

December 18, 2009

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

**(the Jurisdictions)**

**AND**

**IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS  
IN MULTIPLE JURISDICTIONS**

**AND**

**IN THE MATTER OF  
KAB DISTRIBUTION INC.**

**(the Filer)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

**Representations**

This decision is based on the following facts represented by the Filer:

- (1) The Filer is a corporation governed by the *Business Corporations Act* (Ontario) with its registered address located at 2300 Yonge Street, Suite 1710, P.O. Box 2408, Toronto, Ontario, M4P 1E4.
- (2) The Filer is a reporting issuer in the jurisdictions of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.
- (3) Pursuant to a plan of arrangement approved by the Ontario Superior Court of Justice on May 25, 2009 and completed on June 1, 2009, the Filer sold substantially all of its assets to Disney Online.
- (4) Pursuant to a further order of the Ontario Superior Court of Justice, dated November 4, 2009, and the filing of additional articles of arrangement by the Filer on November 20, 2009, the entire issued share capital of the Filer was cancelled and, accordingly, the Filer has no securities, including debt securities, issued and outstanding.
- (5) Prior to consummation of the transactions described above, the common shares of the Filer were listed for trading on the Toronto Stock Exchange (TSX) under the symbol "KAB".
- (6) On September 22, 2009, the common shares of the Filer were de-listed from the TSX.
- (7) No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
- (8) The Filer has no current intention to seek public financing by way of an offering of securities.
- (9) The Filer has voluntarily surrendered its reporting issuer status in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the "BC Instrument"), which surrender was effective as of December 3, 2009.
- (10) The Filer is applying for an order that it is not a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer.
- (11) The Filer is not currently in default of any of its obligations under the Legislation as a reporting issuer, except its obligations to file: (i) its interim financial statements for the period ended September 30, 2009 and its Management Discussion and Analysis in respect of such financial statements, as required under National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), which became due on November 30, 2009; (ii) the related certification of such financial statements as required under Multilateral Instrument 52-109 *Certification of Disclosure in Filers' Annual and Interim Filings* ("NI 52-109"), which became due on November 30, 2009; and (iii) a change of status report upon becoming a venture issuer on September 22, 2009, as required under NI 51-102.

(12) The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* since the Filer is in default of certain of its obligations under the Legislation as a reporting issuer, as noted above.

(13) The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

## **Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

*"David L. Knight"*  
Commissioner  
Ontario Securities Commission

*"James E.A. Turner"*  
Vice-Chair  
Ontario Securities Commission