing a claims process for the resolution of claims against the Filer and approving of one or more interim distributions;
12. at the commencement of the liquidation, all directors were deemed to have resigned and they tendered their resignations and all powers of the directors vest in the Liquidator, who makes decisions in conjunction with the inspectors appointed under the Liquidation Plan;
13. as of December 17, 2018 (prior to the payout of the Debentures), the Filer had no active business or commercial operations and its assets consisted primarily of cash in its bank accounts of approximately \$82 million and a holdback from the sale of its assets of \$13 million, which is subject to post-closing purchase price adjustments;
14. as of December 17, 2018, the primary known liabilities consisted of the repayment of the Debentures, payments relating to lease surrenders of approximately \$1 million, payments relating to restricted share units and performance awards of approximately \$3 million which are tied to distributions to shareholders in both amount and timing and expenses associated with the liquidation of the Filer;
15. on January 7, 2019, \$44,749,084.63 was paid to the Filer's Debenture holders pursuant to a change of control offer on January 4, 2019. \$7,482,958.34 was paid through a subsequent redemption on January 7, 2019 for holders of the remaining Debentures that did not accept the offer;
16. the claims bar date established by the Court for any claimants to make claims in the liquidation was February 15, 2019;
17. it is a term of the Liquidation Plan that no trading is permitted following commencement of the liquidation on December 17, 2018 without the explicit sanction of the Liquidator; the Filer does not anticipate the Liquidator approving any type of trading except, for example, on the death of a shareholder if it was necessary to approve a transfer of the Shares to the

executor of the estate or some similar circumstance where the transfer is not occurring as a result of a voluntary decision to transfer the Shares;

18. the Filer will satisfy all of its liabilities and distribute all of its assets, and proposes to dissolve in accordance with the provisions of the CBCA as approved by the shareholders of the Filer;
19. the Filer has no intention to seek public financing by way of an offering of securities;
20. all issued and outstanding securities of the Filer will be cancelled upon the dissolution of the Filer;
21. the Liquidator has posted the Court materials on its website and will post reports and updates on its website from time to time, as well as on the Filer's website;
22. the Filer employed nine employees until the end of December 2018 and will employ two employees until the end of March 2019 to assist with the liquidation including to deal with its accounting records so its final tax returns can be prepared and filed;
23. the Filer must secure tax clearance certificates from the Canada Revenue Agency before it can dissolve;
24. the Shares have been assigned a ticker symbol (the OTC Ticker Symbol) by the US Financial Industry Regulatory Authority (FINRA); because the Shares no longer trade on the TSX, the Filer is an "OTC issuer" and an "OTC reporting issuer" under MI 51-105;
25. as of March 15, 2019, the last reported trades of the Shares on the OTC occurred on November 16, 2018 when a total of 8,000 Shares traded and prior to that 3,000 Shares traded on October 22, 2018 and 1,000 on September 8, 2018;
26. the Filer is unable to have the OTC Ticker Symbol eliminated and the Shares are currently quoted on the grey market with a warning that broker dealers are not willing or able to publicly quote these securities because of a lack of investor interest, company information availability or regulatory compliance;
27. except as represented by the Filer in this decision, 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* (NI 21-101) or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
28. the Filer has undertaken that:
  - (a) it will, as soon as practicable following the receipt of the Exemptive Relief Sought, issue a news release advising shareholders:
    - (i) that it has ceased to be a reporting issuer; and

- (ii) of the anticipated date of its dissolution and final distribution to shareholders;
  - (b) if it has not dissolved on or before September 30, 2019, it will, on or about that date, issue a news release regarding the status of its liquidation and anticipated timing of its dissolution;
  - (c) if it has not dissolved by December 31, 2019, it will, on or about that date and thereafter on a quarterly basis until it dissolves, issue a news release on the status of its liquidation and anticipated timing of its dissolution;
  - (d) it will immediately notify the securities regulator of each of the Jurisdictions if at any time before its dissolution it proposes to:
    - (i) commence an active business or any commercial operations;
    - (ii) undertake a public or private offering of securities in any jurisdiction; or
    - (iii) file a Revocation of Intent to Dissolve under the CBCA;
  - (e) it will not
    - (i) carry on any activities that would constitute promotional activities under MI 51-105; or
    - (ii) request an OTC Ticker Symbol or request that any class of its securities be quoted or listed for trading on the OTC Markets or on any marketplace, as defined in NI 21-101, or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported; and
  - (f) as soon as practicable after the time of dissolution, the Filer will issue a news release confirming the dissolution;
29. the Filer is not in default of any of its obligations under securities legislation in any jurisdiction of Canada;
30. the Filer is not eligible to use the simplified procedure in section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* as it has more than 51 securityholders worldwide and is an OTC reporting issuer under MI 51-105;
31. the Filer is applying for the Reporting Issuer Relief from the securities regulatory authority or regulator in each of the jurisdictions of Canada in which it is a reporting issuer; the Filer is applying for the OTC Reporting Issuer Relief from the securities regulatory authority or regulator in each of the jurisdictions of Canada in which is an OTC reporting issuer; and

32. the Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer or OTC reporting issuer in any jurisdiction of Canada.

**Decision**

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

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

The decision of the Reporting Issuer Relief Decision Makers under the Legislation is that the Reporting Issuer Relief is granted.

The decision of the OTC Relief Decision Makers under the OTC Jurisdiction Legislation is that the OTC Relief is granted provided that the Filer:

- (a) complies with each of its undertakings set forth in paragraph 28; and
- (b) does not do any of the following:
  - (i) commence an active business or any commercial operations;
  - (ii) undertake a distribution of securities in any jurisdiction;
  - (iii) carry on any activities that would constitute promotional activities under MI 51-105;
  - (iv) request an OTC Ticker Symbol or request that any class of its securities be quoted or listed for trading on the OTC Markets or on any marketplace, as defined in NI 21-101, or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported; or
  - (v) file a Revocation of Intent to Dissolve under the CBCA.

**Carla-Marie Hait**

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Carla Marie Hait  
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