

CRTC Transmission Sheet

Date: 02 July 2002
To Ms. Martha Healey
Applicant: Ogilvy Renault. C/O Crownads Communications Inc.
Telephone: (613) 780-8661
Fax Number: (613) 230-5459
E-mail: ogilvyrenault.com

We acknowledge receipt of your application(s). Please take note of the following information:

<u>Location</u>	<u>Number</u>	<u>Type of Application</u>
Across Canada	2002-0451-1	New Category 2 Digital Specialty Service

If you have not already done so and if you have the facilities, please send an electronic version of your application to procedure@crtc.gc.ca Please indicate the corresponding application number. All subsequent correspondence may also be filed electronically.

For your information, please note that for all applications submitted electronically, the Commission requires the submission of only one copy in paper version.

Should you have any questions, please contact Mr. Daniel Binette, Specialist, External Liaison at (819) 953-4405.

**OGILVY
RENAULT**

5060-2687-04/A
2002-0451-1
Lise.

Direct Dial: (613) 780-8638
mhcaley@ogilvyrenault.com

SENT BY COURIER

Ottawa, June 24, 2002

Ms. Ursula Menke
Secretary General
Canadian Radio-Television and
Telecommunications Commission
Central Building
1 Promenade du Portage
Hull, PQ K1A 0N2

Dear Ms. Menke:

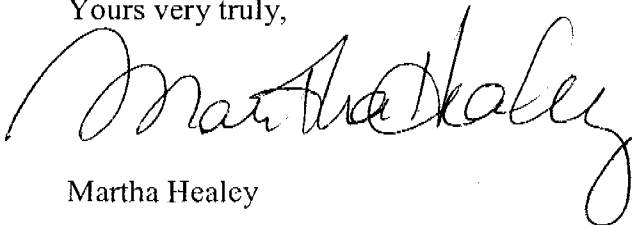
RE : Application for a New Persian Category 2 Digital Specialty Service

In its *Call for Applications for New Digital Pay and Specialty Television Programming Undertakings* (Public Notice 2000-22), the Commission stated that it expected to consider applications for new Category 2 services on an on-going basis once the initial digital licensing round was completed. Decisions on the initial round of applications for new digital services were announced on November 24 2000 with full decisions being released on December 11, 2000.

As such, we are pleased to file, on behalf of Crownads Communications Inc., one original and seven copies of an application for a new Category 2 digital specialty service to be called "Tele Persia". An electronic version is available upon request.

Please contact the proposed licensee's undersigned counsel if necessary. We would be pleased to provide the Commission with any further information it may require.

Yours very truly,



Martha Healey

/lg

Enc.

c.c. Said Reza Heidary

OK-MAD-DAC

**Barristers & Solicitors
Patent & Trade-Mark Agents**

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45 O'Connor Street
Ottawa, Ontario
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APPLICATION TO OBTAIN A NEW BROADCASTING LICENSE TO OPERATE
A CATEGORY 2 DIGITAL SPECIALTY OR PAY TELEVISION
PROGRAMMING UNDERTAKING

An application by Crownads Communications Inc., 777 Bay Street, Suite
2500, Toronto, Ontario, M5G 2C8 for "Tele Persia", a national ethnic
specialty service focusing on Canada's Farsi speaking community.

OGILVY RENAULT
Barristers and Solicitors
45 O'Connor Street
Suite 1600
Ottawa, ON K1P 1A4

Martha Healey
Tel: (613) 780-8638
Fax: (613) 230-5459

APPLICATION TO OBTAIN A NEW BROADCASTING LICENSE TO OPERATE
A CATEGORY 2 DIGITAL SPECIALTY OR PAY TELEVISION
PROGRAMMING UNDERTAKING

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APPLICATION TO OBTAIN A NEW BROADCASTING LICENSE TO OPERATE
A CATEGORY 2 DIGITAL SPECIALTY OR PAY TELEVISION
PROGRAMMING UNDERTAKING

General Instructions

LOCATION OF UNDERTAKING: **Toronto, Ontario**

1. FILING:

Application to be filed with: Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

This document is available in alternative format upon request.

