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Headnote

Mutual Reliance Review System for Exemptive Relief Application – relief granted from the requirement in the definition of current AIF in Multilateral Instrument 45-102 for a fund that has not completed financial year - fund relying on a prospectus that contained four years of audited financial statements for underlying business as an alternative form of AIF

Applicable British Columbia Provisions

Multilateral Instrument 45-102 *Resale of Securities*, sections 1.1, 4.1

**IN THE MATTER OF THE SECURITIES LEGISLATION OF ALBERTA,
BRITISH COLUMBIA, NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES, NOVA SCOTIA, NUNAVUT, ONTARIO
AND SASKATCHEWAN**

AND

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

AND

IN THE MATTER OF CUSTOM DIRECT INCOME FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario and Saskatchewan (the “Jurisdictions”) has received an application from Custom Direct Income Fund (the “Fund”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation to have a “current AIF” (a “Current AIF”) as defined in Multilateral Instrument 45-102 *Resale of Securities* (“MI 45-102”) filed on SEDAR to be a “qualifying issuer” (a “Qualifying Issuer”) under MI 45-102 shall not apply to the Fund;

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

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AND WHEREAS the Fund has represented to the Decision Makers that:

1. The Fund is an open-ended limited purpose trust established under the laws of Ontario on March 18, 2003 pursuant to a declaration of trust which was amended and restated on May 14, 2003.
2. The head office of the Fund is located at 79 Wellington Street West, Toronto, Ontario, Canada, M5K 1N2.
3. The authorized capital of the Fund is an unlimited number of units of which 15,613,804 units are outstanding.
4. The operations and assets of Custom Direct, Inc. (the "Custom Direct Business") constitute the only business of the Fund and the Fund is entirely dependent on the Custom Direct Business through the indirect ownership of its shares. Custom Direct, Inc. is not a reporting issuer or the equivalent under the Legislation.
5. A decision document pursuant to National Policy 43-201 Mutual Reliance Review for Prospectuses and Annual Information Forms was issued on May 16, 2003 for the Fund's (final) prospectus dated May 15, 2003 (the "Prospectus").
6. Since the Fund had not completed a full financial year, the Prospectus did not include audited financial statements for the Fund's most recently completed financial year. The Prospectus did include (a) audited combined financial statements of the Custom Direct Business for the years ended December 31, 2002, 2001, 2000 and 1999 and (b) unaudited pro forma consolidated financial statements of the Fund for the year ended December 31, 2002 giving effect to the acquisition by the Fund of 80% of the Custom Direct Business from MDC.
7. The Fund is a reporting issuer or its equivalent in each of the Jurisdictions. The Fund is not in default of its reporting issuer obligations under the Legislation.
8. The units of the Fund are listed and posted for trading on The Toronto Stock Exchange.
9. To be a Qualifying Issuer under MI 45-102, the Fund must have a Current AIF that contains audited financial statements for the issuer's most recently completed financial year filed on SEDAR.

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AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

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;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to have a Current AIF filed on SEDAR in order to be a Qualifying Issuer under MI 45-102 shall not apply to the Fund provided that:

- (a) the Fund files a notice on SEDAR advising that it has filed the Prospectus as an alternative form of annual information form and identifying the SEDAR project number under which the Prospectus was filed;
- (b) the Fund, or a selling securityholder in the case of a control distribution, files a Form 45-102F2 on or before the tenth day after the distribution date of any securities certifying that the Fund is a Qualifying Issuer except for the requirement that it have a Current AIF; and
- (c) this Decision expires on the earlier of (i) the 140th day after completion of the Fund’s financial year ending December 31, 2003; and (ii) the date that the Fund files an Annual Information Form in the form required by Form 44-101F1 in each of the provinces and territories of Canada.

DATED July 29th, 2003.

Charlie MacCready