

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

AND

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

AND

IN THE MATTER OF  
SUN LIFE ASSURANCE COMPANY OF CANADA

AND

SUN LIFE FINANCIAL SERVICES OF CANADA INC.  
(FORMERLY SUN LIFE OF CANADA HOLDINGS CORP.)

MRRS DECISION DOCUMENT

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, the Yukon Territory, the Northwest Territories and Nunavut (the "Jurisdictions") has received an application (the "Application") from Sun Life Assurance Company of Canada ("Sun Life"), and Sun Life Financial Services of Canada Inc. ("Sun Life Financial") (Sun Life and Sun Life Financial referred to collectively herein as the "Filer"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") shall not apply to Related Transferees (as defined below) who are Family Members of Eligible Policyholders (as defined below) in respect of any trades in common shares of Financial Services ("Common Shares") through CIBC Mellon Trust Company ("CIBC Mellon") and a registered dealer ("the Assisting Dealer"), pursuant to the Share Selling Service (as defined below);

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

**AND WHEREAS** by letter dated April 26, 1999, the Filer made an application (the "Original Application") pursuant to the System for certain relief, including, among other things, with respect to a share selling service (the "Share Selling Service");

**AND WHEREAS** pursuant to the System, a decision document (the "Original Decision Document") dated October 7, 1999 was issued by the OSC on behalf of each of the Decision Makers, granting to Sun Life, Sun Life Financial, CIBC Mellon, as administrator of the Share Selling Service, and eligible policyholders of Sun Life ("Eligible Policyholders") relief from, among other things, the Registration Requirements with respect to the Share Selling Service;

**AND WHEREAS** the Original Decision Document provides that the first trade in Common Shares acquired on an exempt basis under that decision document shall not be a distribution if certain conditions have been met;

**AND WHEREAS** the Filer has represented to the Decision Makers that:

1. Sun Life has received a number of inquiries from Eligible Policyholders regarding the availability of the Share Selling Service to Related Transferees if the Common Shares held by an Eligible Policyholder were transferred to a Related Transferee. Sun Life believes that many Eligible Policyholders wish to register their Common Shares in the name of a Related Transferee, and that most of these transfers will be gifts rather than sales of the Common Shares.
2. Sun Life believes that a significant number of Related Transferees will not have any prior experience in share ownership or brokerage relationships, and given the relatively small number of Common Shares which any one Related Transferee would receive from any Eligible Policyholder, brokers may not be interested in opening individual accounts for such Related Transferees. Therefore, Sun Life Financial would like to make the Share Selling Service available to Related Transferees.
3. The Share Selling Service will operate in exactly the same manner described in the Original Application, with the exception that it also would be available to Related Transferees who hold Common Shares through CIBC Mellon as their nominee.

**AND WHEREAS** pursuant to the System this 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 the Registration Requirements shall not apply to the Related Transferees in respect of (i) the execution of an unsolicited order to sell Common Shares through the Assisting Dealer by CIBC Mellon or (ii) placing the unsolicited order with CIBC Mellon in connection with the Share Selling Service.

For the purposes of this MRRS Decision Document, "Related Transferee" means a person:

- (a) to whom an Eligible Policyholder transfers any or all of his or her Common Shares; and

(b) who is either:

(i) a person whose life is insured under the Eligible Policy (as defined in the Original Decision Document) owned by the Eligible Policyholder; or

(ii) a Family Member of the Eligible Policyholder.

For the purposes of this MRRS Decision Document, "Family Member of the Eligible Policyholder" means a spouse (including common-law spouse), parent, grandparent, child, grand-child, great grand-child, brother or sister of the Eligible Policyholder and parents and grandparents of the spouse of the Eligible Policyholder, including such "step" and adopted family members of the Eligible Policyholder.

For the purposes of this MRRS Decision Document, a trade shall not be considered "solicited" by reason of the Filer distributing to Related Transferees disclosure documents, notices, brochures or similar documents advising of the availability of CIBC Mellon to facilitate sales of Common Shares or by reason of the Filer and/or CIBC Mellon advising Related Transferees of the availability, and informing Related Transferees of the details of the operation, of the Share Selling Service in response to enquiries from Related Transferees by telephone or otherwise.

DATED at Toronto, this 11th day of April, 2000.

*J.A. Geller Howard I. Wetston*

Headnote

Mutual Reliance Review System for Exemptive Relief Applications.

- relief from registration requirements in connection with share selling service to be used by family members and insureds of eligible policyholders in connection with the demutualization of life insurance company.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 74(1).