

## Headnote

Application for relief from the prospectus requirements for the distribution of securities by an issuer with a registered office in Nova Scotia to residents outside Nova Scotia– The offering of the securities will be under a US offering memorandum and will be made in accordance with all applicable laws of the US -Relief granted.

## Applicable Legislative Provisions

Securities Act, R.S.N.S. 1989, c. 418, as amended, ss. 58 and 79.

**IN THE MATTER OF:**                      The *Securities Act*, R.S.N.S. 1989, c. 418, as amended (the “**Act**”)

- and -

**IN THE MATTER OF:**                      Connors Bros. Clover Leaf Seafoods Company

## **RULING** **(Section 79)**

**UPON** the application of Connors Bros. Clover Leaf Seafoods Company (“**Connors Bros.**”) to the Nova Scotia Securities Commission (the “**Commission**”) for a ruling pursuant to Section 79 of the Act that the distribution of the Exchange Notes (as defined below) pursuant to the Registration Rights Agreement (as defined below) is exempt from the requirements of Section 58 of the Act;

**AND UPON** reading the application and the recommendation of staff of the Commission;

**AND UPON** Connors Bros. having represented the Commission that:

1. Connors Bros. is an unlimited company formed by amalgamation under the *Companies Act* (Nova Scotia) on November 18, 2008. Connors Bros. is part of a group of affiliated companies that comprise the largest producer and marketer of shelf-stable seafood in North America.
2. The head office of Connors Bros. is at 9655 Granite Ridge Drive, Suite 1000, San Diego, California, U.S.A. 92123 and Connors Bros. maintains no place of business in Nova Scotia. It does maintain a registered office as mandated by the *Companies Act* (Nova Scotia) at the office of the law firm Cox & Palmer, PO Box 2380 Central, 1100 Purdy's Wharf Tower One, 1959 Upper Water Street, Halifax NS B3J 3E5.

3. Connors Bros. has no connection to Nova Scotia other than the fact that it is organized under Nova Scotia law. It has no personnel or assets located in Nova Scotia.
4. Connors Bros., together with Bumble Bee Foods, LLC (a Delaware limited liability corporation) and Bumble Bee Capital Corp. (a Delaware corporation) (collectively, the “**Issuers**”), intends to make a joint offering as co-issuers of senior secured notes of the Issuers due on or about December 15, 2015 (the “**Notes**”) with an expected aggregate principal amount of approximately U.S. \$220,000,000 to be issued in connection with a private placement in the United States and in Ontario. Wells Fargo Securities, LLC, Jefferies & Company, Inc. and Barclays Capital Inc., all of the United States, will be the initial purchasers of the Notes (the “**Initial Purchasers**”) in the United States in compliance with Rule 144A and Regulation S of the *Securities Act of 1933*, as amended (the “**US Act**”). The offering in the United States is referred to as the “**Offering**”. The Notes are 6 year secured and senior obligations with a fixed interest rate of 7.75% and will also be guaranteed by guarantees from the Issuers’ parent and affiliated companies. Interest on the Notes will be payable semi-annually in arrears. The terms of the Notes will provide that the Issuers have the option to redeem the Notes on certain terms and conditions starting December 15, 2012.
5. The Offering will be made in compliance with the US Act. The Notes distributed to the Initial Purchasers will not be offered for sale in Nova Scotia and no prospectus is being filed in Canada in connection with the Offering. Connors Bros. will rely on available exemptions under National Instrument 45-106 Prospectus and Registration Exemptions (“**NI 45-106**”) for the Offering.
6. The Initial Purchasers will re-sell the Notes to investors in the United States and Ontario (either private individuals or corporations) (collectively, the “**Purchasers**” and the sale to the Purchasers being the “**Purchaser Distribution**”). Purchasers in the United States will be “qualified institutional buyers” pursuant to Rule 144A of the US Act and the Purchasers in Ontario will be subject to an available exemption under NI 45-106. The Notes will not be offered for sale in Nova Scotia under the Purchaser Distribution and no prospectus is being filed in connection with the Purchaser Distribution.
7. A preliminary offering memorandum dated December 3, 2009 was prepared pursuant to United States securities laws and delivered to prospective Purchasers located in the United States in connection with the Purchaser Distribution (the “**Preliminary Offering Memorandum**”). A Canadian offering memorandum wrapper incorporating by reference the Preliminary Offering Memorandum was also prepared and delivered to prospective Purchasers located in Ontario.
8. The Preliminary Offering Memorandum states on the cover page that the Notes are only being offered for sale to a purchaser that is a U.S. “qualified institutional buyer” or to a non-US purchaser in an offshore transaction and will not be registered with the Securities and Exchange Commission or with any other State Securities Commission. The Preliminary Offering Memorandum also provides that “It [the purchaser] agrees that it shall not transfer or resell the notes in Canada or to or for the account of any person

resident in Canada for a period of 40 days from the original issuance of the notes, except in compliance with law.”

9. The Issuers will also enter into a registration rights agreement (the “**Registration Rights Agreement**”) with the Initial Purchasers under which the Issuers will be required, if requested by the Initial Purchasers, to issue and register notes with substantially identical terms to the Notes (the “**Exchange Notes**”) and to exchange the Notes for the Exchange Notes and to qualify the Exchange Notes in the United States by filing either a registration statement or a shelf registration statement under the US Act.
10. No prospectus is being filed in connection with the distribution of the Exchange Notes by the Issuers. The Exchange Notes will be distributed to holders of Notes in the relevant jurisdictions in compliance with local securities laws of the jurisdictions where the holders of the Notes are resident.

**AND UPON** the Commission being satisfied that to do so would not be prejudicial to the public interest;

**IT IS RULED**, pursuant to Section 79 of the Act, that the distribution of the Exchange Notes from time to time to holders of the Notes in satisfaction of Connors Bros.’ obligations under the Registration Rights Agreement is exempt from Section 58 of the Act provided that the first trade in an Exchange Note by a purchaser who acquires the Exchange Note under this ruling is a distribution unless the conditions in subsection 2.5(2) of National Instrument 45-102 Resale of Securities are satisfied.

**DATED** at Halifax, Nova Scotia, this 16th day of December, 2009.

“H. Leslie O’Brien”  
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 H. Leslie O’Brien

“R. Daren Baxter”  
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 R. Daren Baxter