

Headnote

Mutual Reliance Review System for Exemptive Relief Applications -- reporting issuer an indirect subsidiary of a publicly held income fund -- reporting issuer principle borrowing entity for fund -- reporting issuer exempt from requirements contained in National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) provided that, among other things, the business of the reporting issuer remains the same as the business of the fund and that the fund does not hold a material interest in a business other than the reporting issuer and its subsidiaries -- insiders of reporting issuer exempt from insider reporting requirements, subject to conditions -- issuer exempt from requirements to file annual certificates and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), subject to conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 121(2)(a)(ii).

Applicable Ontario Rules

National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.

National Instrument 55-102 System for Electronic Disclosure by Insiders, s. 6.1.

Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings, s.4.5.

March 8, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA,
NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK,
NUNAVUT, NORTHWEST TERRITORIES AND YUKON
(collectively, the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
YELLOW PAGES INCOME FUND (the "Fund")

AND

YPG HOLDINGS INC. ("YPG Holdings")
(collectively, the "Filers")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of each of the Jurisdictions (the "**Legislation**") that:

(A) the following requirements contained in the Legislation (except in respect of the Northwest Territories), for a reporting issuer or the equivalent thereof, shall not apply to YPG Holdings:

1. to issue and file with the Decision Makers news releases and file with the Decision Makers reports upon the occurrence of a material change;
2. to file with the Decision Makers and send to its securityholders audited annual comparative financial statements together with the auditor's report;
3. to file with the Decision Makers and send to its securityholders unaudited interim comparative financial statements;
4. to file with the Decision Makers and send to its securityholders annual and interim management's discussion and analysis with respect to annual or interim financial statements;
5. to file with the Decision Makers an annual information form;
6. to file with the Decision Makers and send to holders of its securities a form of proxy and information circular;

and that all requirements of *National Instrument 51-102 -- Continuous Disclosure Obligations* ("NI 51-102") shall not apply to YPG Holdings;

(collectively, these requirements will be referred to as the "**Continuous Disclosure Requirements**");

(B) the requirements (the "**Certification Requirements**") contained in *Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings* ("**MI 52-109**") shall not apply to YPG Holdings; and

(C) the requirements contained in the Legislation (except in respect of the Northwest Territories) for insiders of reporting issuers, or the equivalent thereof, to disclose their direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer or the equivalent, and the requirement to file an insider profile under National Instrument 55-102 -- System for Electronic Disclosure by Insiders shall not apply, where applicable, to insiders of YPG Holdings (collectively, the "Insider Reporting Requirements"),

subject to certain terms and conditions.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- a) the *Autorité des Marchés Financiers* is the principal regulator for this application; and
- b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision. References in this decision to "fully diluted basis" mean assuming the exercise of any outstanding exchange rights, conversion rights, options or other similar rights in respect of the securities of the Fund, YPG Trust, YPG LP, YPG General Partner Inc. ("**YPG GP**") or YPG Holdings or any of its subsidiaries.

Representations

This decision is based on the following facts represented by the Filers:

1. The Fund is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated June 25, 2003 (as amended on July 24, 2003, July 30, 2003 and May 10, 2005) (the "**Fund Declaration of Trust**").
2. The Fund Declaration of Trust provides that the operations and activities of the Fund are restricted to:
 - a) investing in securities issued by YPG Trust;
 - b) temporarily holding cash in interest-bearing accounts, short-term government debt or short-term investment grade corporate debt for the purposes of paying the expenses and liabilities of the Fund, paying amounts payable by the Fund in connection with the redemption of units or other securities of the Fund and making distributions to unitholders;
 - c) issuing units or securities convertible into units (i) for cash, (ii) in satisfaction of any non-cash distribution, (iii) in order to acquire securities, (iv) pursuant to any distribution reinvestment plans, incentive option plans or other compensation

plans, if any, established by the Fund; or (v) under the Liquidity Agreements (as such term is defined in the Fund's prospectus dated July 24, 2003);

d) issuing debt securities;

e) guaranteeing the payment of any indebtedness, liability or obligation of YPG LP, YPG Holdings or Yellow Pages Group Co. ("**YPG Co.**") or the performance of any obligation of any of them, and mortgaging, pledging, charging, granting a security interest in or otherwise encumbering all or any part of its assets as security for such guarantee, and subordinating its rights under the notes of YPG Trust (the "**Trust Notes**") to other indebtedness;

f) disposing of any part of the assets of the Fund;

g) issuing rights and units pursuant to any unitholder rights plan adopted by the Fund;

h) purchasing securities pursuant to any issuer bid made by the Fund;

i) satisfying the obligations, liabilities or indebtedness of the Fund; and

j) undertaking all other usual and customary actions for the conduct of the activities of the Fund in the ordinary course as are approved by the trustees of the Fund from time to time, or as are contemplated by the Fund Declaration of Trust.

