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Headnote

Mutual Reliance Review System for Exemptive Relief Application – exemption pursuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules from the requirement to comply with National Instrument 21-101 and National Instrument 23-101 until August 1, 2002

Applicable British Columbia Provisions

National Instrument 21-101

National Instrument 23-101

IN THE MATTER OF NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION AND NATIONAL INSTRUMENT 23-101 TRADING RULES

AND

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

AND

IN THE MATTER OF BLOOMBERG TRADEBOOK LLC AND BLOOMBERG TRADEBOOK CANADA COMPANY

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator in each of the Provinces of British Columbia, Alberta, Ontario and Québec (each, a “Decision Maker”) has received an application from Bloomberg Tradebook LLC (“Tradebook LLC”) for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the “ATS Rules”) does not apply to Bloomberg Tradebook LLC (“Tradebook LLC”) until the earlier of August 1, 2002 and the date on which Bloomberg Tradebook Canada Company (“Bloomberg Tradebook Canada”) is in a position to comply with all of the requirements of the ATS Rules;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Ontario Securities Commission is the principal regulator for this application;

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AND WHEREAS Tradebook LLC and Bloomberg Tradebook Canada have represented to the Decision Makers that:

1. Tradebook LLC was formed under the laws of the State of Delaware on March 28, 1996 and is registered as an international dealer under the *Securities Act* (Ontario) and as a securities dealer under the *Securities Act* (British Columbia). Tradebook LLC's members are Bloomberg L.P., as to a 99% membership interest, and Bloomberg T-Book, Inc., as to a 1% membership interest. Bloomberg L.P. is a Delaware limited partnership and Bloomberg T-Book, Inc. is a Delaware corporation.
2. Bloomberg Tradebook Canada is a Nova Scotia unlimited liability company incorporated on February 15, 2001 and is 100% owned by Bloomberg Canada LLC, a Delaware limited liability company, formed on February 1, 2001. Bloomberg Canada LLC is 100% owned by Bloomberg L.P.
3. Tradebook LLC markets and operates the Bloomberg Tradebook System, an electronic trading system in equity and fixed income securities. Although approximately 90% of its activity is limited to order-routing, it does have an internal order-matching facility which constitutes it as an alternative trading system under the ATS Rules. Tradebook LLC offers the Bloomberg Tradebook System to institutional investors, brokers and dealers located in the Provinces of Ontario, British Columbia, Québec and Alberta.
4. Following the publication of the ATS Rules on August 17, 2001, Bloomberg Tradebook Canada initiated proceedings to obtain membership in the Investment Dealers' Association of Canada (the "IDA") and registration as an investment dealer in order to comply with the requirements of the ATS Rules. Bloomberg Tradebook Canada will assume from Tradebook LLC the responsibility for offering the Bloomberg Tradebook System to Canadian brokers, dealers and institutional investors as soon as it obtains such registrations and membership and is able to comply with the other requirements of the ATS Rules.
5. Bloomberg Tradebook Canada filed its application material with the Toronto office of the IDA in October, 2001. Bloomberg Tradebook Canada continues to diligently pursue satisfaction of IDA membership requirements. Bloomberg Tradebook Canada has also applied for registration as an investment dealer in the Provinces of Ontario, Québec, British Columbia and Alberta.
6. On December 21, 2001, Bloomberg Tradebook Canada filed Form 21-101F2 (Initial Operations Report) with the securities regulatory authorities in British Columbia, Alberta, Ontario and Québec.

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7. Tradebook LLC and Bloomberg Tradebook Canada are diligently pursuing satisfaction of the other requirements of the ATS Rules and have had on-going discussions with staff of the Ontario Securities Commission regarding compliance and related issues under the ATS Rules.
8. In connection with its international dealer registration, Tradebook LLC is required to comply with certain terms and conditions of registration, including a restriction on categories of clients. Tradebook LLC restricts its clients in British Columbia and will continue to restrict its clients in British Columbia to such categories of clients as are permitted under its international dealer registration.
9. The ATS Rules came into force on December 1, 2001. On December 1, 2001, the securities regulatory authority in each of the provinces of British Columbia, Alberta, Ontario and Québec granted Tradebook LLC an exemption from the requirements of the ATS Rules until the earlier of April 1, 2002 and the date on which Bloomberg Tradebook Canada is in a position to comply with all of the requirements of the ATS Rules. A further extension to the earlier of July 1, 2002 and the date on which Bloomberg Tradebook Canada is in a position to comply with all the requirements of the ATS rules was granted on April 3, 2002.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers are satisfied that the test contained in the ATS Rules that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers is that Tradebook LLC is exempt from the requirements of the ATS Rules until the earlier of August 1, 2002 and the date on which Bloomberg Tradebook Canada is in a position to comply with all of the requirements of the ATS Rules.

DATED this 2nd day of July, 2002

Cindy Petlock
Manager, Market Regulation