File one original and seven copies.

2. INSTRUCTIONS:

- The applicant must ensure that all required section are fully completed/filled in, all required pages of the application and all attachments are dated, and all necessary information is provided.
- In order to ensure that the proposed licensee complies with the Direction to the CRTC (Ineligibility on Non-Canadians, SOR/97-486 as amended by SOR/98-1268), the applicant is required to demonstrate that it is a qualified corporation as defined in the Direction by, among other things, filing proposed documents of incorporation (certificate and articles of incorporation). The applicant is also required to provide, for the proposed licensee and its parent company, the citizenship and home address of any individual holding 10% or more of voting rights of the licensee or its parent company and or each member of the Board of Directors respectively.
- Copies of the Commission's letters requesting further information and copies of the applicant's replies form part of the application and must be available for examination by the public.

3. CONFIDENTIALITY REQUESTS:

- The applicant may request that portions of the application be treated as confidential (See Circular No. 429 dated 19 August 1998). Section 20 of the *CRTC Rules of Procedure* reads as follows:

"The Commission may, at the request of an applicant, if in the opinion of the Commission the public will be best served by so doing, treat as confidential the following material or information, if such material or information can be separated from the application and is marked "confidential", namely:

- a) financial statement of an applicant who holds a license
 - b) evidence of the financial capacity of any person participating in an application;
- and
- c) the names of prospective employees of an application"

Applicants are reminded that the onus is on them to demonstrate how the public interest will be best served by the granting of confidentiality.

For Commission's Use

Application Number

File Number

**APPLICATION TO OBTAIN A NEW BROADCASTING LICENSE TO OPERATE
A CATEGORY 2 DIGITAL SPECIALTY OR PAY TELEVISION
PROGRAMMING UNDERTAKING**

NAME OF PROPOSED SERVICE: "Tele Persia" Specialty Pay

**1. IDENTIFICATION OF THE PROPOSED LICENSEE (hereinafter the
Applicant)**

1.1 CORPORATION CORPORATION TO BE INCORPORATED

NAME: Crownads Communications Inc.

ADDRESS: 777 Bay Street, Suite 2500, Toronto, Ontario, M5G 2C8

TELEPHONE: (416) 596-2057 FAX: (416) 260-3162

1.2 Identify the person to whom the Commission may direct any questions
concerning this Application:

NAME: Said Reza Heidary TITLE: President

ADDRESS: 1 Watergarden Way, North York, Ontario, M2K 2Z7

TELEPHONE: (416) 618-9580 FAX: (416) 260-3162

E-MAIL: said@bayline.net

2. WHERE APPLICATION CAN BE EXAMINED

Indicate a location within the area served where the application may be examined
by the general public.

ADDRESS: 777 Bay Street, Suite 2500, Toronto, Ontario, M5G 2C8

3. DECLARATION OF APPLICANT

I, Said Reza Heidary SOLEMNLY DECLARE THAT:

- a) I am the applicant named in this application form of the proposed licensee
(named in this application form) and as such have knowledge of all
matters declared therein.
- b) The statements made in this application are, to the best of my knowledge
and belief, true in all respects.
- c) The opinions and estimates given in the application are based on facts as
known to me.

d) I have examined the provisions of the Broadcasting Act, S.C. 1991, c. 11 as amended, and the broadcasting regulations relevant to the application.

AND I HAVE SIGNED: _____

Date: June 24, 2002

WITNESSED BY:

Signature: _____

Name (Printed): Marjan Alemi

Date: 24 June, 2002

At: TORONTO

4. APPOINTMENT OF AGENT

I, Said Reza Heidary, the undersigned applicant, hereby appoint Martha Healey, of the law firm OGILVY RENAULT as my agent for and on my behalf and in my name to sign and file an application with the Canadian Radio-television and Telecommunications Commission and I do hereby ratify, confirm and adopt as my own act such application and all replies made thereto.

