

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
MANITOBA, ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF  
LOUISIANA-PACIFIC CORPORATION

MRRS DECISION DOCUMENT

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Manitoba, Ontario, and Nova Scotia (the "Jurisdictions") has received an application from Louisiana-Pacific Corporation ("LP") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions that certain trades in securities of LP shall not be subject to the registration requirements (the "Registration Requirements") or the prospectus requirements (the "Prospectus Requirements") of the Legislation as such terms are defined in National Instrument 14-101;

**AND WHEREAS** pursuant 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** LP has represented to the Decision Makers that:

1. LP is a corporation incorporated under the laws of the State of Delaware in the United States of America;
2. LP is subject to the requirements of the United States *Securities Exchange Act of 1934*, as amended (the "1934 Act") and is not exempt from the reporting requirements of the 1934 Act;
3. LP is not, and has no present intention of becoming, a reporting issuer or the equivalent thereof under the securities legislation of any jurisdiction in Canada;
4. the \$1.00 par value common shares of LP (the "Shares") are listed on the New York Stock Exchange and as at September 30, 2000 the authorized share capital of LP consisted of 200,000,000 Shares and 15,000,000 \$1.00 par value preferred shares (the "Preferred Shares"), of which 116,937,022 Shares (12,756,831 Shares of which were held in treasury) and no Preferred Shares were issued and outstanding;

5. as at September 30, 2000, persons or companies whose last address as shown on the books of LP was in Canada and who held Shares held less than 10% of the outstanding Shares, and such persons or companies represented in number less than 10% of the total number of holders of Shares;

6. the Plan was established for the benefit of employees (the "Employees") of LP and its subsidiaries (the "LP Subsidiaries"), including Employees resident in the Jurisdictions (the "Canadian Employees") and as at September 30, 2000 there were approximately 825 Canadian Employees eligible to participate in the Plan;

7. under the Plan, eligible Employees, including the Canadian Employees, may subscribe for Shares by means of payroll deductions;

8. participation in the Plan is voluntary and Canadian Employees will not be induced to participate in the Plan or to acquire Shares under the Plan by expectation of employment or continued employment;

9. on each Purchase Date (as defined in the Plan), LP issues and delivers to participants in the Plan a stock certificate or certificates representing the number of Shares purchased by the participant during the Purchase Period (as defined in the Plan) or, alternatively, distributes Shares in book-entry form where the participant in the Plan is provided with a statement that reflects the number of Shares registered electronically in the participant's name on LP's books;

10. although an Employee's participation in the Plan ends upon termination of employment for any reason, a former Employee (a "Former Employee") and, in the case of death, a beneficiary of a Former Employee (a "Beneficiary") has the right, for a period of time following the date of termination of the employment but prior to an applicable Purchase Date, to receive the Shares that can be purchased at the applicable Purchase Price (as defined in the Plan) with the amount withheld from the participant in accordance with the terms of the Plan; in addition, each Former Employee whose employment terminates by reason of injury, illness or retirement, and each Beneficiary have the additional right to pay a lump sum for the entire unpaid balance of the Purchase Price of the Shares covered by the participant's subscription agreement relating to the applicable Purchase Period and to receive the Shares;

11. the Canadian Employees who acquire Shares under the Plan will be provided with a copy of all continuous disclosure material relating to LP which is provided to holders of Shares resident in the United States;

12. there are no exemptions from the Registration Requirements and Prospectus Requirements to permit certain issuances of securities of LP pursuant to the Plan to Former Employees resident in the Jurisdictions ("Former Canadian Employees") and to Beneficiaries resident in the Jurisdictions ("Canadian Beneficiaries");

13. first trades in Shares acquired in connection with the Plan require relief from the Registration Requirements and Prospectus Requirements, since exemptions for such requirements are not available under the Legislation in all Jurisdictions in respect of such first trade; and

14. the acts of the LP Subsidiaries in furtherance of trades in securities of LP pursuant to the Plan will require relief from the Registration Requirements in certain Jurisdictions since exemptions from such requirements are not available under the Legislation in all Jurisdictions in respect of such trades;

**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 jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers pursuant to the Legislation is that:

(a) the Registration Requirements and Prospectus Requirements shall not apply to the distribution or initial trade of securities of LP to Former Canadian Employees and Canadian Beneficiaries under the Plan provided that the first trade in securities of LP acquired pursuant to this Decision shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(b) the Registration Requirements and Prospectus Requirements shall not apply to a first trade in Shares acquired under the Plan and held by Canadian Employees, Former Canadian Employees and Canadian Beneficiaries provided that:

(i) at the time of the trade in the Shares, LP is not a reporting issuer or its equivalent under the Legislation of the Jurisdiction of residence of such person; and

(ii) the trade is made through the facilities of an exchange outside of Canada in accordance with all the rules and laws applicable to such exchange; and

(c) the Registration Requirements shall not apply to the acts of the LP Subsidiaries in furtherance of the trades in securities of LP made to participants in the Plan resident in Canada;

**AND IT IS THE FURTHER DECISION** of the Ontario Securities Commission that LP be exempt from the fees applicable to the trades in securities of LP to Former Canadian Employees and Canadian Beneficiaries under the Ontario Legislation provided that LP complies with section 11.1 of Ontario Securities Commission Rule 45-503 Trades to Employees, Executives and Consultants and for that purpose, the reference to service providers shall be deemed to include the Former Canadian Employees and Canadian Beneficiaries.

**DATED** this 21<sup>st</sup> day of March 2001.

J.A. Geller  
J.A. Geller

Robert W. Davis  
Robert W. Davis

## Headnote

Mutual Reliance Review System for Exemptive Relief Applications – trades made to former employees and beneficiaries in accordance with provisions of employee stock purchase plan exempt from registration and prospectus requirements – first trade is shares acquired by former employees and beneficiaries of former employees deemed a distribution unless issuer not a reporting issuer and trade is executed through facilities of an exchange outside of Canada – issuer exempt from payment of certain fees, subject to conditions

## Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 25, 53

## Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O., 1990, Reg. 1015, as am., Schedule I ss. 28(2) and 59

## Applicable Ontario Rules

Rule 45-503 Trades to Employees, Executives and Consultants (1998) 22 O.S.C.B. 117

Rule 72-501 Prospectus Exemption for First Trade Over a Market Outside Ontario (1998) 21 O.S.C.B. 3873