

IN THE MATTER OF THE
SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUEBEC,
NOVA SCOTIA AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF
EGI CANADA CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from EGI Canada Corporation ("ECC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation that an insider of a reporting issuer or the equivalent file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer or the equivalent (the "Insider Reporting Requirements"), shall not apply to certain insiders of ECC, subject to the conditions described below;

AND WHEREAS under 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 ECC has represented to the Decision Makers that:

1. ECC was incorporated under the *Ontario Business Corporations Act* on June 12, 2000, for the purpose of carrying out the Arrangement (as defined below). ECC's registered office is located at 66 Wellington St. West, Suite 3600, Toronto, Ontario M5K 1N6.
2. The authorized capital of ECC consists of an unlimited number of common shares and an unlimited number of Exchangeable Shares. As of August 15, 2001, there were 656,729 common shares and 5,627,630 Exchangeable Shares outstanding. E*TRADE Group, Inc. ("EGI") indirectly owns all of the outstanding common shares of ECC.
3. ECC is a reporting issuer or equivalent in each of the Jurisdictions and is not in default of any of the requirements of the Legislation.

4. On August 24, 2000 shareholders of VERSUS Technologies Inc. ("VERSUS") approved a plan of arrangement (the "Arrangement") under the *Canada Business Corporations Act* involving VERSUS, EGI and ECC, which became effective on August 28, 2000. Pursuant to the Arrangement, EGI, through ECC and 3045175 Nova Scotia Company (also a wholly-owned subsidiary of EGI), acquired all of the outstanding common shares of VERSUS and each holder of VERSUS common shares received 0.724757 Exchangeable Shares of ECC (or 0.724757 common shares of EGI for those who so elected) for each VERSUS common share held. Each Exchangeable Share of ECC is exchangeable at any time at the option of the holder for one EGI common share. The Exchangeable Shares trade on the Toronto Stock Exchange. The EGI common shares trade on the New York Stock Exchange.

5. As a result of the economic and voting equivalency in all material respects between the Exchangeable Shares and the EGI common shares, holders of Exchangeable Shares have an equity interest determined by reference to EGI, rather than ECC, and Exchangeable Shares may be considered in substance securities of EGI. Accordingly, it is the information of EGI, not ECC, that would be relevant to the holders of Exchangeable Shares.

6. The Exchangeable Shares, if exchanged for common shares of EGI, would represent less than 5% of the common shares of EGI.

7. ECC is not a "major subsidiary" of EGI within the meaning of National Instrument 55-101 Exemption from Certain Insider Reporting Requirements ("National Instrument 55-101"), nor does ECC supply goods or services or have contractual arrangements with EGI or any subsidiary of EGI that are of a nature or scale that could reasonably be expected to have a significant effect on the market price or value of the securities of EGI.

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 Insider Reporting Requirements shall not apply to insiders of ECC in respect of securities of ECC provided:

(i) such insider does not, in the ordinary course, receive or have access to information as to material facts or material changes concerning EGI before the material facts or material changes are generally disclosed;

(ii) such insider is not a director or senior officer of a "major subsidiary" of EGI as defined in National Instrument 55-101;

(iii) such insider is not a director or senior officer of EGI;

(iv) EGI remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of ECC; and

(v) ECC has not made a public offering of securities other than the Exchangeable Shares.

Dated this 14th day of September, 2001.

"Paul Moore"

"John Geller"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Insider Reporting - certain insiders of issuer of exchangeable shares exempted from insider reporting requirements.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., 107,108,109 and 121(2).