

THE SECURITIES ACT

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Order No. 4343

)

Section 20

)

November 26, 2003

MDC CORPORATION INC.

WHEREAS:

(A) MDC Corporation Inc. ("MDC") has applied to The Manitoba Securities Commission (the "Commission") for an order under s. 20(1) of The Securities Act, R.S.M. 1988, c. S50 (the "Act") exempting from the registration and prospectus requirements of sections 6 and 37 of the Act certain exchanges of securities of its own issue for securities of another reporting issuer;

(B) MDC has represented to the Commission that:

1. MDC is a corporation incorporated under the laws of Ontario, is a reporting issuer (or the equivalent thereof) in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and, to the best of its knowledge, is not in default of any of the requirements of the applicable securities legislation in any of those Provinces;
2. Custom Direct Income Fund (the "Fund") is an open-ended, limited purpose trust established under the laws of the Province of Ontario. The Fund was established to acquire, indirectly, 80% of the common shares of Custom Direct, Inc. ("Custom Direct") from MDC pursuant to an initial public offering of 11,000,000 Units under a prospectus dated May 15, 2003;
3. MDC is proposing an offering of adjustable rate exchangeable securities (the "Exchangeable Securities") which are a series of direct, unsecured debentures of MDC pursuant to a short form prospectus (the "Offering"). The Exchangeable Securities pay interest at an adjustable monthly rate based upon the actual monthly distributions paid on Units, but in no case less than 0.25% (being 3% per annum).
4. A preliminary prospectus was filed in each of the provinces of Canada on November 18, 2003 for the Offering.
5. The Exchangeable Securities are, subject to certain conditions being met, exchangeable for units (the "Units") of the Fund;
6. MDC currently holds common and preferred shares of Custom Direct (the "Custom Direct Shares") which are effectively exchangeable into Units upon the occurrence of certain prescribed events (the "Exchange Event"). After an

Exchange Event occurs, MDC will issue a press release advising holders of the Exchangeable Securities that they are entitled to exercise their exchange right. Each Exchangeable Security will be exchangeable at the option of the holder for one Unit, subject to certain adjustments (the "Exchange Trades");

7. At any time subsequent to the occurrence of the Exchange Event, each Exchangeable Security is redeemable by MDC for one Unit, subject to certain adjustments (the "Redemption Trades");

8. MDC may also transfer Units to a holder of Exchangeable Securities if there is an event of default in respect of the Exchangeable Securities and the requisite number of holders demand repayment of the principal amount of and accrued but unpaid interest on the Exchangeable Securities. In that event, MDC is entitled to pay the default amount by delivery of a number of Units with an aggregate value equal to the default amount (the "Default Trades");

9. On December 31, 2028 (the "Maturity Date"), MDC will repay the Exchangeable Securities at their principal amount (the "Maturity Value"), plus accrued but unpaid interest. At the option of MDC, the Maturity Value may be satisfied in respect of each Exchangeable Security by delivery of a number of Units with a value, based on a current market price per Unit on the Maturity Date, equal to the Maturity Value (the "Maturity Trades");

10. The Exchange Trades, Redemption Trades, Default Trades and Maturity Trades are collectively referred to as the "MDC Custom Unit Trades".

11. The short form prospectus to be filed in respect of the Offering will contain detailed information on what constitutes an Exchange Event and the circumstances in which MDC Custom Unit Trades will occur.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, the MDC Custom Unit Trades shall be exempt from Sections 6 and 37 of the Act.

2. THAT the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal