

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

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

AND IN THE MATTER OF LOOK COMMUNICATIONS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Labrador, New Brunswick and Prince Edward Island (the "Jurisdictions") has received an application from Look Communications Inc. ("Look") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades in connection with a proposed plan of arrangement (the "CCA Plan");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS Look has represented to the Decision Makers that:

1. Look is a company organized under the *Business Corporations Act* (Canada);
2. the authorized capital of Look consists of an unlimited number of class A shares (the "Class A Shares") and class B variable multiple voting shares (the "Class B Shares"), of which 75,158,663 class A shares and 42,166,286 Class B Shares were issued and outstanding as at December 12, 2001;
3. the Class A Shares are listed and posted on the Canadian Venture Exchange Inc.;
4. Look is a reporting issuer (or equivalent) in each of the Jurisdictions, except New Brunswick, Newfoundland and Prince Edward Island and is not in default of its requirements under the Legislation;
5. Look has a current annual information form for the purposes of National Instrument 44-101 *Short Form Prospectus Distributions*;
6. on September 4, 2001, Look obtained an initial order under the *Companies' Creditors Arrangement Act* (the "CCA") in respect of its CCA Plan, which provided for a stay of all actions, suits and proceedings against Look until October 2, 2001 and appointed Ernst & Young as monitor;

7. Look has received the following subsequent orders under the CCAA:

(a) on October 1, 2001, to extend the stay of all actions, suits and proceedings against Look until November 30, 2001;

(b) on October 18, 2001, to call a meeting of its creditors on December 14, 2001 to consider and approve the CCAA Plan;

(c) on November 14, 2001, to extend the stay of all actions, suits and proceedings against Look to December 31, 2001, and to approve the CCAA Plan and accompanying information circular being mailed to Look's creditors;

8. the information circular and proxy statement explaining the CCAA Plan and providing details of the CCAA Plan procedure was mailed to Look's creditors on November 15, 2001;

9. shareholder approval of the CCAA Plan is not required under the CCAA;

10. the purpose of the CCAA Plan is to permit Look to settle its indebtedness by issuing new Class A Shares (the "New Class A Shares") to its creditors;

11. the CCAA Plan also contemplates that holders of Class B Shares will exchange them on a one for one basis for New Class A Shares;

12. the trades in New Class A Shares under the CCAA Plan are not exempt from the Registration and Prospectus Requirements;

13. a liquidation analysis on Look was carried out and revealed that the going concern value of Look exceeded its liquidation value, and that under a forced liquidation, realizations on Look's assets will likely be significantly less than the value of secured indebtedness; and

14. in the absence of the relief requested, Look will face liquidation where ordinary creditors will almost certainly receive nothing and secured creditors will realize less than the full amount of their claim against Look.

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:

1. the Registration and Prospectus Requirements shall not apply to the issuance of New Class A Shares to Look's creditors and holders of Class B Shares in connection with the CCAA Plan; and

2. the first trade in any New Class A Shares acquired by Look's creditors or holders of Class B Shares under this Decision in a Jurisdiction is deemed to be a distribution or a primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

DATED December 21, 2001

Brenda Leong  
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the registration and prospectus requirements in connection with a distribution of securities to creditors and Class B shareholders under a *Companies' Creditors Arrangement Act* plan of compromise and reorganization – first trade relief granted subject to certain conditions

Applicable British Columbia Provisions

*Securities Act*, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61, 76  
Multilateral Instrument 45-102 – *Resale of Securities*