

2003 BCSECCOM 801

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from registration and prospectus requirements for securities underlying subscription receipts being qualified by prospectus – underlying securities are previously issued securities of another issuer – relief granted for first trades of underlying securities provided conditions in s. 2.10 of MI 45-102 satisfied

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61 and 76
Multilateral Instrument 45-102 *Resale of Securities*, s. 2.10

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, MANITOBA AND NEW BRUNSWICK

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF ALIANT INC.

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Manitoba and New Brunswick (the “Jurisdictions”) has received an application from Aliant Inc. (“Aliant”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the registration requirement and the prospectus requirement will not apply to a distribution by Aliant of 26,141,024 common shares (the “Stratos Shares”) of Stratos Global Corporation (“Stratos”) upon the automatic conversion of 26,141,024 subscription receipts evidenced by instalment receipts (the “Subscription Receipts”) issued by Aliant on October 6, 2003;

2003 BCSECCOM 801

- ¶ 2 AND WHEREAS under the Mutual Reliance Review System for exemptive relief applications (the “System”), the British Columbia Securities Commission is the principal regulator for this application;
- ¶ 3 AND WHEREAS unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101 *Definitions*;
- ¶ 4 AND WHEREAS Aliant has represented to the Decision Makers that:
1. Aliant is a corporation incorporated under the *Canada Business Corporations Act* (the “CBCA”) and is a reporting issuer or the equivalent in each of the provinces of Canada in which such concept exists;
 2. the registered head office of Aliant is located in Charlottetown, Prince Edward Island;
 3. the Common Shares of Aliant are listed and posted for sale on the TSX;
 4. Aliant is not in default of any requirement of the Legislation;
 5. Aliant is currently Stratos’ principal shareholder, owning 26,141,024 outstanding common shares of Stratos, representing approximately 53.2% of the outstanding common shares of Stratos;
 6. upon completion of the offering of the Subscription Receipts and delivery of the Stratos Shares pursuant to the Subscription Receipts, Aliant will have sold all of its interest in Stratos;
 7. Stratos is a corporation amalgamated under the *Corporations Act* (Newfoundland) and continued under the CBCA, and is a reporting issuer or the equivalent in each of the provinces of Canada in which such concept exists;
 8. the head office of Stratos is located in Bethesda, Maryland, U.S.A.;
 9. the common shares of Stratos are listed and posted for trading on the Toronto Stock Exchange;
 10. on September 22, 2003, Aliant filed a preliminary short form prospectus with the securities regulatory authorities in each of the provinces of Canada in order to qualify for distribution 26,141,024 Subscription Receipts;

2003 BCSECCOM 801

11. the final short form prospectus (the “Final Prospectus”) was filed on September 29, 2003;
 12. the Stratos Shares distributable pursuant to the automatic exchange of the Subscription Receipts are not being qualified for distribution by the Final Prospectus, as it would not be practicable from a business perspective for Aliant to remain in distribution continuously as late as February of 2004;
 13. the Final Prospectus contains prospectus level disclosure of the terms and conditions of the Subscription Receipts and the Stratos Shares;
 14. as Aliant and Stratos have both been reporting issuers in each of the provinces of Canada for at least 12 months, detailed information of the business and affairs of both Aliant and Stratos has been available to the public for a period of time sufficient for potential investors to evaluate the merits of an investment in the securities of each issuer;
 15. the investment decision to purchase the Stratos Shares by an investor occurs at the time the investor initially acquires the Subscription Receipts and not upon the triggering of an automatic conversion feature pursuant to the terms of the Subscription Receipts;
 16. no commission or other remuneration will be paid or given to others in respect of the distribution of the Stratos Shares except for ministerial or professional services or for services performed by a registered dealer; and
 17. there is no exemption from the registration requirement or the prospectus requirement available under the Legislation for the distribution of the Stratos Shares on automatic conversion of the Subscription Receipts.
- ¶ 5 AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);
- ¶ 6 AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- ¶ 7 THE DECISION of the Decision Makers under the Legislation is that the registration requirement and the prospectus requirement shall not apply to the distribution of the Stratos Shares upon the automatic exchange of the Subscription Receipts of Aliant, provided that any trade in Stratos Shares acquired under this order is deemed to be a distribution or a primary distribution to the public unless

2003 BCSECCOM 801

the conditions in section 2.10 of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

¶ 8 November 28, 2003

Brenda Leong
Director