

# ALBERTA SECURITIES COMMISSION

## VARIATION ORDER

Citation: Re Reocito Capital Inc., 2021 ABASC 96

Date: 20210621

### Reocito Capital Inc.

#### Background

1. Reocito Capital Inc. (the **Filer**) has made an application under Section 214 of the *Securities Act* (Alberta) (the **Act**) to the Executive Director of the Alberta Securities Commission (**ASC**) for an order varying a cease trade order dated 20 August 2009, *Re Reocito Capital Inc.*, 2009 ABASC 427 (the **Alberta CTO**).

#### Interpretation

2. Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this order, unless otherwise defined.

#### Representations

3. This decision is based on the following facts represented by the Filer:
  - (a) The Filer was incorporated under the laws of Canada on 19 January 2007.
  - (b) The Filer's head office is located in Ontario.
  - (c) The Filer is a reporting issuer in British Columbia, Alberta and Québec. The Filer is not a reporting issuer in any other jurisdiction.
  - (d) The Filer has an authorized share capital of (i) an unlimited number of Class A shares (**Class A Shares**), voting and participating without par value; (ii) an unlimited number of Class B preferred shares (**Class B Preferred Shares**), non-voting and participating, without par value; and (iii) an unlimited number of Class C preferred shares (**Class C Preferred Shares**), non-voting and participating, without par value. As of the date hereof, the Filer has 5,833,333 Class A Shares issued and outstanding.
  - (e) The Filer's securities are not listed on any stock exchange or quotation system.
  - (f) On 20 August 2009, the ASC issued the Alberta CTO in response to the Filer's failure to file (i) its annual audited financial statements, annual management's discussion and analysis (**MD&A**), and certification of annual filings for the year ended 31 December 2008, and (ii) its interim unaudited financial statements, interim MD&A, and certification of interim filings for the period ended 31 March 2009.

- (g) The Filer is also subject to a cease trade order of the British Columbia Securities Commission dated 11 May 2009 (the **BC CTO**) and a cease trade order issued by the Autorité des Marchés Financiers dated 22 May 2009 (the **AMF CTO**, and together with the BC CTO and Alberta CTO, the **CTOs**).
- (h) Other than the CTOs, the Filer is not subject to any other cease trade orders.
- (i) The Filer seeks to vary the CTOs to permit the Filer to conduct a private placement of an amount of up to \$150,000 by way of the issuance of 50,000,000 Class A Shares at a price of \$0.003 per Class A Share (the **Offering**).
- (j) For each distribution made in respect of the Offering, the Filer will comply with the accredited investor exemption in section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).
- (k) The Offering is intended to take place in Ontario, and possibly other jurisdictions in Canada.
- (l) The Filer reasonably expects the proceeds from the Offering will be used in a manner consistent with the below table:

Accounting, audit and legal fees	\$25,000
Regulatory and late filing fees	\$25,000
Legacy accounts payable, including accounting and legal fees, consulting fees and outstanding transfer agent fees	\$25,000
Working capital and general and administrative expenses	\$75,000
<b>Total</b>	<b>\$150,000</b>

- (m) The Filer has concurrently applied for a partial revocation of the BC CTO and the AMF CTO to permit the Offering to be completed in British Columbia and Québec.
- (n) The Filer reasonably expects that the proceeds raised from the Offering will be sufficient to bring its continuous disclosure up to date, apply for a full revocation of the CTOs and pay all related outstanding related fees.
- (o) Within a reasonable time following the completion of the Offering, the Filer intends to apply for a full revocation of the CTOs.
- (p) The Filer hereby undertakes to provide the signed and dated written acknowledgements referred to in paragraph 4(c) below to the Executive Director on request.

#### **Decision**

- 4. The undersigned, considering that it would not be prejudicial to the public interest to do so, orders under subsection 214(1.1) of the Act that the Alberta CTO is varied to permit

the Offering, provided that prior to completion of the Offering, each investor will receive:

- (a) a copy of the Alberta CTO;
- (b) a copy of this partial revocation order; and
- (c) written notice from the Filer, to be acknowledged by each investor in writing, that all of the Filer's securities, including the securities issued in connection with the Offering, will remain subject to the CTOs until such orders are revoked and that the issuance of this partial revocation order does not guarantee the issuance of a full revocation order in the future.

21 June 2021

*"original signed by"*

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Timothy Robson  
Manager, Legal  
Corporate Finance  
Alberta Securities Commission