

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,  
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,  
NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF *36Onetworks inc.*

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application from *36Onetworks inc.* ("*36Onetworks*"), formerly Worldwide Fiber Inc, for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting *36Onetworks* and a certain shareholder of *36Onetworks* (the "Selling Shareholder") from the requirement to file and obtain a receipt for a preliminary prospectus and prospectus (the "Prospectus Requirement") in order to permit the use by *36Onetworks* and the Selling Shareholder of the PREP Procedures, as defined in National Policy Statement No. 44 ("NP 44"), and similar procedures (the "Quebec Procedures") under the legislation of Quebec (the "Quebec Regulation"), in connection with *36Onetworks*' proposed initial public offering of Subordinate Voting Shares;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Executive Director of the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS *36Onetworks* has represented to the Decision Makers that:

1. *36Onetworks* was incorporated on February 5, 1998 under the *Business Corporations Act* (Alberta), was continued under the *Canada Business Corporations Act* on August 17, 1999 and is expected to be continued under the *Companies Act* (Nova Scotia). prior to the closing of the proposed offering;
2. the principal office of *36Onetworks* in Canada is located in British Columbia;
3. *36Onetworks* is not a reporting issuer, or equivalent, under the Legislation;
4. *36Onetworks* is proposing to undertake an initial public offering of Subordinate Voting Shares in the Jurisdictions, the United States and Europe (the "Offering");

5. the Offering may include an offering of Subordinate Voting Shares by the Selling Shareholder to the public in the Jurisdictions, the United States and Europe;
6. there is currently no market for the Subordinate Voting Shares; however, *36Onetworks* has applied to have the Subordinate Voting Shares listed on The Toronto Stock Exchange and quoted on the Nasdaq National Market;
7. in connection with the Offering, *36Onetworks* filed with the United States Securities, and Exchange Commission on January 28, 2000 a registration statement on Form F-1 and, on March 22, 2000 Amendment No. 1 (together, the "Registration Statement");
8. in connection with the Offering, *36Onetworks* filed on February 3, 2000 a preliminary long-form prospectus dated January 28, 2000 and, on March 22, 2000, an amended preliminary long-form prospectus dated March 22, 2000 (together, the "Preliminary Prospectus") with each of the Decision Makers;
9. in connection with the offering of Subordinate Voting Shares in the United States, *36Onetworks* intends to use the procedures permitted by Rule 430A under the *Securities Act of 1933*, under which *36Onetworks* will be permitted to omit from the Registration Statement certain offering price-related information and file a form of prospectus containing the previously omitted pricing information to price the Offering after the Registration Statement has been declared effective;
10. the size of the Offering is expected to be approximately C\$1.25 billion, of which C\$1.15 billion will be issued from *36Onetworks*' treasury;
11. use of the PREP Procedures and the Quebec Procedures would permit *36Onetworks* and the underwriters to better coordinate the pricing, prospectus delivery, confirmation of purchase and closing and settlement procedures in Canada with those expected to be used in connection with the portion of the Offering being made in the United States;
12. neither *36Onetworks* nor the Subordinate Voting Shares meet the eligibility criteria which otherwise would permit *36Onetworks* to use the PREP Procedures and the Quebec Procedures; and
13. each of the Decision Makers granted a substantially similar decision to *36Onetworks* on March 17, 2000 (the "Previous Decision Document"), but due to the change of name and change in capitalization, *36Onetworks* and the Selling Shareholder cannot rely on the Previous Decision Document for the proposed Offering;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (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:

1. the Previous Decision Document is revoked; and

2. *36Onetworks* and the Selling Shareholder are exempted from the Prospectus Requirements of the Legislation with respect to any distribution of Subordinate Voting Shares under the Offering effected in compliance with the PREP Procedures and the Quebec Procedures, insofar as such requirements concern:

(a) the form and content of a preliminary prospectus or prospectus, including the form of prospectus certificates, filed under the Legislation; and

(b) the filing of an amendment or supplement to a preliminary prospectus or prospectus filed under the Legislation;

provided that

(c) the Preliminary Prospectus is supplemented and amended pursuant to and in accordance with the requirements and procedures set forth in NP 44 and the Quebec Regulation, including the filing of amendments complying with the requirements of the Legislation;

(d) a prospectus complying with NP 44 and the Quebec Regulation is filed under the Legislation pursuant to and in accordance with the requirements and procedures set forth in NP 44 and the Quebec Regulation, as if *36Onetworks* and the Selling Shareholder were eligible to use the PREP Procedures and the Quebec Procedures; and

(e) such prospectus is supplemented and amended pursuant to and in accordance with the requirements and procedures set forth in NP 44 and the Quebec Regulation, including the filing of amendments complying with the requirements of the Legislation.

DATED April "18" 2000

Margaret Sheehy  
Director

### **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - relief from the prospectus requirements to permit an issuer and a selling shareholder to use the PREP Procedures under National Policy Statement No. 44 in connection with an initial public offering of securities of the issuer, as neither the issuer or its securities meet the eligibility criteria set out in National Policy Statement No. 44

## **Applicable British Columbia Provisions**

Securities Act, R.S.B.C. 1996, c. 418, s. 61, 76