Date: June 24, 2002

At: TORONTO

ADDRESS OF AGENT: 1600 - 45 O'Connor Street, Ottawa, Ontario, K1P 1A4

TELEPHONE: (613) 780-8661 FAX: (613) 230-5459

E-MAIL: mhealey@ogilvyrenault.com

Signature of applicant: _____

OWNERSHIP STRUCTURE

If you are applying for more than one service or if you have an application on file with the Commission with the same ownership structure as proposed in response to questions 5.1 to 5.7, please specify the application in which the pertinent information is contained.

- 5.1 Attach, as SCHEDULE 1, a table in the format below and containing the same information concerning the directors and officers of the proposed licensee/other companies. The schedule should reflect the present and the proposed board of directors and officers.

See Schedule 1 attached.

- 5.2 Attach, as Schedule 2, a statement regarding who controls/will control the proposed licensee and by what means; if control is to be held by a shareholder company, also advise who controls/will control it and by what means; if applicant, attach all related documents or agreements (e.g. Shareholder Agreement, Voting Trust Agreement, etc.)

See Schedule 2 attached.

- 5.3 If applicant has delegated or will delegate by contract any responsibility, attach, as SCHEDULE 3, copies of the contracts (or proposed contracts) and, if applicable, indicate the legislative authority under which the corporation or other legal entity to such contracts is incorporated or otherwise constituted.

Not applicable.

- 5.4 Attach, as SCHEDULE 4, a table in the format below containing the same information for all shareholders holding 10% or more of the applicant/licensee company for each class of voting securities. The schedule should reflect the present and the proposed shareholders.

Not applicable

- 5.5 Please complete additional 5.1 and 5.4 tables for each corporation or other legal entity holding twenty percent (20%) or more of the voting interests of any class of shares of the applicant and for any corporation or other legal entity which indirectly controls the applicant, and submit as SCHEDULE 5. A copy of all the incorporating document(s) or analogous documents (e.g. Articles and Certificate of Incorporation, By-Laws, Partnership or Trust Agreement, etc.) of each applicable corporation or other legal entity, including the applicant, must be attached as SCHEDULE 6.

Schedule 5 is not applicable. See Schedule 6 attached.

- 5.6 If any of the individual shareholders listed in questions 5.1 and 5.4 above hold public office, indicate the office held:

- 5.7 If applicable, attach as SCHEDULE 7 a list of all businesses or corporations in the business classifications listed below, for which any investment (equity and/or securities) is held by the proposed licensee, any of its directors, a corporation which directly controls the proposed licensee or by any shareholder of the proposed licensee holding twenty percent (20%) or more voting interest of the proposed licensee.

- A. Other CRTC license holder and exempted undertakings
- B. Daily newspaper
- C. Non-daily newspaper or other media publisher

- D. Producer or distributor of film or television program
- E. Lessor of property, plant or equipment of proposed licensee
- F. Telecommunications common carrier within the meaning of the *Telecommunications Act*
- G. Corporation or other legal entity owning 10% or more securities in any of Categories A to F

Not applicable.

PROGRAMMING

6.1 NATURE OF SERVICE

- a) Language of service

French

English

Bilingual English 15% French %

Other (specify the language and % of programming): Farsi 85%..

- b) If the proposed service will target an Ethnic group(s), please indicate % of Ethnic programming as defined in P.N. 1999-117. 85%

- c) Provide a brief description of service which you would accept AS A **CONDITION OF LICENSE** defining the nature of the proposed service, using the programming categories set out in P.N. 1999-205.

"Tele Persia" will be a national ethnic specialty service focusing on Canada's Farsi speaking community. The service will provide at least 85% of its programming in Farsi and up to 15% of its programming in English. Programs will be drawn from the following categories:

news (category 1), analysis and interpretation (category 2a), long form documentary (category 2b), reporting and actualities (category 3), informal education/recreation and leisure (category 5b), sports (category 6a and b), specials, mini-series and made-for-tv movies (category 7c), on-going drama series (category 7a), theatrical feature films aired on television (category 7d), other drama (category 7e), music and dance (category 8a), music video clips (category 8b), music video programs (category 8c), variety (category 9), entertainment and human interest (category 11), interstitials (category 12), public service announcements (category 13), and infomercials, promotional and corporate videos (category 1).

