

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO AND Québec

AND

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

AND

IN THE MATTER OF MULLEN TRANSPORTATION INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario and Québec (the "Jurisdictions") has received an application from Mullen Transportation Inc. ("Mullen") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1.1 the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and prospectus (the "Prospectus Requirement") shall not apply to trades made in connection with a proposed arrangement (the "Arrangement");

1.2 the Prospectus Requirement shall not apply to certain trades in securities acquired under the Arrangement; and

1.3 an issuer to be created in connection with the Arrangement be deemed to be a reporting issuer or the equivalent under the Legislation in Ontario and Québec;

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

3. AND WHEREAS Mullen has represented to the Decision Makers that:

3.1 Mullen is a corporation amalgamated under the *Business Corporations Act* (Alberta)(the "ABCA");

3.2 the head office of Mullen is in Aldersyde, Alberta;

- 3.3 the authorized capital of Mullen includes an unlimited number of common shares ("Mullen Shares");
- 3.4 there are 14,169,730 Mullen Shares outstanding;
- 3.5 the Mullen Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE");
- 3.6 Mullen is a reporting issuer or the equivalent in each of the Jurisdictions and has been for a period in excess of twelve months;
- 3.7 929576 Alberta Ltd. ("929576 Alberta") is a corporation incorporated under the ABCA;
- 3.8 Moveitonline Inc. ("Existing Moveitonline") is a corporation incorporated under the ABCA;
- 3.9 Existing Moveitonline is a wholly owned subsidiary of Mullen;
- 3.10 Existing Moveitonline operates the logistics business of Mullen;
- 3.11 Mullen proposes to conduct the Arrangement for the purpose of transferring, as a separate entity, the logistics business operated by Existing Moveitonline to the holders of Mullen Shares;
- 3.12 the Arrangement will be conducted under the ABCA and will involve Mullen, holders of Mullen Shares and options to acquire Mullen Shares ("Mullen Options"), Existing Moveitonline and 929576 Alberta;
- 3.13 the Arrangement will involve the following trades (the "Trades"):
- 3.13.1 holders of Mullen Shares will exchange them with Mullen for shares of a newly created class of common shares of Mullen ("New Mullen Shares") and shares of a newly created class of special shares of Mullen ("Mullen Special Shares");
 - 3.13.2 holders of Mullen Options will exchange them with Mullen for options to acquire New Mullen Shares ("New Mullen Options");
 - 3.13.3 929576 Alberta will acquire all of the Mullen Special Shares in exchange for common shares of 929576 Alberta ("Moveitonline Shares");

3.13.4 Mullen will transfer all of the outstanding shares of Existing Moveitonline to 929576 Alberta in exchange for special shares of 929576 Alberta ("929576 Alberta Special Shares");

3.13.5 929576 Alberta will redeem from Mullen all of the 929576 Alberta Special Shares in consideration for a promissory note (the "929576 Alberta Note");

3.13.6 Mullen will redeem from 929576 Alberta all of the Mullen Special Shares in consideration for a promissory note (the "Mullen Note");

3.14 following the Trades, and as part of the Arrangement,:

3.14.1 929576 Alberta and Existing Moveitonline will amalgamate as Moveitonline Inc. ("New Moveitonline");

3.14.2 all of the outstanding shares of Existing Moveitonline will be cancelled;

3.14.3 the articles of Mullen will be amended to cancel the Mullen Shares and Mullen Special Shares;

3.14.4 the articles of New Moveitonline will be amended to cancel the 929576 Alberta Special Shares; and

3.14.5 the 929576 Alberta Note and the Mullen Note will be set-off against each other in full satisfaction of the obligations under each note;

3.15 as a result of the Arrangement:

3.15.1 the former holders of Mullen Shares will hold one New Mullen Share and one Moveitonline Share for each Mullen Share held by them prior to the Arrangement; and

3.15.2 the former holders of Mullen Options will hold options to acquire an equivalent number of New Mullen Shares on the same terms and conditions, with the exception that the per share exercise price of the options will be reduced in an amount equivalent to the value of a Moveitonline Share;

3.16 the TSE has conditionally approved for listing the New Mullen Shares and Moveitonline Shares issuable under the Arrangement;

3.17 the Arrangement must be approved by the Court of Queen's Bench of Alberta (the "Court");

3.18 the Court granted an interim order on April 17, 2001 providing, among other things, for a meeting of the holders of Mullen Shares (the "Meeting");

3.19 the Meeting will be held on May 28, 2001;

3.20 the Arrangement must be approved by at least 66.6% of the votes cast at the Meeting;

3.21 an information circular prepared in accordance with the Legislation has been provided to the holders of Mullen Shares in connection with the Meeting;

3.22 the holders of Mullen Shares will be afforded dissent rights under section 184 of the ABCA with respect to the Arrangement;

3.23 there are no exemptions from the Registration Requirement and Prospectus Requirement available under the Legislation of certain of the Jurisdictions with respect to the Trades;

3.24 there is no exemption from the Prospectus Requirement available in certain of the Jurisdictions to permit any person or company or any combination of persons or companies holding a sufficient number of any securities of either Mullen or New Moveitonline so as to materially affect the control of either Mullen or New Moveitonline or more than 20% of the outstanding voting securities of either Mullen or New Moveitonline, except where there is evidence showing that the holdings of those securities does not affect materially the control of either Mullen or New Moveitonline, (generally, a "Control Person") to trade New Mullen Shares or Moveitonline Shares acquired in connection with the Arrangement that have not been held by them for a period of at least six months;

