

# Concerned Shareholders of GrowMax File Court Application to Fight for Shareholder Democracy

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- The Concerned Shareholders express disappointment with GrowMax's desperate delay tactics to undermine the rights of Shareholders - Stop Management entrenchment. Let the voices of Shareholders be heard.
- Vote the YELLOW proxy by October 2, 2018 at 8 a.m. (Calgary time).

VANCOUVER, Oct. 1, 2018 - Concerned shareholders, Kulwant Malhi and BullRun Capital Inc. (the "Concerned Shareholders") of [GrowMax Resources Corp.](#) (the "Corporation" or "GrowMax") (GRO: TSX.V) today announced that they have filed an originating application to the Alberta Court of Queen's Bench (the "Court") asking the Court to declare that GrowMax's advance notice by-law (the "By-Law") is invalid, so that Shareholders are given the opportunity to vote for the Concerned Shareholder Nominees at the special and annual meeting (the "Meeting") of GrowMax shareholders (the "Shareholders") currently scheduled for October 4, 2018.

## Concerned Shareholders Make Court Application to Let Shareholder Democracy Prevail

In light of certain actions by GrowMax management ("Management") and the incumbent board (the "Board"), which includes postponing the original meeting on less than 24 hours notice and attempting to exclude the Concerned Shareholder nominees for purported "non-compliance" with the By-Law, the Concerned Shareholders believe it is in the best interests of all Shareholders to ask the Court to strike down the By-Law so that Management does not deprive Shareholders of their right to elect nominees of their choice to the board of directors.

The Concerned Shareholders have also asked the Court to declare that the chair of the Meeting be independent of both GrowMax and the Concerned Shareholders to ensure that the Meeting takes place with integrity and that Shareholders are not inconvenienced or disenfranchised at the Meeting. Management and the Board's latest actions show that they cannot be trusted to act in the best interests of ALL Shareholders and a fair process at the Meeting is questionable if they are allowed to chair the Meeting.

To ensure that the Board and Management do not further engage in any actions adverse to the interests of Shareholders and the Corporation, the Concerned Shareholders are also seeking:

- a Court Order declaring that, for the purposes of the Meeting, only those shareholders who were (i) shareholders of GrowMax as of the close of business on August 20, 2018 (the record date); and (ii) represented by proxies submitted by 10:00 a.m. MST on September 21, 2018 be permitted to vote at the Meeting;
- a Court Order declaring that GrowMax has contravened subsection 132(ii) of the Business Corporations Act (Alberta) ("ABCA") for failing to hold the Meeting within 15 months of the most recent shareholders' meeting;
- a Court Order declaring that Management and the Board have engaged in conduct that is oppressive of, unfairly prejudicial to, and/or unfairly disregards the interests of the Concerned Shareholders and other Shareholders pursuant to s. 242 of the ABCA;
- a Court Order declaring that Management and the Board have failed to act in compliance with their obligations as directors and officers of GrowMax pursuant to section 248 of the ABCA, including (i) in connection with the calling and postponement of the 2018 Meeting and (ii) in the negotiation and proposed approval of GrowMax's proposed acquisition of PrimaSea Holdings Ltd.; and

- a Interim Order enjoining the Board and Management from soliciting any proxies or taking any actions outside of the normal course of business until further order of the Court which includes enjoining the Board and Management from (i) issuing any additional shares in GrowMax other than pursuant to existing obligations; (ii) making any payment to any director or member of Management other than for their regular incremental salary; (iii) transferring any funds from any account of GrowMax for any reason other than for payables incurred in the normal course of business; (iv) making, amending or repealing any bylaws of GrowMax; and (v) entering into any material transaction, including but not limited to GrowMax's proposed acquisition of PrimaSea Holdings Ltd.

#### The Concerned Shareholder's Respond Again to Management's Disclosure Requests

In a clear illustration of Management's intent to deprive Shareholders of their right to vote for the Concerned Shareholder nominees, Management has stated that in order to comply with their yet to be approved By-Law the Concerned Shareholders reconstruct, and provide Management with, a comprehensive chronology of events that lead to the decision to announce the \$0.075 dividend on September 18, 2018. Management has also requested that the Concerned Shareholders disclose private communications to Management..

The Concerned Shareholders believe this request is completely unreasonable and without basis. Management's latest request is wholly unrelated to the matters to be decided upon at the Meeting and it is apparent that this is only an attempt to form a basis to disqualify the YELLOW proxies due to the lack of support that Management and the Board have received.

#### Vote Yellow

As the proxy cut-off deadline has been extended to 8:00 a.m. (Calgary Time) on October 2, 2018, the Concerned Shareholders encourage all Shareholders to read the Concerned Shareholders' meeting materials, which are available at [www.laurelhill.ca/abetter-growmax](http://www.laurelhill.ca/abetter-growmax), and urge Shareholders to vote only the YELLOW proxy. By voting only the YELLOW proxy, Shareholders will be voting:

- AGAINST a highly-dilutive transaction that will result in the handover of 60% of your company to GrowMax directors and officers;
- AGAINST the re-election of a board of directors that has destroyed shareholder value in favour of their own self-interest;
- AGAINST the adoption of a new equity incentive plan that will further increase the shareholdings of directors and officers and further dilute your interest in the Corporation;
- AGAINST the adoption of an advance notice by-law that gives the board of directors the sole discretion to dismiss your shareholder nominees;  
FOR the new Concerned Shareholder nominees who will rejuvenate the GrowMax board of directors and take the Corporation in a new direction that will eliminate wasteful spending and maximize shareholder value.

Shareholders should discard any blue proxy they may receive and should vote only their YELLOW proxy well in advance of the proxy voting deadline. We urge Shareholders to vote prior to October 2, 2018 at 8:00 a.m. (Calgary time), to ensure that all YELLOW proxies will be deposited in a timely manner.

Due to the essence of time, Shareholders are asked to vote online or by telephone by following the instructions found on the YELLOW proxy to ensure votes are received in a timely manner.

IF YOU HAVE ALREADY VOTED USING MANAGEMENT'S BLUE PROXY, YOU CAN STILL SUPPORT THE CONCERNED SHAREHOLDERS BY VOTING THE YELLOW PROXY. THE LATER DATED PROXY WILL SUPERSEDE.

If you have already voted using the YELLOW proxy, there is no need to take further action and the Concerned Shareholders would like to thank you for your support to move GrowMax in a positive direction.

Remember every vote counts to protect your investment. Regardless of the number of shares you own, please vote your YELLOW proxy today.

Questions and requests for assistance may be directed to the Concerned Shareholders' Proxy Solicitor:

Laurel Hill Advisory Group  
North America Toll Free: 1-877-452-7184  
Outside North America: 1-416-304-0211 (collect)  
Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

SOURCE BullRun Capital Inc.

Contact  
BullRun Capital Inc., #915 - 700 West Pender Street, Vancouver British Columbia V6C 1H2, Attention:

Kulwant Malhi, Kal@bullruncapital.ca, Tel +1 604 805 4602

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