

March 18, 2013

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF 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  
HOMEQ CORPORATION  
(the Applicant)

DECISION

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Applicant is not a reporting issuer in each of the Jurisdictions other than Quebec and that, in respect of the Legislation of Quebec, that the Applicant's status as a reporting issuer is revoked (the **Requested Relief**).

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

- (a) The Ontario 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

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

The decision is based on the following facts represented by the Applicant:

1. The Applicant is a corporation existing under the *Business Corporations Act* (Ontario) (**OBCA**).
2. The head office of the Applicant is located at 45 St. Clair Avenue West, Suite 600, Toronto, Ontario, M4V 1K9.
3. On March 30, 2012, HOMEQ Corporation and Monaco Acquisition Inc. (**Monaco**) (a newly incorporated entity controlled by Birch Hill Equity Partners Management Inc. (**Birch Hill**)) entered into an arrangement agreement pursuant to which Monaco would acquire all of the issued and outstanding Common Shares of HOMEQ Corporation (the **Common Shares**) for cash consideration of \$9.50 per Common Share under a court-approved plan of arrangement under Section 182 of the OBCA (the **Arrangement**).
4. The Arrangement was approved by the shareholders of HOMEQ Corporation on May 28, 2012 and by the court on May 30, 2012 and October 5, 2012.
5. In connection with the Arrangement, certain of HOMEQ Corporation's directors and officers, namely Steven Ranson (President and Chief Executive Officer and a director), Gary Krikler (Senior Vice President and Chief Financial Officer), Greg Bandler (Senior Vice President, Sales and Marketing), Celia Cuthbertson (Vice President, General Counsel and Corporate Secretary), Scott Cameron (Vice President, Finance), Wendy Dryden (Vice President, Mortgage Operations) and Daniel Jauernig (a director) and certain of their related parties (collectively, the **Rollover Shareholders**) transferred, prior to the effective time of the Arrangement, Common Shares owned or controlled directly or indirectly by them to Monaco in exchange for common shares of Monaco. On the day prior to the closing of the Arrangement, 10 Rollover Shareholders became shareholders of Monaco.
6. The Arrangement was completed on November 30, 2012 and Monaco became the sole shareholder of HOMEQ Corporation on that date. Immediately following the effective time of the Arrangement on November 30, 2012, Monaco and HOMEQ Corporation amalgamated (the **Amalgamation**) to form the Applicant and the shareholders of Monaco became the shareholders of the Applicant. Upon completion of the Amalgamation, the Applicant became a reporting issuer in the Jurisdictions.
7. The Common Shares were de-listed from the Toronto Stock Exchange at the close of trading on December 4, 2012. No securities of the Applicant, including debt securities, 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 publically reported.
8. The Applicant has no intention of seeking public financing by way of an offering of securities in a jurisdiction of Canada by way of private placement or public offering.
9. The Applicant ceased to be a reporting issuer in the province of British Columbia on December 15, 2012.

10. The Applicant is a reporting issuer, or the equivalent, in all of the Jurisdictions and is currently not in default of any of the applicable requirements under the legislation of those Jurisdictions.

11. Subsequent to the completion of the Amalgamation, the Applicant has no securities outstanding except common shares. The Applicant has 14 registered common shareholders all of which are resident in or organized under the laws of the province of Ontario; the 10 Rollover Shareholders and 4 funds all of which are controlled or managed by Birch Hill. One of these registered shareholders, HOMEQ Co-Invest LP, a fund managed by Birch Hill, was created solely for the purpose of holding securities of the Applicant; therefore, its two limited partners counted as holders of the Applicant's shares for purposes of CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer*.

12. The Applicant's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each jurisdiction of Canada (except Ontario, where it has 15 securityholders) and by fewer than 51 securityholders in total worldwide.

13. Upon the grant of the Requested Relief, the Applicant will no longer 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 Requested Relief is granted.

*“Edward P. Kerwin”*  
Ontario Securities Commission

*“Paulette L. Kennedy”*  
Ontario Securities Commission