3. The Fund holds all of the issued and outstanding units of YPG Trust (the "**Trust Units**") and the Trust Notes.

4. YPG Trust is an unincorporated open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated July 24, 2003 (as amended on July 30, 2003 and on May 10, 2005) (the "**YPG Trust Declaration of Trust**").

5. The YPG Trust Declaration of Trust, provides that the operations and activities of YPG Trust are restricted to:

a) investing in securities, including those issued by YPG LP and YPG GP;

b) issuing Trust Units;

c) issuing debt securities, including the Trust Notes;

d) redeeming Trust Units;

e) purchasing securities issued by YPG Trust;

f) guaranteeing the obligations of YPG LP, or any affiliate of the YPG Trust or YPG LP pursuant to any good faith debt for borrowed money incurred by YPG LP or the affiliate, as the case may be, and pledging securities held by YPG Trust, YPG LP or any such affiliate, as security for such guarantee; and

g) satisfying the obligations, liabilities or indebtedness of YPG Trust.

6. On a fully diluted basis, YPG Trust and, indirectly, the Fund hold 100% of the outstanding limited partnership units of YPG LP and 100% of the outstanding shares of YPG GP.

7. The Fund, YPG Trust and YPG LP have no other independent business operations, interests in other businesses or material assets other than their direct or indirect investment in YPG Holdings and its subsidiaries.

8. YPG Co. is Canada's largest telephone directories publisher and the exclusive owner of the Yellow Pages™, Pages Jaunes™ and Walking Fingers & Design™ trademarks in Canada. YPG Co. also operates the leading online directories in Canada, YellowPages.ca™ (and its French equivalent, PagesJaunes.ca™), Canada411.ca, CanadaTollFree.ca, SuperPages.ca and the CanadaPlus.ca group of city sites. YPG Co. is the official publisher of Bell Canada's directories in Canada. YPG Co. is also the official publisher of Telus' directories, as well as a number of other incumbent telephone company directories.

9. YPG LP is a limited partnership existing under the laws of the Province of Manitoba pursuant to a partnership agreement dated November 14, 2002, as amended on November 29, 2002 and on August 1, 2003.

10. On a fully diluted basis, YPG LP holds 100% of YPG Holdings which in turn holds 100% of YPG Co.

11. On December 12, 2005, YPG Holdings entered into a share purchase agreement with Fraser Francis Limited pursuant to which YPG Holdings will ultimately acquire a 100% interest in Trader Media Corporation for total purchase price consideration payable in cash and limited partnership units of YPG LP representing approximately 4% of the then issued and outstanding limited partnership units of YPG LP. The limited partnership units of YPG LP to be issued as consideration for the proposed acquisition of Trader Media Corporation will be exchangeable into units of the Fund at the option of the holder thereof or at the option of the Fund, subject to certain terms and conditions. Closing of the contemplated transaction is expected to occur on or near February 15, 2006. Trader Media Corporation is a publisher of classified advertising and web sites in Ontario, principally specialized in automotive and real estate advertising.

12. As a result, on a fully diluted basis, following the closing of the acquisition of Trader Media Corporation on or near February 15, 2006, YPG Holdings will also hold 100% of Trader Media Corporation.

13. YPG Holdings is a corporation organized and subsisting under the laws of Canada, having its principal office in Montreal, Québec.

14. YPG Holdings operates as a holding company and its principal asset is its interest in YPG Co. as well as its interest in Trader Media Corporation following the closing of the acquisition of Trader Media Corporation. YPG Holdings' authorized share capital consists of an unlimited number of Class A Common Shares, Class B Common Shares and Class A Preferred Shares.

15. YPG Holdings is the principle borrowing entity within the Fund structure and has an approximately \$700 million credit facility in place involving major Canadian chartered banks. In November 2005, YPG Holdings updated and increased the size of its commercial paper program (the "**YPG Holdings Commercial Paper Program**") based on an authorized limit of \$500 million. Debt securities issued under the YPG Holdings Commercial Paper Program are in all cases issued pursuant to the prospectus and registration exemptions for short-term debt set forth in section 2.35 of National Instrument 45-106 -- Prospectus and Registration Exemptions.

16. The Fund is a reporting issuer, or the equivalent thereof, in all Jurisdictions since July 25, 2003.

17. The Fund is eligible to file short form prospectuses since September 29, 2003. Currently, the global market value of the units of the Fund listed on the Toronto Stock Exchange exceeds \$7.5 billion.

