

**IN THE MATTER OF THE SECURITIES LEGISLATION  
OF EACH OF THE PROVINCES AND TERRITORIES OF CANADA**

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

**AND IN THE MATTER OF AT&T CORP.**

**MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces and Territories of Canada (collectively the "Jurisdictions") has received an application from AT&T Corp. ("AT&T") for:

(i) a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to qualify a prospectus in respect of the distribution or primary distribution to the public of a security (the "Registration and Prospectus Requirements") shall not apply to any trade of Wireless Group Shares (as defined below) by AT&T to holders of AT&T Shares (as defined below) (the "AT&T Shareholders") pursuant to a securities exchange issuer bid (the "Exchange Offer") proposed by AT&T, subject to certain conditions; and

(ii) a decision under the securities legislation of each of the Jurisdictions other than Northwest Territories, Nunavut, Yukon, New Brunswick and Prince Edward Island (the "Issuer Bid Requirements Jurisdictions") that the requirements contained in the Legislation relating to delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration and collateral benefits (the "Issuer Bid Requirements") shall not apply to the Exchange Offer;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS AT&T has represented to the Decision Makers that:

1. AT&T is a multi-national corporation that is incorporated pursuant to the laws of the State of New York in the United States of America. Its principal executive offices are located in New York, New York,
2. AT&T is a world leader in communications and provides voice, data and video communications to large and small businesses, consumers and government entities.

3. AT&T is not a reporting issuer or the equivalent under the Legislation and has no present intention of becoming a reporting issuer or the equivalent under the Legislation.
4. AT&T's common stock (the "Common Shares") are listed on the New York Stock Exchange ("NYSE") and on stock exchanges in London, Paris, Geneva and Brussels.
5. AT&T is authorized to issue 16.50 billion shares of capital stock, consisting of 100 million shares of AT&T preferred stock and 16.4 billion Common Shares, of which 6.0 billion are shares of AT&T common stock (the "AT&T Shares"), 4.0 billion are shares of Class A Liberty Media Group tracking stock (the "Class A Liberty Shares"), 400 million are shares of Class B Liberty Media Group tracking stock (the "Class B Liberty Shares") and 6.0 billion are shares of AT&T Wireless Group tracking stock (the "Wireless Group Shares").
6. As of January 1, 2001, 3,760,174,834 AT&T Shares, 2,363,738,170 Class A Liberty Shares and 206,221,288 Class B Liberty Shares, and 361,814,400 Wireless Group Shares were issued and outstanding. On January 22, 2001 AT&T issued 812,511,788 shares of a new class of AT&T preferred stock ("Convertible Preference Shares") which are convertible into Wireless Group Shares.
7. The AT&T Shares are registered with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934 of the United States (the "1934 Act").
8. In connection with the issuance of the Common Shares, AT&T files with the SEC its annual report on Form 10-K as well as other continuous disclosure materials required under United States' securities legislation.
9. As of May 18, 2001, there were approximately 3049 AT&T Shareholders resident in Canada (the "Canadian AT&T Shareholders"), owning approximately 823,945 AT&T Shares (or approximately .02% of the issued and outstanding AT&T Shares). Of these shareholders, approximately 1,606 Canadian AT&T Shareholders are resident in Ontario, 413 Canadian AT&T shareholders are resident in British Columbia, 72 Canadian Shareholders are resident in Manitoba, 488 Canadian AT&T Shareholders are resident in Quebec, 192 Canadian Shareholders are resident in Alberta, 154 Canadian AT&T Shareholders are resident in Nova Scotia and fewer than 50 Canadian AT&T Shareholders are resident in each of the other Jurisdictions.
10. AT&T Wireless Group was formed in 2000 and is one of the largest wireless communications service providers in the United States. It is not a separate legal entity but is a defined set of businesses, assets and liabilities of AT&T and its subsidiaries, including AT&T Wireless Services, Inc. As of December 31, 2000, the assets included in AT&T Wireless Group as a whole represented approximately 14.6% of AT&T's total assets, and those assets generated approximately 15.8% of AT&T's total revenue for the year ended December 31, 2000.
11. The Wireless Group Shares are a class of Common Shares intended to reflect the financial performance and economic value of AT&T Wireless Group and they are listed on the NYSE under the symbol "AWE".

