

Headnote

National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* - The issuer ceases to be a reporting issuer under securities legislation.

Applicable Legislative Provisions

Securities Act (Nova Scotia), section 89

November 9, 2018

In the Matter of
the Securities Legislation of
Nova Scotia and Ontario (the **Jurisdictions**)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
Newfoundland Capital Corporation Limited (the **Filer**)

Order

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer has ceased to be a reporting issuer in all jurisdictions of Canada in which it is a reporting issuer (the **Order Sought**).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the Nova Scotia Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 – *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec and Newfoundland and Labrador, and
- (c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

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

1. The Filer was continued under the *Canada Business Corporations Act* by a Certificate of Continuance dated March 4, 1987.
2. The Filer's head office and registered office is located at 8 Basinview Drive, Dartmouth, Nova Scotia, B3B 1G4.
3. The Filer is a reporting issuer under the laws of each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador.
4. The Filer's authorized share capital consists of (i) an unlimited number of Class A Subordinate Voting shares ("**Class A Shares**"), (ii) an unlimited number of Class B Common Shares ("**Class B Shares**"), (iii) an unlimited number of Class A Preferred Shares and (iv) an unlimited number of Class B Preferred Shares, of which only Class A Shares and Class B Shares are issued and outstanding.
5. The Filer, Stingray Digital Group Inc. ("**Stingray**") and 10643432 Canada Inc. ("**Acquisitionco**"), a wholly-owned subsidiary of Stingray, entered into an arrangement agreement dated May 2, 2018 (the "**Arrangement Agreement**") pursuant to which Stingray and Acquisitionco acquired, directly or indirectly, all of the issued and outstanding Class A Shares and Class B Shares of the Filer (collectively, the "**Shares**").
6. At a special meeting of the shareholders of the Filer held on June 27, 2018, the required shareholder approval was obtained with respect to the court-approved plan of arrangement under Section 192 of the *Canada Business Corporations Act* pursuant to the Arrangement Agreement (the "**Arrangement**"). The details of the Arrangement were set out in the Filer's Management Information Circular dated May 23, 2018.
7. On July 10, 2018, the Supreme Court of Nova Scotia issued its final order approving the Arrangement.
8. Pursuant to the Arrangement, each shareholder of the Filer (or each Qualifying Holdco Shareholder, as that term is defined in the Arrangement Agreement) received approximately 0.15371 Stingray subordinate voting shares (or Stingray variable subordinate voting shares, as applicable) and approximately \$13.17 in cash for each Share of the Filer owned. No fractional shares were issued, and Stingray settled or will settle any fractional shares in accordance with the terms of the Arrangement.

9. The Arrangement was completed and became effective on October 26, 2018. On such date, Stingray and Acquisitionco directly and indirectly acquired all of the Shares of the Filer and the Filer is now an indirect wholly-owned subsidiary of Stingray.
10. The Shares of the Filer were delisted from the Toronto Stock Exchange at the close of business on October 29, 2018.
11. The Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 – *Issuers Quoted in the U.S. Over-the-Counter Markets*.
12. The Filer has no current intention to seek public financing by way of an offering of securities in any jurisdiction in Canada.
13. 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 of Canada and fewer than 51 securityholders in total worldwide.
14. 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* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
15. The Filer is applying for an order that the Filer has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer.
16. The Filer is not in default of securities legislation in any jurisdiction.

Order

Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

(signed) "Paul E. Radford"
Paul E. Radford, Q.C., Chair
Nova Scotia Securities Commission

(signed) "Shirley P. Lee"
Shirley P. Lee, Q.C., Vice-Chair
Nova Scotia Securities Commission