18. On April 8, 2004, YPG Holdings became a reporting issuer, or the equivalent thereof, in all Jurisdictions upon the filing of a final short form base shelf prospectus (the "**Initial Prospectus**") qualifying the distribution of up to \$1 billion of medium term notes (the "**Initial Notes**") of YPG Holdings. On March 11, 2005, YPG Holdings filed a short form base shelf prospectus jointly with the Fund (the "**Subsequent Prospectus**" and, together with the Initial Prospectus, the "**Prospectus**") qualifying the distribution of up to \$3 billion of securities of the Fund and YPG Holdings, including medium term notes of YPG Holdings (the "**Subsequent Notes**", and together with the Initial Notes, the "**Notes**"). The Notes are issued under a trust indenture entered into between YPG Holdings, CIBC Mellon Trust Company, as trustee, and the Fund, YPG LP and YPG Co., as guarantors.

19. The Notes are non-convertible and constitute direct unsecured obligations of YPG Holdings and rank pari passu with all other unsecured indebtedness and obligations of YPG Holdings. The Notes are fully and unconditionally guaranteed by the Fund, the Trust, YPG LP and YPG Co. as to payment of principal, premium and interest, the whole in compliance with the terms of the Notes or any other agreement governing the rights of the holders of Notes.

20. The Prospectus provide disclosure with respect to the guarantees granted by each of the Fund, the Trust, YPG LP and YPG Co., as the case may be, in connection with the Notes and each of the Fund, the Trust, YPG LP and YPG Co., as the case may be, executed a certificate to the Prospectus in their capacity as guarantors. In accordance with National Instrument 44-101 - *Short Form Prospectus Distributions* ("**NI 44-101**") and National Instrument 44-102 - *Shelf Distributions*, the Prospectus provide disclosure with respect to the consolidated business and operations of the Fund and incorporate by reference the required disclosure documents of the Fund.

21. The Notes have been assigned ratings of BBB (high) (with a stable trend) by Dominion Bond Rating Service Limited and BBB- (with a stable outlook) by Standard & Poor's Ratings Services. The rating of BBB (high) by Dominion Bond Rating Service Limited is an approved rating under NI 44-101.

22. The Notes are not listed on any securities exchange.

23. On April 21, 2004, YPG Holdings completed the issuance of two series of Notes under the Initial Prospectus for an aggregate principal amount of \$750 million. On November 18, 2004, YPG Holdings completed the issuance of a third series of Notes under the Initial Prospectus for a principal amount of \$250 million. In addition, on November 23, 2005, YPG Holdings completed the issuance of two series of Notes under the Subsequent Prospectus for an aggregate principal amount of \$800 million.

24. As a reporting issuer in each of the Jurisdictions, the Fund must, pursuant to the Continuous Disclosure Requirements, file and, where applicable, send to its securityholders, audited comparative annual financial statements together with the auditors report, unaudited interim financial statements, and annual and interim MD&A. YPG Holdings' financial results are included in the consolidated financial statements of the Fund.

25. The business of YPG Holdings is the same as the business of the Fund, in that the Fund does not hold a material interest, whether directly or indirectly, in a business other than YPG Holdings and its subsidiaries, and the financial results of YPG Holdings and its subsidiaries are included in the consolidated financial statements of the Fund. As a result, information regarding the affairs and financial condition of the Fund is meaningful to holders of YPG Holdings' securities and it is appropriate that the Fund's financial statements and certification filings under MI 52-109 be available to such security holders of YPG Holdings in lieu of the financial statements and certification filings of YPG Holdings.

26. The Fund and YPG Holdings are not in default of any requirement under the Legislation.

Decision

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 (except in respect of the Northwest Territories) is to exempt YPG Holdings from the Continuous Disclosure Requirements, provided that:

a) the business of YPG Holdings continues to be the same as the business of the Fund, in that the Fund does not hold a material interest, whether directly or indirectly, in a business other than YPG Holdings and its subsidiaries;

b) the Fund remains (i) a reporting issuer or the equivalent thereof in each of the Jurisdictions which has such a concept and (ii) an electronic filer pursuant to

National Instrument 13-101 - *System for Electronic Document Analysis and Retrieval (SEDAR)*;

c) the Fund continues to comply with the Continuous Disclosure Requirements and to file with the Decision Makers all documents required to be filed under the Legislation;

d) the Fund continues to comply with the rules of the Toronto Stock Exchange or any other organized market or exchange on which the units of the Fund are listed;

e) all audited annual comparative financial statements and interim comparative financial statements filed by the Fund under the Legislation are prepared on a consolidated basis in accordance with Canadian generally accepted accounting principles or such other standards as may be permitted under the Legislation from time to time;

f) on a fully diluted basis, the Fund remains the direct or indirect beneficial owner of 100% of the issued and outstanding voting securities of YPG Holdings;

g) the Fund continues to fully and unconditionally guarantee the Notes as to the payments required to be made by YPG Holdings to the holders of the Notes;