- d) In Public Notice 2000-6, the Commission stated that it would not license a Category 1 or a Category 2 service that would be directly competitive with an existing pay or specialty service. Please explain whether the proposed service will be directly competitive with any existing pay or specialty service, and provide detailed justification in support of your position.

"Tele Persia" will not be competitive with any existing Canadian specialty or pay television service nor with any proposed Category 1 service, as there are no current or proposed pay or specialty services that are entirely devoted to the Farsi speaking community in Canada. Furthermore, while there exists a service which is devoted to the Persian community it is a Category 2 any similarities to the service being proposed in this application. Although it is the Commission's policy to license Category 2 applications that are not competitive with each other¹, the

¹ Public Notice CRTC 2000-6, para. 34.

applicant submits that the type and quality of original language programming will differ greatly.

6.2 CANADIAN CONTENT

- a. The "Broadcast Day" for the purpose of calculating the applicant's commitments is:
- i) as defined in Section 2 of the Television Broadcasting Regulations, 1987 (i.e. the 18-hour period beginning 6:00 a.m. each calendar day) Yes
- OR
- ii) the 24-hour period beginning 6:00 a.m. each calendar day. Yes
- b. The starting time of your "log reporting day" will be: 6:00 a.m.

SPECIALTY SERVICE ONLY:

- c. The applicant undertakes **BY CONDITION OF LICENSE**, to broadcast the following **MINIMUM** levels of Canadian content:

English or French Specialty Service: Yes No

The licensee shall devote not less than 15% of the first broadcast year of the license term, and of the evening broadcast period during that year, to the broadcast of Canadian programs.

The licensee shall devote not less than 25% of the second broadcast year of the license term, and of the evening broadcast period during that year, to the broadcast of Canadian programs.

In year 3 of the license term, and in each year thereafter the licensee shall devote not less than 35% of the broadcast year, and of the evening broadcast period of each year, to the broadcast of Canadian programs.

Not applicable.

Ethnic Specialty Service: Yes No

The licensee shall devote not less than 15% of the first broadcast year of the license term, and of the evening broadcast period during that year, to the broadcast of Canadian programs.

Music Video Specialty Service: Yes No

In addition to the minimum levels of Canadian content set out above, the licensee shall devote not less than:

- 20% of the total number of music videos broadcast during each broadcast week to Canadian Music Videos in year 1 of the license term.
- 25% of the total number of music videos broadcast during each broadcast week to Canadian Music Videos in year 2 of the license term;

- 30% of the total number of music videos broadcast during each broadcast week to Canadian Music Videos in year 3 of the licence term and each year thereafter.

Not applicable.

PAY TELEVISION SERVICE ONLY:

- d. Provide the percentage of Canadian programming from 6:00 p.m. to 11:00 p.m. for each year of the proposed license term. If you intend to multiplex, provide for each channel.

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7

- e. Provide the percentage of Canadian programming for the remainder of the day, for each year of the proposed license term. If you intend to multiplex, provide for each channel.

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7

- f. If the proposed service is a movie service, will all new Canadian feature films that are suitable for Pay window and that meet the Pay TV Standards and Practices be distributed?

Yes No

- g. Please specify the minimum percentage of gross revenue (amount in dollars for year 1) that you will expend on the acquisition of or investment in Canadian programs during the proposed license term.

Yes 1 in dollars (\$000) _____ Minimum % years 2-7 _____

7.1 SERVICE TO THE HEARING IMPAIRED

- a. Will you install a TDD at the proposed undertaking? Yes No

- b. Will you commit to close-caption the following by the end of the license term:

- 90% of English language programming Yes No
- 50% of French language programming Yes No

7.2 INDUSTRY CODES

The applicant undertakes **AS A CONDITION OF LICENSE:**

- a. To adhere to the Broadcasting Code for Advertising to Children (Public Notice CRTC 1993-99 dated 30 June 1993), as amended from time to time and approved by the Commission.