3.25 New Movitonline will become a reporting issuer under the Legislation in Alberta and Saskatchewan as a result of the Arrangement, but will not become a reporting issuer or the equivalent under the Legislation of Manitoba, Ontario or Québec as a result of the Arrangement;

4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. 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;

6. THE DECISION of the Decision Makers under the Legislation is that the Trades shall not be subject to the Registration Requirement and Prospectus Requirement, provided that the first trade

of any New Mullen Share, New Mullen Option or Moveitonline Share distributed in reliance on this Decision shall be deemed a distribution or primary distribution to the public under the Legislation of the Jurisdiction or Jurisdictions where the trade takes place (the "Applicable Legislation") unless:

6.2.1 except in Manitoba with respect to a trade of Moveitonline Shares, the issuer of the security is a reporting issuer or the equivalent under the Applicable Legislation at the time of the trade;

6.2.2 no unusual effort is made to prepare the market or create a demand for the security;

6.2.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

6.2.4 if the seller of the securities is an insider or officer of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of any requirement of the Applicable Legislation; and

6.2.5 except in Québec, the trade is not a trade from the holdings of a Control Person of the issuer;

7. THE FURTHER DECISION of the Decision Makers under the Legislation, other than in Québec, is that the first trade by a Control Person of Mullen of New Mullen Shares acquired in connection with the Arrangement shall not be subject to the Prospectus Requirement if:

7.1 the issuer is a reporting issuer or the equivalent under the Legislation of Jurisdiction or Jurisdictions where the trade takes place at the time of the trade;

7.2 no unusual effort is made to prepare the market or create demand for the securities;

7.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

7.4 the Control Person has held the number of New Mullen Shares to be distributed or an equivalent number of Mullen Shares for a combined period of at least six months;

7.5 the Control Person files the following with the Decision Maker in the Jurisdiction or Jurisdictions where the trade takes place at least 7 days and not more than 14 days prior to the trade:

7.5.1 a notice of intention to sell in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place, disclosing particulars of the control position known to

him or her, the number of securities to be sold and the method of distribution, and

7.5.2 a declaration:

7.5.2.1 signed by him or her as at a date not more than 24 hours prior to its filing, and

7.5.2.2 certified as follows:

"The seller of the securities that are to be sold to which this certificate relates hereby represents that he has no knowledge of any material fact or material change that has occurred with respect to the issuer of the securities or its operations that has not been generally disclosed and reported to the Securities Commission in the jurisdiction in which the trade is made, nor has he any knowledge of any other material adverse facts or information in regard to the issuer or the current and prospective operations of the issuer that have not been generally disclosed.";

7.6 within 3 days of the trade, the Control Person files a report of the trade in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place; and

7.7 the notice and declaration stipulated in paragraph 7.5 is renewed and filed at the end of 60 days after the original date of filing and thereafter at the end of each 28 day period:

7.7.1 for so long as any of the securities specified under the original notice have not been sold, or

7.7.2 until notice has been filed that the securities so specified or any part of them are no longer for sale;

8. THE FURTHER DECISION of the Decision Makers under the Legislation, other than in Québec, is that the first trade by a Control Person of New Moveitonline of Moveitonline Shares acquired in connection with the Arrangement shall not be subject to the Prospectus Requirement if:

8.1 except in Manitoba, the issuer is a reporting issuer or the equivalent under the Legislation of Jurisdiction or Jurisdictions where the trade takes place at the time of the trade;

8.2 no unusual effort is made to prepare the market or create demand for the securities;

8.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

8.4 the Control Person has held the number of Moveitonline Shares to be distributed or an equivalent number of Mullen Shares for a combined period of at least six months;

8.5 the Control Person files the following with the Decision Maker in the Jurisdiction or Jurisdictions where the trade takes place at least 7 days and not more than 14 days prior to the trade:

8.5.1 a notice of intention to sell in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place, disclosing particulars of the control position known to him or her, the number of securities to be sold and the method of distribution, and

8.5.2 a declaration:

8.5.2.1 signed by him or her as at a date not more than 24 hours prior to its filing, and

8.5.2.2 certified as follows:

"The seller of the securities that are to be sold to which this certificate relates hereby represents that he has no knowledge of any material fact or material change that has occurred with respect to the issuer of the securities or its operations that has not been generally disclosed and reported to the Securities Commission in the jurisdiction in which the trade is made, nor has he any knowledge of any other material adverse facts or information in regard to the issuer or the current and prospective operations of the

issuer that have not been generally disclosed.";

8.6 within 3 days of the trade, the Control Person files a report of the trade in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place; and

8.7 the notice and declaration stipulated in paragraph 8.5 is renewed and filed at the end of 60 days after the original date of filing and thereafter at the end of each 28 day period:

8.7.1 so long as any of the securities specified under the original notice have not been sold, or

8.7.2 until notice has been filed that the securities so specified or any part of them are no longer for sale;

9. THE DECISION of the Decision Makers under the Legislation in Ontario and Québec is that New Moveitonline is deemed to be a reporting issuer or the equivalent under the Legislation in Ontario and Québec.

DATED this 28th day of May, 2001.

"original signed by"
Glenda A. Campbell, Vice-Chair

"original signed by"
James E. Allard, Member

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief under subsection 116(1) of the Act from the registration and prospectus requirements under sections 54 and 81 of the Act with respect to trades made in connection with the spin-off of a new issuer from an existing reporting issuer.

Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended - ss. 54, 81, 116(1) and 116(1.1)