12. The Wireless Group Shares have voting and dividend rights as well as a redemption feature (the "Redemption Right").
13. In 1994, AT&T incorporated AT&T Wireless Services, Inc. as a Delaware Corporation with its principal offices in Redmond, Washington.
14. AT&T Wireless Services, Inc. is a wholly owned subsidiary of AT&T and has been a member of the AT&T Wireless Group since its formation. The businesses, assets and liabilities of AT&T Wireless Services, Inc. constitute substantially all of the businesses, assets and liabilities of the AT&T Wireless Group.
15. AT&T Wireless Services, Inc. is not a reporting issuer or the equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.
16. AT&T has announced plans to restructure itself into a number of separate companies or separately tracked business units which may involve a number of trades that will affect the Canadian AT&T Shareholders.
17. AT&T currently intends, subject to certain conditions, to split-off the AT&T Wireless Group from AT&T (the "Split-Off"), as described in the Offering Documents (as defined below).
18. Prior to the occurrence of the Split-Off, AT&T will transfer to AT&T Wireless Services, Inc. substantially all of the businesses, assets and liabilities of AT&T Wireless Group not already held by AT&T Wireless Services, Inc.
19. Although the Split-Off may involve Canadian AT&T Shareholders and Canadian holders of Wireless Group Shares, AT&T is currently only applying for relief for the trades of Wireless Group Shares pursuant to the Exchange Offer (the "Exchange Trades").
20. Pursuant to the terms of the Exchange Offer, AT&T intends to issue 1.176 AT&T Wireless Group Shares for each AT&T Share validly tendered and accepted by AT&T. The Exchange Offer was commenced on April 19, 2001 and will expire on May 25, 2001, unless extended.
21. The Exchange Offer is available to Canadian AT&T Shareholders on the same terms and conditions as those extended to AT&T Shareholders resident in the United States, except that the Offering Circular/Prospectus providing detailed disclosure of the terms and conditions of the Exchange Offer and the Wireless Group Shares to be distributed thereunder (the "Offering Documents") were not mailed to some of the Canadian AT&T Shareholders concurrently with the mailing of the Offering Documents to AT&T Shareholders resident in the United States.
22. All the Canadian AT&T Shareholders were furnished with the Offering Documents on or before May 17, 2001 at the latest and such material was filed with each of the Decisions Makers by such date.

23. On May 21, 2001 and May 22, 2001, AT&T issued a press release advising of the availability of the Exchange Offer (subject to regulatory approval), describing its principal terms and conditions, describing how Canadian AT&T Shareholders can obtain access to a copy of the Offering Documents on the AT&T website and indicating where, upon request, Canadian AT&T Shareholders can obtain by expedited delivery at AT&T's expense a copy of the Offering Documents.

24. All material related to the Exchange Offer and amendments thereto, other than the Offering Documents, sent by or on behalf of AT&T to AT&T Shareholders resident in the United States will also be sent concurrently to the Canadian AT&T Shareholders and such material will be filed with each of the Decision Makers in the Issuer Bid Requirements Jurisdictions.

25. By making the Exchange Offer, AT&T is offering AT&T Shareholders the opportunity to obtain Wireless Group Shares and to subsequently participate in the Split-Off by exchanging AT&T Shares for newly issued Wireless Group Shares at an exchange ratio that was a 7% premium to the market value of AT&T Shares as of the commencement of the Exchange Offer.

26. All persons holding AT&T Shares are eligible to participate in the Exchange Offer if they tender the AT&T Shares in a jurisdiction where the Exchange Offer is permitted under local law.

