

August 15, 2014

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

and

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

and

In the Matter of
PGNX Capital Corp.
(the Filer)

Decision

Background

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

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) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* 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 corporation incorporated under the *Business Corporations Act* (Alberta) (*ABCA*);

2. the Filer's head office address is Suite 300, 1001 Corydon Avenue, Winnipeg, Manitoba, R3M 0B6; previously, the Filer's head office was located at 8, 2604 Enterprise Way, Kelowna, British Columbia, V1X 7Y5;
3. the Filer currently has 89,160,657 issued and outstanding common shares (Common Shares); the Filer has no other securities outstanding;
4. the Common Shares are held by approximately 450 holders (shareholders), including 367 Canadian beneficial shareholders, 6 non-Canadian beneficial shareholders, and 78 registered shareholders; of the Canadian shareholders, 193 are from Manitoba, 85 are from Alberta, 95 are from British Columbia, 33 are from Ontario, and 14 are from Saskatchewan;
5. two shareholders, Canterbury Park Capital L.P. and Canterbury Park Capital (U.S.) L.P., own approximately 77 per cent of the Common Shares;
6. on August 1, 2012, the Filer completed the sale of its chain of pharmacies to Shoppers Drug Mart Inc. (the Asset Sale);
7. on November 15, 2012, the Filer completed a cash distribution of \$0.45 per Common Share to shareholders, representing the first tranche of funds released from escrow following the Asset Sale;
8. the Filer has no active business or commercial operations and its assets consist primarily of cash;
9. at an annual and special meeting of shareholders of the Filer held on December 18, 2013, holders of 100% of the Common Shares represented at the meeting voted in favour of a special resolution to, among other things:
 - (a) approve and ratify a plan of liquidation (Liquidation Plan) and voluntarily dissolve the Filer;
 - (b) delist the common shares from the NEX Board of the TSX Venture Exchange (NEX); and
 - (c) approve the making of an application for the Filer to cease to be a reporting issuer;
10. on December 19, 2013, the Filer:
 - (a) completed a cash distribution of \$0.17 per Common Share to shareholders, representing a second tranche of funds released from escrow following the Asset Sale;
 - (b) filed a Statement of Intent to Dissolve under the *ABCA*; and


- (c) issued and filed a press release disclosing (among other things) that under the Liquidation Plan, the Filer would make an application for a decision that the Filer is not a reporting issuer;
11. effective at the close of trading on December 23, 2013, the Common Shares were delisted from trading on NEX; no securities of the Filer 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;
 12. the Filer must secure a clearance certificate from the Canada Revenue Agency before it can dissolve, and anticipates obtaining this certificate by November 30, 2014;
 13. the Filer will satisfy all of its liabilities and distribute all of its assets, and proposes to dissolve in accordance with the Liquidation Plan;
 14. the Filer has no intention to seek public financing by way of offering of securities;
 15. on July 31, 2014, the Filer issued and filed a press release disclosing that the Filer has made an application for a decision that the Filer is not a reporting issuer and providing an update on the status of the Liquidation Plan;
 16. all issued and outstanding securities of the Filer will be cancelled upon the dissolution of the Filer;
 17. the Filer has provided an undertaking to the securities regulatory authority or regulator in each of the Jurisdictions that:
 - (a) as soon as practicable following the decision that the Filer is no longer a reporting issuer, it will issue a news release advising shareholders:
 - (i) that it has ceased to be a reporting issuer;
 - (ii) of the anticipated date of its dissolution and final distribution to shareholders;
 - (b) if it has not dissolved on or before December 31, 2014, 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 March 31, 2015, 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 notify the Jurisdictions at any time before its dissolution if it:
 - (i) commences an active business or any commercial operations;

- (ii) proposes to undertake a public or private offering of securities in any jurisdiction; or
 - (iii) files a Revocation of Intent to Dissolve under the *ABCA*;
- (e) as soon as practicable after the time of dissolution, the Filer will issue a news release confirming the dissolution;
18. the Filer will be subject to financial statement requirements in section 155 of the *ABCA* following the granting of the Requested Relief;
19. the Filer is not eligible to use the simplified procedure in CSA Staff Notice 12-307 - *Applications for a Decision that an Issuer is not a Reporting Issuer* or BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* as it has more than 50 security holders worldwide;
20. the Filer will not be a reporting issuer or the equivalent in any jurisdiction immediately following the granting of the Requested Relief; and
21. the Filer is not in default of any of its obligations under the Legislation.

Decision

- ¶ 4 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 Requested Relief is granted.



Nigel P. Cave
Vice Chair
British Columbia Securities Commission