

2004 BCSECCOM 269

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from eligibility requirements under NI 44-101 for Canadian reporting issuer whose common shares are not listed on a stock exchange in Canada; common shares are listed on NASDAQ

Applicable British Columbia Provisions

National Instrument 44-101 *Short Form Prospectus Distributions*

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND AND LABRADOR,
THE NORTHWEST TERRITORIES, YUKON AND NUNAVUT**

AND

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

AND

IN THE MATTER OF OPTIMAL GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador as well as the Northwest Territories, Nunavut and Yukon (collectively, the “Jurisdictions”) has received an application from Optimal Group Inc. (formerly known as Optimal Robotics Corp.) (“Optimal”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the qualification criteria (the “Eligibility Requirement”) contained in sections 2.2(3) and 2.3(3) of National Instrument 44-101 *Short Form Prospectus Distributions* (“NI 44-101”) shall not apply to Optimal in order to permit Optimal to file prospectuses (each a “Short Form Prospectus”) in the form of Form 44-101F3 *Short Form Prospectus*;

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;

2004 BCSECCOM 269

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

AND WHEREAS Optimal has represented to the Decision Makers that:

1. Optimal is a corporation continued under the *Canada Business Corporations Act*. Its head office is located at 1 Place Alexis-Nihon, 3400 de Maisonneuve Blvd. West, 12th Floor, Montréal, Québec, H3Z 3B8.
2. Optimal is, and has been for the last 12 months, a reporting issuer in Ontario and is not on the list of reporting issuers in default in that jurisdiction. Optimal is also reporting issuer in British Columbia, Alberta and Québec and is not on the list of reporting issuers in default in those jurisdictions. Optimal became a reporting issuer in British Columbia and Québec upon the completion, effective April 6, 2004, of a three-cornered amalgamation between its wholly-owned subsidiary, Optimal Payments Inc., and Terra Payments Inc. (“Terra”), pursuant to which each common share of Terra was exchanged for 0.4532 of a Class “A” share (“Optimal Shares”) of Optimal. As a result of Optimal filing in British Columbia, Ontario, Québec and Alberta its annual information form for the year ended December 31, 2003 as an initial AIF under NI 44-101, which was accepted for filing on April 20, 2004, Optimal became a reporting issuer in Alberta. Optimal is also subject to the reporting requirements of the *Securities Exchange Act of 1934*, as amended, of the United States and is not in default of any requirement of the federal securities laws of the United States.
3. Optimal changed its name from “Optimal Robotics Corp.” to “Optimal Group Inc.” on April 7, 2004 by amending its articles of continuance following the approval of such amendment by its shareholders at a meeting held on April 6, 2004.
4. The authorized capital of Optimal consists of an unlimited number of Optimal Shares, an unlimited number of Class “B” shares and an unlimited number of Class “C” shares. As of the close of business on April 28, 2004, there were 22,178,403 Optimal Shares and no Class “B” or Class “C” shares issued and outstanding.
5. The Optimal Shares are quoted for trading on The NASDAQ Stock Market (“NASDAQ”) under the symbol “OPMR”, but are not listed and posted for trading on any stock exchange in Canada.
6. Optimal is not qualified to file a Short Form Prospectus because the Optimal Shares are quoted for trading on NASDAQ and are not listed and posted for

2004 BCSECCOM 269

trading on an exchange in Canada, as required under sections 2.2(3) and 2.3(3) of NI 44-101.

7. The aggregate market value of Optimal Shares quoted for trading on NASDAQ was Cdn\$216,000,000 on April 28, 2004, which was in excess of Cdn \$75,000,000 (on the basis of Cdn\$1.3745 = US\$1.00).
8. Optimal does not currently intend to file a Short Form Prospectus in the near future.

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 Optimal is exempt from the Eligibility Requirement to file a Short Form Prospectus, provided that, at the relevant time:

- (a) Optimal complies with all other applicable requirements, procedures and qualification criteria of NI 44-101 except for section 2.2(3) or 2.3(3) of NI 44-101; and
- (b) the aggregate market value of Optimal Shares quoted for trading on NASDAQ on a date within 60 days before the date of filing by Optimal of a preliminary short form prospectus under NI 44-101, is:
 - (i) at least Cdn\$75,000,000 (at the exchange rate on that date) if Optimal is relying on section 2.2 of NI 44-101; or
 - (ii) at least Cdn\$300,000,000 (at the exchange rate on that date) if Optimal is relying on section 2.3 of NI 44-101.

DATED this 12th day of May, 2004.

Charlie MacCready,
Assistant Manager, Corporate Finance