Yes No

The applicant undertakes **AS A CONDITION OF LICENSE** (to be suspended as long as the licensee is a member in good standing of the Canadian Broadcast Standards Council):

- b. To adhere to the industry Code on Violence (Public Notice CRTC 1996-36 dated 14 March 1996), as amended from time to time and approved by the Commission.

Yes No

- c. To adhere to the CAB Sex-Role Portrayal Code for Television and Radio Programming (Public Notice CRTC 1990-99 dated 26 October 1990), as amended from time to time and approved by the Commission.

Yes No

7.3 ADVERTISING: (SPECIALTY SERVICE ONLY)

The applicant accepts AS A CONDITION OF LICENSE:

- a. subsection to subsection b), the licensee shall not distribute more than twelve (12) minutes of advertising material during each clock hour.
- b. In addition to the twelve minutes of advertising material referred to in subsection a), the licensee may distribute during each clock hour, a maximum of 30 seconds of additional advertising material that consists of unpaid public service announcements.
- c. The licensee shall not distribute any paid advertising material other than national paid advertising.

Yes No

- a) Subject to subsection b), "Tele Persia" shall not distribute more than twelve minutes of advertising material during each clock hour.
- b) In addition to the twelve minutes of advertising material referred to in subsection a), "Tele Persia" may distribute during each clock hour, a maximum of 30 seconds of additional advertising material that consists of unpaid public service announcements.
- c) "Tele Persia" may distribute local commercial messages in addition to national paid advertising.

LIST OF DOCUMENTS ENCLOSED BY APPLICANT

SCHEDULES

1. Directors and officers of proposed licensee
2. Statement on control of proposed licensee
3. Delegation of control (not applicable)
4. Shareholder holding 10% or more of proposed licensee
5. Directors and officers, and shareholders holding 10% or more, for each company holding 20% or more of voting interests as proposed licensee or which indirectly controls the proposed licensee. (not applicable)
6. Incorporating documents
7. Interests in broadcast-related corporations. (not applicable)

SCHEDULE 1

DIRECTOR AND OFFICERS OF "TELE PERSIA"

Name	Home Address	Citizenship	Directors: Date of Appointment	Officers: Position Held
Said Reza Heidary	1 Waterdown Way North York, Ontario M2K 2Z7	Canadian	March 12, 2002	President

SCHEDULE 2

STATEMENT OF CONTROL OF "TELE PERSIA"

"Tele Persia" is a company incorporated which is wholly owned by Said Reza Heidary. The licensee will, therefore, be controlled by Said Reza Heidary who is a Canadian citizen ordinarily resident in Canada. As such, the licensee will be eligible to hold a broadcasting license pursuant to Direction to the CRTC (Ineligibility of Non-Canadians) Order-in-Council P.C. 1997 - 486.

SCHEDULE 4

PROPOSED SHAREHOLDERS HOLDING 10%
OR MORE OF PERSIAN VISION

Security/Unit	Votes	Authorized	Issued	Holders	No. held	% vote	Canadian (X)
Common Shares	1	Unlimited	100	Said Heidary	100	100	X

SCHEDULE 6
INCORPORATING DOCUMENTS

Attached

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. *Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.*

2.

There are no restrictions on the business that the corporation may carry on or on the powers that the corporation may exercise.

6. The classes and any maximum number of shares that the corporation is authorized to issue: *Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:*

The corporation is authorized to issue an unlimited number of common shares without nominal or par value (hereinafter called the "Common Shares"), an unlimited number of non-voting class "A" preference shares without nominal or par value (hereinafter called the "Class "A" Preference Shares"), and an unlimited number of voting class "B" preference shares without nominal or par value (hereinafter called the "Class "B" Preference Shares").

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:

Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série:

3.

