

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

AND

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

AND

IN THE MATTER OF  
CERIDIAN CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (collectively, the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nunavut, Northwest Territories, Yukon, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from Ceridian Corporation ("Ceridian") for a decision, pursuant to the securities legislation (the "Legislation") of each of the Jurisdictions that the prospectus and registration requirements (respectively, the "Prospectus Requirements" and the "Registration Requirements") as defined in National Instrument 14-101 *Definitions*, contained in the Legislation shall not apply to the proposed issuance of securities of New Ceridian (defined below) to holders of common stock of Ceridian resident in Canada (the "Canadian Shareholders"), provided that the first trade in such securities will be deemed to be a distribution or primary distribution to the public and that the Prospectus Requirements shall not apply to the first trade in the securities of New Ceridian provided that certain conditions are met;

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 Ceridian has represented to the Decision Makers that:

1. Ceridian is a publicly traded Delaware corporation that operates: (i) a human resource services division (directly and through subsidiaries, including Canadian subsidiaries); (ii) a transaction processing services (through its Comdata subsidiaries); and (iii) a media information division. Its principal executive offices are located in Minneapolis, Minnesota.

2. Ceridian's Canadian wholly owned subsidiaries include Permicom Permits Services, Inc., Ceridian Performance Partners Ltd. and Ceridian Canada Ltd., which collectively carry on business through offices located in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia.

3. Ceridian is a reporting issuer in Ontario but is not a reporting issuer under the securities laws of any other province or territory of Canada and Ceridian has no intention of ever becoming a reporting issuer under the securities laws of any other province or territory of Canada.

4. The shares of Ceridian are listed on the New York Stock Exchange. The shares of Ceridian are not listed on any Canadian stock exchange.

5. As of January 2, 2001, Ceridian had 116 holders of record of Ceridian common stock resident in Canada (69 in Ontario, 15 in Quebec, 11 in Alberta, 8 in British Columbia, 4 in Manitoba, 3 in Nova Scotia, 2 in New Brunswick, 2 in Saskatchewan, 1 in Newfoundland and 1 in Prince Edward Island), which constitute approximately 1.16% of the approximately 10,000 holders of record of common stock of Ceridian worldwide. On that date, persons resident in Canada collectively held 25,414 shares of common stock of Ceridian, constituting approximately 0.02% of the approximately 146,000,000 issued and outstanding common stock of Ceridian. As such, the proportion of common stock of Ceridian held by Canadian residents is *de minimis*.

6. Subject to obtaining necessary approvals, on or about the middle of March 2001, Ceridian will split itself into two independent, publicly-traded companies through a tax neutral spin-off transaction (the "Spin-Off"). The Spin-Off, which is being reviewed by the United States Securities and Exchange Commission, consists of the following steps:

a) Ceridian will transfer substantially all of its assets, liabilities and operations of its human resource services division and the capital stock of its human resources services subsidiaries and Comdata subsidiaries, which includes all of its Canadian subsidiaries, to a wholly owned Delaware incorporated subsidiary of Ceridian ("New Ceridian").

b) Ceridian will distribute by dividend to each of its shareholders one share of New Ceridian common stock ("New Ceridian Shares") for each share of Ceridian common stock held by such shareholder.

c) Immediately following the Spin-Off (i) Ceridian will change its name to "Arbitron Inc." ("Arbitron"), (ii) New Ceridian will change its name to "Ceridian Corporation", (iii) Arbitron will continue to carry on the media information business formerly carried on by Ceridian, and (iv) New Ceridian will carry on the human resource services and Comdata businesses formerly carried on by Ceridian.

d) In addition, a reverse stock split of Arbitron common stock ("Arbitron Shares") will take place immediately after the consummation of the Spin-Off thereby

decreasing the number of Arbitron Shares held by Arbitron shareholders after the Spin-Off by approximately a factor of five.

7. After the Spin-Off, Arbitron Shares will continue to be listed and traded on The New York Stock Exchange and New Ceridian Shares will be listed and traded on The New York Stock Exchange.

8. It is not intended that Arbitron or New Ceridian will list its shares on any stock exchange in Canada.

9. It is not intended that New Ceridian will become a reporting issuer in any province in Canada.

10. The dividend and Spin-Off will be effected in compliance with Delaware law and the transaction will be reviewed by the United States Securities and Exchange Commission.

11. Because the Spin-Off of New Ceridian shares will be by way of dividend to the Arbitron shareholders, no shareholder approval of the proposed transaction is required under Delaware law.

12. All materials relating to the Spin-Off and the dividend sent by or on behalf of Ceridian, New Ceridian or Arbitron in the United States have and will be sent, concurrently to the Canadian Shareholders and a copy thereof will be filed with each of the local securities regulators in each of the provinces and territories of Canada.

13. Following the Spin-Off, New Ceridian and Arbitron respectively will send, concurrently to the Canadian Shareholders, the same disclosure materials that it sends to holders of New Ceridian and Arbitron shares with addresses, as shown on its books to be, in the United States.

14. The Canadian Shareholders who receive New Ceridian shares as a dividend pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the dividend and Spin-Off that are available under the laws of the United States to Ceridian, New Ceridian and Arbitron shareholders with addresses in the United States.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of 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 pursuant to the Legislation is that:

(a) the Prospectus Requirements and the Registration Requirements shall not apply to the proposed issuance of the New Ceridian Shares pursuant to the Spin-Off to the Canadian

Shareholders, provided that the first trade in such securities will be deemed to be a distribution or primary distribution to the public; and

(b) the Prospectus Requirements shall not apply to the first trade in New Ceridian Shares provided that:

(i) such trade is executed through the facilities of a stock exchange or market outside of Canada; and

(ii) such trade is made in accordance with the rules of the stock exchange or market upon which the trade is made and in accordance with the laws applicable to such stock exchange or market.

DATED this 28<sup>th</sup> day of February, 2001.

*"Howard I. Wetston"*

Howard I. Wetston

*"Robert W. Davis"*

Robert W. Davis

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from prospectus and registration requirements for spin-off by a publicly traded US company to investors by issuing shares of spun off entity as dividends - reorganization technically not covered by prescribed reorganization exemptions - technical relief - no policy issues.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35(1)12(ii), 35(1)15, 53, 72(1)(f)(ii), 72(1)(i), 74(1).