

In the Matter of  
the Securities Legislation of  
Alberta and Saskatchewan (the **Jurisdictions**)

and

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

and

In the Matter of  
Cantronic Systems Inc. (the **Filer**)

Decision

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Applicant is not a reporting issuer (the **Exemptive Relief Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;  
and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined herein.

**Representations**

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

1. The Filer is a British Columbia corporation that was amalgamated under the laws of the Province of British Columbia on November 30, 2006 and is governed by the *Business Corporations Act* (British Columbia) (**BCBCA**).
2. The head office of the filer is located in Coquitlam, British Columbia.

3. The Filer is a reporting issuer in Alberta and Saskatchewan.
4. The Filer was previously a reporting issuer in British Columbia. On March 5, 2013, the Filer filed a notice to voluntarily surrender its reporting issuer status in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* and ceased to be a reporting issuer in British Columbia on March 16, 2013.
5. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions in which it is currently a reporting issuer.
6. Alberta was selected as principal regulator for this application because the Filer has the most significant connection with the Alberta Securities Commission as it was previously listed on the TSX Venture Exchange (TSXV).
7. Pursuant to a statutory plan of arrangement effected under the provisions of the BCBCA and completed on January 31, 2013 (the **Arrangement**), all incentive stock options of the Filer (**Options**) were deemed to be fully vested and transferred by the holder thereof (**Optionholder**) to the Filer and cancelled; the Optionholder ceased to be the holder of Options or to have any rights as a holder in respect of such Options or under the stock option plan of the Filer (**Stock Option Plan**); the name of the Optionholder was removed from the applicable securities register of the Filer with respect to such Options and the Stock Option Plan cancelled; and all issued and outstanding common shares of the Filer (**Common Shares**) were consolidated on a 1,600,000 to one (1) basis (the **Consolidation**) and shareholders holding less than one whole post-Consolidation Common Share will be paid \$0.04 in cash per pre-Consolidation Common Share held by them.
8. As a result of the Arrangement, 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 in Canada, except in Prince Edward Island where, as of the date hereof, there are 28 securityholders comprised of 27 holders of convertible debentures holding convertible debentures in the aggregate principal amount of \$562,000 (representing 24.44% of the outstanding convertible debentures) and one shareholder holding 1.0001 post-Consolidation Common Share (representing 3.75% of the issued and outstanding post-Consolidation Common Shares).
9. There are 42 holders of convertible debentures of the Filer in the aggregate principal amount of \$2,299,000, and 8 holders of post-Consolidation Common Shares, 4 of whom are also the holders of the convertible debentures of the Filer, which together account for fewer than 51 securityholders worldwide.
10. The Filer has voluntarily delisted its securities from the TSXV and effective at the close of business on February 1, 2013, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

11. The Filer has no current intention to seek public financing by way of offering securities.
12. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.
13. The Filer is unable to rely on the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer (CSA Staff Notice 12-307)* since the 28 securityholders of the Filer in Prince Edward Island exceeds by 13 the maximum number of securityholders permitted in a jurisdiction of Canada under the simplified procedure contemplated by CSA Staff Notice 12-307.
14. Upon the grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

**Decision**

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 Exemptive Relief Sought is granted.



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