Subject to the requirements of the *Business Corporations Act, R.S.O. 1990*, as now enacted or as the same may from time to time be amended, re-enacted or replaced (the "Act"), the rights, privileges, restrictions and conditions attaching to the Class "A" Preference Shares, Class "B" Preference Shares and Common Shares shall be as follows:

(1) THE CLASS "A" PREFERENCE SHARES SHALL HAVE ATTACHED THERETO THE FOLLOWING:

(i) Priority

No class of shares may be created ranking in priority to or on a parity with the Class "A" Preference Shares without the unanimous approval of the holders of the Class "A" Preference Shares given by a special resolution or by an instrument in writing.

(ii) Voting Rights

(a) The holders of the Class "A" Preference Shares shall not be entitled to receive notice of or to attend any meeting of the shareholders of the Corporation unless the meeting is called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business of the Corporation, in which case the holders of the Class "A" Preference Shares shall be entitled to receive notice of such meeting;

(b) The holders of the Class "A" Preference Shares shall not be entitled either to vote at any meeting of the shareholders of the Corporation or to sign a resolution in writing, except a meeting called to consider, or a resolution in writing in respect of any amendment to these Articles in respect of which the holders of the Class "A" Preference Shares would be entitled to vote separately as a class pursuant to the Act.

(iii) Dividends

The holders of the Class "A" Preference Shares in priority to Class "B" Preference Shares and Common Shares shall in each year in the discretion of the board of directors, be entitled, out of any or all profits or surplus available, to the payment of non-cumulative cash dividends in such amounts as the directors may determine.

(iv) Redemption

(a) Subject to the Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class "A" Preference Shares on payment for each share to be redeemed of the amount paid up thereon, together with all dividends declared thereon and unpaid (the "redemption price"). In case a part only of the then outstanding Class "A" Preference Shares is, at any time to be redeemed, the Class "A" Preference Shares so to be redeemed shall be selected by lot in such manner as the board of directors so determine, may be redeemed pro rata, disregarding fractions, and the board of directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares;

(b) Not less than thirty (30) days' notice in writing, of such redemption shall be given by mailing such notice to the registered holders of such shares to be redeemed, specifying the date and place or places of redemption; if notice of such redemption be given by the Corporation in the manner aforesaid, and an amount sufficient to redeem such shares be deposited with any trust company or chartered bank in the Province of Ontario, as specified in the notice on or before the date fixed for redemption, dividends on the Class "A" Preference Shares to be redeemed shall cease after the date so fixed for redemption, and the holders thereof shall thereafter have no rights against the Corporation in respect thereof, except, upon the surrender of certificates for such shares to receive payment therefor out of the moneys so deposited, unless payment of the redemption price shall not be made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unimpaired;

(c) If less than all of the Class "A" Preference Shares represented by any certificate are redeemed, the holder shall be entitled to receive a new certificate for that number of Class "A" Preference Shares represented by the original certificate which are not redeemed.

(v) Retraction

(a) A holder of Class "A" Preference Shares shall be entitled to require the Corporation to redeem, subject to the requirements of the Act, at any time or times all or any of the Class "A" Preference Shares registered in the name of ~~the Corporation by tendering to~~

3(b)

Preference Shares which the registered holder desires to have the Corporation redeem together with a notice in writing specifying,

(i) that the registered holder desires to have the

Class "A" Preference Shares represented by such certificate or certificates redeemed by the Corporation; and

(ii) the business day on which the holder desires to have the Corporation redeem such Preference Shares (the "retraction date").

(b) The retraction date shall not be less than thirty (30) days after the day on which the notice in writing is given to the Corporation. Upon receipt of share certificate or certificates representing the Class "A" Preference Shares which the registered holder desires to have the Corporation redeem together with such notice, the Corporation shall on the retraction date redeem such shares by paying to such registered holder the aforesaid redemption price thereon. Such payment shall be made by the cheque payable at par at any branch of the Corporation's bankers for the time being in the Province of Ontario;

(c) If less than all of the Class "A" Preference Shares represented by any certificate are redeemed, the holder shall be entitled to receive a new certificate for that number of shares represented by the original certificate or certificates which are not redeemed;

(d) The said Class "A" Preference Shares shall be redeemed on the retraction date and from and after the retraction date the holder of such shares shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders of the Class "A" Preference Shares in respect thereof unless payment of the said redemption price is not made on the retraction date, in which event the rights of the holder of the said shares shall remain unaffected.

