



Citation: 2022 BCSECCOM 350

Partial Revocation Order

Invictus MD Strategies Corp.

Under the securities legislation of British Columbia and Ontario (the Legislation)

Background

- ¶ 1 Invictus MD Strategies Corp. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator of the British Columbia Securities Commission (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on February 4, 2021.
- ¶ 2 The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO as a dual application.
- ¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 4 This decision is based on the following facts represented by the Issuer:
- a. The head office of the Issuer is located in Vancouver, British Columbia;
 - b. The Issuer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, but its securities are not listed or quoted on any exchange or marketplace in Canada or elsewhere;
 - c. The Issuer was incorporated under the *Business Corporations Act* (S.B.C. 2002, c. 57) (the **BCBCA**) on February 11, 2014 under the name “Bioab Strategies Ltd.”, and changed its name to “Invictus MD Strategies Corp.” on December 19, 2014; and it has an unlimited number of common shares without par value authorized, of which a total of 1,245,831,630 shares are currently issued and outstanding;



- d. The Issuer is an inactive issuer and completed a proposal with its creditors under the *Companies Creditors Arrangement Act* (R.S.C., 1985, c. C-36) in January 2021 to settle its then outstanding indebtedness owed to its creditors (the **CCAA Proposal**);
- e. Pursuant to the CCAA Proposal, the Issuer had \$4,511,404 in outstanding debt owed by the Issuer to its unsecured creditors, of which \$300,760.33 was paid on or before January 26, 2022. A total of \$4,210,644 continues to remain outstanding, and the Issuer has until January 26, 2026 to pay this balance;
- f. The FFCTO was issued as a result of the Issuer's failure to file its audited financial statements for the fiscal year ended January 31, 2020, and interim unaudited financial reports for the periods ended April 30, 2020, July 31, 2020 and October 31, 2020, and the related management's discussions and analyses and officer certifications (collectively, the **Required Records**);
- g. The Issuer's failure to file Required Records was a result of financial distress;
- h. On January 1, 2022, the Issuer completed a vertical short form amalgamation under Section 273 of the BCBCA with its four wholly-owned British Columbia subsidiaries, 1339527 B.C. Ltd., 1339533 B.C. Ltd., Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc. (the **Amalgamating Companies**), whereby the issued shares of the Amalgamating Companies were cancelled and the Issuer continued as the amalgamated company without any disposition of the Issuer's issued and outstanding securities or issuance of any new securities;
- i. The Issuer proposes to complete a plan of arrangement with its shareholders under Division 5 of the BCBCA (the **Arrangement**) whereby:
 - (i) The Issuer's wholly-owned Delaware subsidiary, Gene-Etics Strains Co. (**Subco**) will be continued into British Columbia;
 - (ii) The Issuer and Subco will then amalgamate under Section 270 of the BCBCA (the proposed amalgamated company thereby created being referred to herein as **Amalco**); and
 - (iii) Under the proposed Arrangement, the current issued common shares of the Issuer will be effectively consolidated and shareholders holding a "small lot" (being 1,250 post-Arrangement shares [**Amalco Shares**] or less) will receive a cash payment, based on their fair value which is estimated at \$1.60 per Amalco Share (although this amount may be adjusted based on any feedback received from the shareholders for their support), but if a cash payment payable in respect of any one shareholder is equal to or less than \$24.00 (being 15 Amalco Shares or less), then no payment will be made to that shareholder due to the costs to prepare and mail a payment for less than that amount, and the fact that brokerage and transfer fees would exceed the value of such Amalco Shares;



- j. Each shareholder of the Issuer will receive a management information circular (the **Information Circular**) describing the Arrangement in detail. The Information Circular will include sufficient information for a shareholder of the Issuer to form a reasoned judgment on the Arrangement and to assess the adequacy of the consideration being offered for their common shares of the Issuer, and will disclose the fact that the Issuer has no plans to apply for a full revocation of the FFCTO and that the securities of Amalco will continue to be subject to the FFCTO. The Information Circular will further disclose that Amalco intends to apply for an order to cease to be a reporting issuer, although there can be no assurance that such an order would be granted;
- k. The Arrangement must be approved by a special majority of at least two-thirds of the voting shareholders of the Issuer at a special meeting to be called for that purpose, and all shareholders will have a right of dissent under the BCBCA;
- l. The Arrangement will occur in the Jurisdictions, as well as Alberta; Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, pursuant the prospectus exemption available under section 2.11 of National Instrument 45-106 Prospectus Exemptions, and will occur in the United States pursuant to a registration exemption under section 3(a)(10) of the United States Securities Act of 1933;
- m. The intended purposes of the proposed Arrangement are to merge Subco into the Issuer, consolidate the issued share capital of Amalco, and reduce the number of shareholders of Amalco so that Amalco can apply to cease to be a reporting issuer;
- n. Pursuant to the Arrangement, no new securities will be issued to the public, Amalco Shares will only be issued to the existing shareholders of the Issuer, in exchange for their common shares of the Issuer;
- o. There have been no material adverse changes in the affairs of the Issuer since the date of the CCAA Proposal;
- p. Upon completion of the Arrangement, Amalco intends to make application for an order to cease to be a reporting issuer; and
- q. The Issuer will not be able to file the petition for the Arrangement, call the special meeting to approve the Arrangement, or (if approved by the shareholders) complete the Arrangement, unless the relief sought is granted.



Order

- ¶ 5 Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- ¶ 6 The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked solely to permit the Arrangement, provided that:
- (a) The Issuer will obtain, and provide to the principal regulator upon request, signed and dated acknowledgements from all remaining shareholders of Amalco which clearly state that the securities of Amalco acquired by the shareholder under the Arrangement will remain subject to the FFCTO, and
 - (b) The Issuer will provide a copy of the FFCTO and this partial revocation order to all shareholders.
- ¶ 7 September 7, 2022

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Corporate Disclosure