

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA, PRINCE EDWARD ISLAND, NEW BRUNSWICK,
NORTHWEST TERRITORIES, NUNAVUT AND THE YUKON

AND

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

AND

IN THE MATTER OF
GENDIS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority (the "Decision Maker") in each of Manitoba, Prince Edward Island, New Brunswick, Northwest Territories, Nunavut and the Yukon (collectively, the "Jurisdictions") has received an application from Gendis Inc. (the "Applicant") (i) for a decision pursuant to the securities legislation (the "Legislation") of each of such Jurisdictions that the requirement in the Legislation to file a preliminary and (final) prospectus, and receive receipts therefor (the "Prospectus Requirement"), in connection with a distribution, or primary distribution to the public, as the case may be, and the requirement in the Legislation to be registered to trade in securities (the "Registration Requirement"), shall not apply to trades by the Applicant of up to 5,943,208 Class A units of Fort Chicago Energy Partners L.P ("Fort Chicago Units") to holders ("Gendis Shareholders") of common shares ("Common Shares") of the Applicant as a dividend *in specie*;

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

AND WHEREAS the Applicant has represented to the Decision Makers that:

1. The Applicant was incorporated under the laws of Canada by letters patent dated November 19, 1962 and was continued under the *Canada Business Corporations Act* by Certificate of Continuance effective May 12, 1980. By Certificate and Articles of Amendment effective May 2, 1983, the Applicant changed its name from General Distributors of Canada Ltd. to Gendis Inc.;
2. The registered and principal office of the Applicant is located at 1370 Sony Place, Winnipeg, Manitoba, R3C 3C3. The Applicant is subject to the continuous disclosure obligations of Parts X, XI, XII of *The Securities Act* (Manitoba) and is a reporting issuer in the Provinces of Alberta, Ontario and Quebec. The Common Shares are listed for trading on The Toronto Stock Exchange (the "TSE");

3. The Applicant owns 100% of Gendis Realty Inc. and also owns 100% of SAAN Stores Ltd. The Applicant also holds 6,943,3256 Fort Chicago Units, representing a 9.64% interest in Fort Chicago Energy Partners L.P.;

4. Fort Chicago Energy Partners L.P. is a limited partnership governed by the laws of Alberta, and is a reporting issuer or the equivalent in all of the provinces of Canada and Territories in Canada other than the Northwest Territories and Nunavut. The Fort Chicago Units are listed for trading on the TSE;

5. A distribution by the Applicant to the Gendis Shareholders of Fort Chicago Units may constitute in most jurisdictions a "primary distribution to the public" or a "distribution", as the case may be, to which the Prospectus Requirement applies, absent statutory exemption or exemptive relief;

6. Securities legislation in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland provides an exemption from the Prospectus Requirement of such legislation for a trade by an issuer in a security of a reporting issuer held by the issuer that is distributed by it to its securities holders as a dividend *in specie* or a dividend in kind. The Prospectus Requirement of Quebec does not apply to such a trade;

7. A distribution by the Applicant of Fort Chicago Units to Gendis Shareholders constitutes a trade in securities to which the Registration Requirement applies in most jurisdictions, absent statutory exemption or exemptive relief;

8. Securities legislation in British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland provides an exemption from the Registration Requirement of such applicable securities legislation for a trade by an issuer in a security of a reporting issuer held by the issuer that is distributed by it to its securities holders as a dividend *in specie* or a dividend in kind. The Registration Requirement of Quebec does not apply to such a trade;

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 authority to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that trades by the Applicant of Fort Chicago Units held by the Applicant to Gendis Shareholders as a dividend *in specie* are exempt from the Registration Requirement and the Prospectus Requirement of the Legislation;

DATED at Winnipeg, Manitoba, this "3rd" day of July, 2001.