(vi) Liquidation, Dissolution or Winding-Up

(a) In the event of the liquidation, dissolution, or winding-up of the Corporation, whether voluntary or involuntary or other distribution of the assets of the Corporation among the shareholders for the purpose of winding up its affairs, the holders of the Class "A" Preference Shares shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of any Class "B" Preference Shares or Common Shares,

the amount paid up thereon and any dividends declared thereon and unpaid and no more;

(b) Except as above set forth the holder of Class "A" Preference Shares shall not be entitled to participate to any further extent in the profits or assets of the Corporation available for distribution among its shareholders.

(2) THE CLASS "B" PREFERENCE SHARES SHALL HAVE ATTACHED THERETO THE FOLLOWING:

(i) Priority

The Class "B" Preference Shares shall be subject to the prior preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class "A" Preference Shares, but shall be in priority to the Common Shares both as regards dividends and repayment of capital.

(ii) Voting Rights

The holders of the Class "B" Preference Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall be entitled to one vote in respect of each Class "B" share held at such meetings.

(iii) Dividends

(a) Subject to the prior rights of the holders of the Class "A" Preference Shares as set forth in sub-clause (1)(iii) above and not otherwise, the board of directors may declare and cause to be paid non-cumulative dividends to the holders of the Class "B" Preference Shares from any assets at the time properly applicable to the payment of dividends in priority to Common Shares;

(b) No dividend shall be declared and paid or set aside for payment on the Class "B" Preference Shares in any financial year unless and until dividends as declared by the board of directors from time to time shall have been paid on the Class "A" Preference Shares at the time outstanding or shall have been declared and set aside for such payments;

(c) No dividends shall be paid on the Class "B" Preference Shares of the Corporation nor shall the Corporation redeem or purchase for cancellation any of the Class "B" Preference Shares, if the Corporation would thereafter have insufficient net assets to redeem the Class "A" Preference Shares for their redemption price.

(iv) Redemption

(a) Subject to the Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole or any part of the Class "B" Preference Shares on payment for each share to be redeemed of the amount paid up thereon, together with all dividends declared thereon and unpaid (the "redemption price"). In case a part only of the then outstanding Class "B" Preference Shares is, at any time to be redeemed, the Class "B" Preference Shares so to be redeemed shall be selected by lot in such manner as the board of directors so determine, may be redeemed pro rata, disregarding fractions, and the board of directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares;

(b) Not less than thirty (30) days' notice in writing, of such redemption shall be given by mailing such notice to the registered holders of such shares to be redeemed, specifying the date and place or places of redemption; if notice of such redemption be given by the Corporation in the manner aforesaid, and an amount sufficient to redeem such shares be deposited with any trust company or chartered bank in the Province of Ontario, as specified in the notice on or before the date fixed for redemption, dividends on the Class "B" Preference Shares to be redeemed shall cease after the date so fixed for redemption, and the holders thereof shall thereafter have no rights against the Corporation in respect thereof, except, upon the surrender of certificates for such shares to receive payment therefor out of the moneys so deposited, unless payment of the redemption price shall not be made by the Corporation in accordance with the foregoing provisions, in which case the rights of the holders of such shares shall remain unimpaired;

(c) If less than all of the Class "B" Preference Shares represented by any certificate are redeemed, the holder shall be entitled to receive a new certificate for that number of Class "B" Preference Shares represented by the original certificate which are not redeemed.