27. Pursuant to the Exchange Offer, AT&T will accept a maximum of 427,736,486 AT&T Shares (the "Maximum Amount") and will issue up to 503,018,108 Wireless Group Shares as consideration under the Exchange Offer. If more than the Maximum Amount are validly tendered under the Exchange Offer, such tendered AT&T Shares will be accepted subject to proration.

28. AT&T is not obligated to complete the Exchange Offer unless a minimum of 22,883,296 AT&T Shares are validly tendered and not withdrawn and all of the other conditions of the Exchange Offer have been satisfied.

29. The Exchange Offer has been made in compliance with the Securities Act of 1933 (United States) (the "1933 Act"), the 1934 Act and the rules of the SEC pursuant to the 1933 Act and the 1934 Act (collectively, the "Applicable U.S. Securities Laws").

30. The Wireless Group Shares to be distributed pursuant to the Exchange Offer have been registered pursuant to a registration statement filed with the SEC and are expected to be approved for listing on the NYSE. It is expected that any resale of the Wireless Group Shares will be effected through the facilities of the NYSE.

31. There is no market for the Wireless Group Shares in Canada and none is expected to develop.

32. The Exchange Offer is not subject to the approval of AT&T Shareholders or holders of Wireless Group Shares.

33. Holders of Wireless Group Shares in the Jurisdictions will receive the same continuous disclosure materials furnished to holders of Wireless Group Shares in the United States.

34. AT&T cannot rely upon the de minimis exemption from the Issuer Bid Requirements under the securities legislation of the Issuer Bid Requirements Jurisdictions because there are more than 50 Canadian AT&T Shareholders in some of those jurisdictions and the Offering Documents sent by AT&T to AT&T Shareholders resident in the United States were not sent concurrently to the Canadian AT&T Shareholders.

35. An exemption from the Registration and Prospectus Requirements for the Exchange

Trades is not available in the Jurisdictions because AT&T is not a reporting issuer within the meaning of the Legislation.

36. Upon the expiry of the Exchange Offer and prior to the Split-Off, AT&T will apply for an exemption from the Registration and Prospectus Requirements for the trades relating to the Split-Off.

AND WHEREAS pursuant to 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 in each of the Jurisdictions under the Legislation of such Jurisdictions is that the Exchange Trades shall be exempt from the Registration and Prospectus Requirements of the Legislation of such Jurisdictions, provided that the first trade in the Wireless Group Shares acquired pursuant to the Exchange Offer shall be deemed to be a distribution or primary distribution to the public unless such trade is executed through the facilities of a stock exchange outside of Canada in accordance with the rules of such exchange; and

THE DECISION of the Decision Makers in each of the Issuer Bid Requirements Jurisdictions under the Legislation of such Jurisdictions is that the Exchange Offer shall be exempt from the Issuer Bid Requirements of the Legislation of such Jurisdictions, provided that:

(i) the Exchange Offer is made in compliance with the requirements of Applicable U.S. Securities Laws; and

(ii) all material related to the Exchange Offer and amendments thereto, other than the Offering Documents, sent by or on behalf of AT&T to AT&T Shareholders resident in the United States are also sent concurrently to the Canadian AT&T Shareholders and such material is filed with each of the Decision Makers in the Issuer Bid Requirements Jurisdictions.

DATED this "25<sup>th</sup>" day of "May", 2001.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from issuer bid requirements in connection with Securities exchange issuer bid - Parent distributing shares of its subsidiary - Bid made in compliance with U.S. securities laws - Neither parent nor subsidiary is a reporting issuer in any Canadian jurisdiction - issuer- has over 50 shareholders in the Jurisdiction, holding fewer than 1% of outstanding shares Distribution of shares of subsidiary pursuant to the issuer bid or subsequent spin off not subject to prospectus qualification or dealer registration requirements - First trade deemed to be a distribution unless executed through the facilities of an exchange outside of Canada

Applicable Ontario Statutory Provisions

*Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1)(c), 25, 53, 74(1), 95, 96, 97, 98, 100, 104(2)(c).*