

2002 BCSECCOM 529

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer because it has a de minimus connection to British Columbia – five securityholders outside British Columbia and outstanding debentures

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 1(1), 88

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

AND

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

AND

IN THE MATTER OF VIVENDI UNIVERSAL CANADA INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (collectively, the “Jurisdictions”) has received an application from Vivendi Universal Canada Inc. (the “Filer”), formerly The Seagram Company Ltd., for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the Filer be deemed to have ceased to be a reporting issuer under the Legislation;

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 the Filer has represented to the Decision Makers that:

1. The Filer was formed under the laws of Canada and is a reporting issuer in each of the Jurisdictions.
2. The Filer’s registered office is located in Toronto, Ontario;

2002 BCSECCOM 529

3. The authorized capital of the Filer consists of an unlimited number of common shares (the “Common Shares”) and an unlimited number of preference shares issuable in series. As at December 7, 2000, the day before completion of the Plan of Arrangement described below, the Filer had issued and outstanding 444,994,523 Common Shares and no preference shares.
4. Vivendi S.A., the Filer and certain other companies entered into a Merger Agreement made as of June 19, 2000, which required, among other things, certain of the parties to effect a Plan of Arrangement under which Vivendi Universal S.A. (“Vivendi Universal”), a successor corporation to Vivendi S.A., would indirectly acquire all of the issued and outstanding shares of the Filer, other than those held by validly dissenting shareholders, which shareholders were entitled to receive fair value for their shares or to withdraw their dissent and receive American Depositary Shares of Vivendi Universal (“Vivendi Universal ADSs”).
5. The securities of the Filer remaining outstanding following completion of the Plan of Arrangement and that were previously publicly offered and are not held by Vivendi Universal or its affiliates are comprised of four classes of debentures (the “Debentures”), and a class of Adjustable Conversion-rate Equity Securities Units (the “Units”). Each Unit consists of (1) a contract to purchase, on June 21, 2002, 0.7535 Vivendi Universal ADSs and (2) a subordinated deferrable note issued by Joseph E. Seagram & Sons Inc., a subsidiary of the Filer.
6. The Debentures were offered by way of prospectus in the United States but were never offered in Canada. The Units were publicly offered in the United States but there is no record of the Units having been offered in Canada.
7. After completion of the Plan of Arrangement, the Filer completed a series of tender offers and consent solicitations (the “Tender Offers”) for the Debentures and Vivendi Universal completed an exchange offer and consent solicitation (the “Exchange Offer”) for the Units.
8. Pursuant to the Tender Offers and the Exchange Offer, holders of Debentures and Units respectively, were advised that one of the purposes of the Tender Offers and the Exchange Offer was to eliminate the Filer’s reporting requirements with the United States Securities and Exchange Commission (the “SEC”) and that if the Tender Offers and the Exchange Offer were successful, the indentures under which the Debentures and Units respectively, were issued would be amended to eliminate, among other things, the covenant on the part of the Filer to file periodic financial reports with the SEC. A similar statement

2002 BCSECCOM 529

was made in the press release issued concurrently with the making of the Tender Offers and the Exchange Offer.

9. Pursuant to the Tender Offers and the Exchange Offer, holders of Debentures and Units respectively, were further advised that if the Tender Offers and the Exchange Offer were successfully completed, the resulting amendments to the trust indentures would be binding on all non-tendering holders of Debentures and Units.
10. The indentures contain a provision that, with the consent of not less than a majority in principal amount of each class of Debentures or Units, the Trustee may subject to certain limitations, enter into a supplemental indenture for the purpose of adding provisions to, changing in any manner or eliminating any provisions of the respective Indentures of each class of Debentures or Units, or modifying in any manner the rights of the registered holders of such class of Debentures or Units.
11. The indentures governing the Debentures and the Units do not contain any provision requiring the Filer to file any financial or other information with a Decision Maker in any Jurisdiction. The indentures governing the Debentures and the Units do not contain any provision requiring the Filer be a reporting issuer or the equivalent in any Jurisdiction.
12. After completion of the Tender Offers and the Exchange Offer, of the US\$800 million principal amount of the Debentures originally outstanding, only approximately US\$52.6 million remains outstanding and of the 20,025,000 Units originally outstanding, only approximately 398,894 Units remain outstanding.
13. To the Filer's knowledge, as at July 16, 2001, there were eighty-nine (89) beneficial holders of Debentures resident in Canada, of which fifty-three (53) beneficial holders of Debentures were resident in Québec, twenty (20) beneficial holders of Debentures were resident in Ontario, nine (9) beneficial holders of Debentures were resident in British Columbia, six (6) beneficial holders of Debentures were resident in Alberta and one (1) beneficial holder of Debentures was resident in Prince Edward Island. These Canadian beneficial holders of Debentures held an aggregate of approximately US\$4.0 million principal amount of Debentures, which is less than one-half of one percent (.5%) of the original outstanding principal amount of the Debentures and less than eight percent (8%) of the current outstanding principal amount of the Debentures.

2002 BCSECCOM 529

14. To the Filer's knowledge, as at February 9, 2001, there were four (4) beneficial holders of the Units resident in Canada, all of whom were residents of Ontario.
15. The Common Shares were delisted from trading on the Toronto Stock Exchange, the New York Stock Exchange and the London Stock Exchange on December 8, 2000. The Units were delisted from the New York Stock Exchange on December 28, 2000. No securities of the Filer are listed or quoted on any exchange or market in Canada or elsewhere.
16. The Filer is no longer subject to reporting requirements under the *Securities Exchange Act of 1934* of the United States of America or the indentures under which the Debentures or the subordinated notes comprising part of the Units were issued.
17. Other than the Debentures and the Units, the Filer has no securities outstanding not owned directly or indirectly by Vivendi Universal.
18. As of February 9, 2001, the Filer is not in default of any requirements under the Legislation.
19. The Filer has more than 15 securityholders in Québec and the Commission des valeurs mobilières du Québec has granted the Filer relief from the continuous disclosure requirements of the *Securities Act* (Québec) applicable to the Filer other than: (1) the filing of material change reports; (2) the filing of insider trading reports relating to trades of the Debentures and the Units; and (3) the holding of meetings of holders of the Debentures and the Units.
20. The Filer has no present intention of seeking public financing by way of an offering of its securities.

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;

2002 BCSECCOM 529

THE DECISION of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer under the Legislation.

DATED this 11th day of June, 2002.

Paul Moore

Harold P. Hands