

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

AND

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

**IN THE MATTER OF
DAVIS + HENDERSON INCOME FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec and Saskatchewan (the "Jurisdictions") has received an application from Davis + Henderson Income Fund (the "Fund") for a decision under the securities legislation (the "Legislation") of the Jurisdictions to exempt the Fund from filing and distributing annual financial statements, an annual report and an annual filing, where applicable, for its fiscal year ended December 31, 2001, as would otherwise be required pursuant to applicable 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 Fund has represented to the Decision Makers that:

1. The Fund is a limited purpose trust established under the laws of Ontario pursuant to an amended and restated declaration of trust dated November 6, 2001. The Fund is authorized to issue an unlimited number of units. As of January 15, 2002, 18,955,000 units were issued and outstanding.
2. The Fund holds common shares and notes issued by D+H Holdings Corp., an Ontario corporation, which holds units of Davis + Henderson, Limited Partnership ("Davis + Henderson L.P."), a British Columbia limited partnership. The Fund also holds shares in Davis + Henderson G.P. Inc., the general partner of Davis + Henderson L.P.
3. The Fund offered 17,235,000 units of the Fund pursuant to an initial public offering by way of a final prospectus dated December 11, 2001 (the "Prospectus") and an additional 1,720,000 by way of over-allotment option as described in the Prospectus. The closing of the offering occurred on December 20, 2001 and the closing of the over-allotment option occurred on January 10, 2002.

4. The Fund used the total proceeds of the offering and the over-allotment option to indirectly acquire a 49.98% interest in Davis + Henderson L.P., which in turn acquired the cheque supply outsourcing business formerly carried on as a division of MDC Corporation Inc. ("MDC")

5. The fiscal year end of the Fund occurred on December 31, 2001.

6. The Prospectus contains

(i) audited balance sheets of Davis + Henderson L.P. as at December 31, 2000 and 1999 and audited statements of operations and divisional equity and cash flows for each of the years in the three year period ended December 31, 2000,

(ii) an unaudited balance sheet of Davis + Henderson L.P. as at September 30, 2001 and unaudited statements of operations and divisional equity and cash flows for the nine month periods ended September 30, 2001 and 2000, together with notes to those financial statements,

(iii) an unaudited pro forma consolidated balance sheet of the Fund as at September 30, 2001 and unaudited pro forma consolidated statements of operations and distributable cash for the nine month period ended September 30, 2001 and the year ended December 31, 2000, together with notes to those financial statements, and

(iv) an audited balance sheet of the Fund as at December 11, 2001.

7. The Fund's financial position as at December 31, 2001 is substantially reflected in the pro forma financial statements included in the Prospectus. Other than the offering described in the Prospectus, there were no material acquisitions or dispositions of units of the Fund during the period from December 11, 2001 to December 31, 2001 (the "Stub Period").

8. Meetings of unitholders will be held to elect trustees of the Fund, commencing in 2003, such that no proxy circular is expected to be distributed to unitholders in respect of the year ending December 31, 2001.

9. The only operations of the Fund prior to the end of its fiscal year ended December 31, 2001 involved the issuance of 17,235,000 units, the purchase of the common shares and notes of D+H Holdings Corp., the purchase of common shares of Davis + Henderson G.P. as described in the Prospectus.

10. The benefit to be derived from unitholders of the Fund from receiving financial statements, an annual report and an annual filing in respect of the fiscal year ended December 31, 2001 would be minimal in view of the short period from the date of the Prospectus to the Fund's fiscal year end (20 days) and the nature of the business carried on by the Fund and by its trustees.

11. The expense to the Fund of preparing, filing and sending to its unitholders financial statements, an annual report and an annual filing in respect of the fiscal year ended December 31,

2001 would not be justified in view of the benefit to be derived by the unitholders from receiving such statements and information.

12. The Fund will prepare, file and deliver to all its unitholders unaudited financial statements for the period ended March 31, 2002 within the applicable time period and will prepare, file and deliver to all its unitholders a proxy circular in respect of the year ended December 31, 2002 within the applicable time period.

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;

The DECISION of the Decision Makers under the Legislation is that the Fund is exempted from the requirement to file and distribute annual financial statements, an annual report and an annual filing, where applicable, for its fiscal year ended December 31, 2001, provided that

- a) the Fund's interim financial statements for the period ended March 31, 2002 will include the Stub Period, and
- b) the Fund's audited annual financial statement and the annual report, where applicable, for the period ended December 31, 2002 will include the Stub Period.

DATED February 4, 2002

R. Stephen Paddon

Lorne Morphy

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to a limited purpose trust from requirement to file annual financial statements, an annual report and an annual filing, where applicable. Financial position of the trust at year-end was reflected in financial statements which were included in prospectus filed just prior to year-end.

Applicable Ontario Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s.80(b)(iii).