

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF
SNP SPLIT CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from SNP Split Corp. (the "Issuer") for a decision under the securities legislation (the "Legislation") of the Jurisdictions that the Issuer be exempted from filing and distributing annual financial statements and an annual report, where applicable, for its fiscal year ended June 4, 2001, as would otherwise be required pursuant to applicable Legislation;

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

AND WHEREAS the Issuer has represented to the Decision Maker that:

1. the Issuer filed a final prospectus dated May 28, 2001 (the "Prospectus") with the securities regulatory authority in each of the Provinces of Canada pursuant to which a distribution of 14,200,000 class A capital shares (the "Capital Shares") and 7,100,000 class A preferred shares (the "Preferred Shares") of the Issuer was completed on June 4, 2001;
2. the Issuer was incorporated under the laws of the Province of Ontario on April 23, 2001; the fiscal year end of the Issuer is June 4, with the first fiscal year end occurring on June 4, 2001; the final redemption of the publicly held shares of the Issuer is scheduled to occur on June 4, 2006;
3. the head office of the issuer is in Ontario;
4. the authorized capital of the Issuer consists of an unlimited number of Capital Shares, of which 14,200,000 are issued and outstanding, an unlimited number of Preferred Shares, of which 7,100,000 are issued and outstanding, an unlimited number of class B, class C, class D and class E capital shares, issuable in series, none of which are issued and outstanding, an unlimited

number of class B, class C, class D and class E preferred shares, issuable in series, none of which are issued and outstanding, and an unlimited number of class J voting shares (the "Class J Shares"), of which 100 are issued and outstanding; the attributes of the Capital Shares and the Preferred Shares are described in the Prospectus under "Description of Share Capital";

5. the Class J Shares are the only class of voting securities of the Issuer; Scotia Capital Inc. ("Scotia Capital") owns 50 of the issued and outstanding Class J Shares and SNP Split Holdings Corp. owns the remaining issued and outstanding Class J Shares; two employees of Scotia Capital each own 50% of the common shares of SNP Split Holdings Corp.; Scotia Capital acted as an agent for, and was the promoter of, the Issuer in respect of the offering of the Capital Shares and the Preferred Shares;

6. the principal undertaking of Issuer is the holding of a portfolio of common shares (the "Portfolio Shares") of the companies that make up the *S&P 100 Index* in order to generate distributions for the holders of Preferred Shares and to enable the holders of Capital Shares to participate in capital appreciation in the Portfolio Shares; the operations of the Issuer commenced on or about June 4, 2001 at which time it began to acquire the Portfolio Shares now held by it; the Portfolio Shares held by the Issuer will only be disposed of as described in the Prospectus;

7. the Prospectus included an audited balance sheet of the Issuer as at May 28, 2001 and an unaudited pro forma balance sheet prepared on the basis of the completion of the sale and issue of Capital Shares and Preferred Shares of the Issuer; as such, the financial position of the Issuer as at June 4, 2001 will have been substantially reflected in the pro forma financial statements contained in the Prospectus as the financial position of the Issuer is not materially different from the pro forma financial statements of the Issuer contained in the Prospectus; furthermore, no material acquisition or disposition of shares has occurred during the period from the date the Portfolio Shares were acquired to June 4, 2001;

8. the Issuer is an inactive company, the sole purpose of which is to provide a vehicle through which different investment objectives with respect to participation in the Portfolio Shares may be satisfied; holders of Capital Shares will be entitled on redemption to the benefits of any capital appreciation in the market price of the Portfolio Shares after payment of administrative and operating expenses of the Issuer and the fixed distributions on the Preferred Shares, and holders of Preferred Shares will be entitled to receive fixed cumulative preferential distributions on a quarterly basis equal to US\$0.375 per Preferred Share;

9. the benefit to be derived by the security holders of the Issuer from receiving an annual report, where applicable, and financial statements for the fiscal year ended June 4, 2001 would be minimal in view of the extremely short period from the date of the Prospectus to its fiscal year end and given the nature of the minimal business carried on by the Issuer;

10. the expense to the Issuer of preparing, filing and sending to its security holders an annual report, where applicable, and financial statements for the fiscal year ended June 4, 2001 would not be justified in view of the benefit to be derived by the security holders from receiving such statements; and

11. the interim unaudited financial statements of the Issuer for the period ending December 4, 2001 and the annual audited financial statements and the annual report, where applicable, for the period ending June 4, 2002 will include the period from May 28, 2001 to June 4, 2001.

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;

IT IS HEREBY DECIDED by the Decision Makers pursuant to the Legislation that the Issuer is exempted from filing and distributing an annual report, where applicable, and annual financial statements for its fiscal year ended June 4, 2001, provided the interim unaudited financial statements of the Issuer for the period ending December 4, 2001 and the annual audited financial statements and the annual report, where applicable, for the period ending June 4, 2002 will include the period from May 28, 2001 to June 4, 2001.

DATED this "8th" day "August", 2001

Paul M. Moore

R. Stephen Paddon

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to split share company from requirement to file annual financial statements. Financial position of issuer at year-end reflected in financial statements included in prospectus filed just prior to year-end.

Applicable Ontario Provisions

Securities Act, R.S.O. c.S.5, as am. s.80(b)(iii)