h) YPG Holdings does not distribute additional securities other than: (i) the Notes or other debt securities contemplated by paragraph i) below; (ii) to the Fund or to entities that, on a fully diluted basis, are wholly-owned, directly or indirectly, by the Fund, (iii) debt securities under the YPG Holdings Commercial Paper Program; (iv) options issued to participants of YPG Holdings' stock purchase and option plan for employees of YPG Holdings and its subsidiaries and the issuance of shares of YPG Holdings upon the exercise of such options (such shares which are in turn automatically exchangeable for units of the Fund pursuant to contractual arrangements with the Fund) or (v) for greater certainty, any inter-company or bank indebtedness;

i) if YPG Holdings hereafter distributes additional debt securities (other than (i) debt securities that are issued to the Fund or to entities that, on a fully diluted basis, are wholly-owned, directly or indirectly, by the Fund, (ii) debt securities under YPG Holdings Commercial Paper Program or (iii) for greater certainty, any inter-company or bank indebtedness), the Fund shall fully and unconditionally guarantee such debt securities as to the payments required to be made by YPG Holdings to the holders of such debt securities and such debt securities shall have an approved rating (as such term is defined in NI 51-102);

j) if YPG Holdings issues non-convertible debt securities, YPG Holdings concurrently sends to all holders of such securities, in the manner and at the time required by the Legislation and any marketplace on which securities of the Fund

are listed or quoted, all disclosure materials that are sent by the Fund to holders of non-convertible debt securities of the Fund that has an approved rating;

k) if there is a material change in the affairs of YPG Holdings that is not a material change in respect of the Fund, YPG Holdings will comply with the requirements of the Legislation to issue a press release and file a material change report with the Decision Makers notwithstanding that the change may not be a material change in respect of the Fund;

l) the documents required to be filed by the Fund with the Decision Makers under the Legislation will be filed under each of the Fund's and YPG Holdings' SEDAR profiles within the time limits and in accordance with applicable fees required by the Legislation for the filing of such documents; and

m) YPG Holdings files a notice in its SEDAR profile stating that (i) it has been granted relief from continuous disclosure obligations under the Legislation pursuant to a decision of the Decision Makers, subject to the conditions set forth in such decision, (ii) that investors should refer to the continuous disclosure documents filed by the Fund and (iii) that such continuous disclosure documents of the Fund are also available in the SEDAR profile of YPG Holdings;

The further decision of the Decision Makers under the Legislation is that the Certification Requirements shall not apply to YPG Holdings for so long as:

a) YPG Holdings is not required to, and does not, file its own Interim Filings and Annual Filings (as those terms are defined in MI 52-109);

b) the Fund files with the Decision Makers, in electronic format under YPG Holdings' SEDAR profile, the Fund's Annual Certificates and Interim Certificates (as those terms are defined in MI 52-109) at the same time as such documents are required under the Legislation to be filed by the Fund, and

c) YPG Holdings qualifies for the relief from the Continuous Disclosure Requirements set forth above, and is in compliance with the requirements and conditions set out in such relief;

The further decision of the Decision Makers under the Legislation (except in respect of the Northwest Territories) is to exempt the insiders of YPG Holdings from the Insider Reporting Requirements, provided that:

a) such relief shall only relieve the insiders of YPG Holdings from their obligations to declare their holdings of securities of YPG Holdings;

b) the insiders of YPG Holdings do not receive, in the ordinary course, information as to material facts or material changes concerning the Fund before such material facts or material changes are generally disclosed;

c) in the event an insider of YPG Holdings is also an insider of the Fund other than by virtue of such insider being an insider of YPG Holdings, such insider will provide all necessary information with respect to its holdings of securities of the Fund and of YPG Holdings in its insider reports to be filed in SEDI format under the insider reporting profile of the Fund and of YPG Holdings, if necessary;

d) on a fully diluted basis, the Fund remains the direct or indirect beneficial owner of 100% of the issued and outstanding voting securities of YPG Holdings;

e) the Fund remains (i) a reporting issuer or the equivalent thereof in each of the Jurisdictions which has such a concept and (ii) an electronic filer pursuant to National Instrument 13-101 - *System for Electronic Document Analysis and Retrieval (SEDAR)*; and

f) the Fund continues to comply with the Continuous Disclosure Requirements and is in compliance with the requirements and conditions set out in the relief above and to file with the Decision Makers all documents required to be filed under the Legislation;

and, provided that if a material adverse change occurs in the affairs of YPG Holdings, this decision shall expire 30 days after the date of such change.

The previous decisions granted by the Decision Makers in favour of the Filers (i) dated July 16, 2004 in respect of the Continuous Disclosure Requirements and the Insider Reporting Requirements and (ii) dated September 10, 2004 and November 22, 2005 in respect of Certification Requirements, are revoked effective as of the date of the present decision.

"Jean St-Gelais"
Président-directeur général