(v) Retraction

(a) A holder of Class "B" Preference Shares shall be entitled to require the Corporation to redeem, subject to the requirements of the Act, at any time or times all or any of the Class "B" Preference Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at the registered office of the Corporation a

share certificate or certificates representing the Class "B" Preference Shares which the registered holder desires to have the Corporation redeem together with a notice in writing specifying,

- (i) that the registered holder desires to have the Class "B" Preference Shares represented by such certificate or certificates redeemed by the Corporation; and
- (ii) the business day on which the holder desires to have the Corporation redeem such Preference Shares (the "retraction date").

(b) The retraction date shall not be less than thirty (30) days after the day on which the notice in writing is given to the Corporation. Upon receipt of share certificate or certificates representing the Class "B" Preference Shares which the registered holder desires to have the Corporation redeem together with such notice, the Corporation shall on the retraction date redeem such shares by paying to such registered holder the aforesaid redemption price thereon. Such payment shall be made by the cheque payable at par at any branch of the Corporation's bankers for the time being in the Province of Ontario;

(c) If less than all of the Class "B" Preference Shares represented by any certificate are redeemed, the holder shall be entitled to receive a new certificate for that number of shares represented by the original certificate or certificates which are not redeemed;

(d) The said Class "B" Preference Shares shall be redeemed on the retraction date and from and after the retraction date the holder of such shares shall cease to be entitled to dividends and shall not be entitled to exercise any of the rights of holders of the Class "B" Preference Shares in respect thereof unless payment of the said redemption price is not made on the retraction date, in which event the rights of the holder of the said shares shall remain unaffected.

(vi) Liquidation, Dissolution or Winding-Up

Subject to the prior rights of the holders of the Class "A" Preference Shares as set forth in sub-clause (1)(vi)(a) above and not otherwise, the holders of the Class "B" Preference Shares and the Common Shares shall be entitled to receive the property and assets of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary or other

distribution of the assets and property of the Corporation amongst its shareholders for the purpose of winding-up its affairs rateably share for share on all the Class "B" Preference Shares and the Common Shares at the time outstanding share and share alike without preference or priority of one share over another.

(3) THE COMMON SHARES SHALL HAVE ATTACHED THERETO THE FOLLOWING:

(i) Priority

The Common Shares shall be subject to the prior preferences, rights, conditions, restrictions, limitations and prohibitions attaching to the Class "A" Preference Shares and Class "B" Preference Shares.

(ii) Voting Rights

The holders of the Common Shares shall be entitled to receive notice of and to one vote in respect of each Common Share held at all meetings of the shareholders of the Corporation.

(iii) Dividends

(a) If, at any time, after the dividends to which the holders of the Class "A" Preference Shares and Class "B" Preference Shares are entitled have been paid or provided for, there remain profits or surplus available for dividends, such profits or surplus, or any part thereof, may, in the discretion of the board of directors of the Corporation, be distributed as dividends on the Common Shares;

(b) No dividends shall be paid on the Common Shares of the Corporation if the Corporation would thereafter have insufficient net assets to redeem the Class "A" Preference Shares for their redemption price.

(iv) Liquidation, Dissolution or Winding-Up

Subject to the prior rights of the holders of the Class "A" Preference Shares, the holders of the Class "B" Preference Shares and the Common Shares shall be entitled to receive the property and assets of the Corporation in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary or other distribution of the assets and property of the Corporation amongst its shareholders for the purpose of winding-up its affairs rateably share for share on all the Class "B"

Preference Shares and the Common Shares at the time outstanding share and share alike without preference or priority of one share over another.

(4) SECTIONS AND HEADINGS:

The division of these rights, privileges, restrictions and conditions attaching to the Class "A" Preference Shares, Class "B" Preference Shares and Common Shares into sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation hereof.

(5) AMENDMENT:

Subject to confirmation by articles of amendment, the shareholders of the Corporation may, at any time or times or from time to time, pass a resolution whereby the terms hereof and of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case and changes made in the rights, privileges, restrictions and qualifications attaching to the said Class "A" Preference Shares, Class "B" Preference Shares and the Common Shares, but no such resolution shall have any force or effect until after it has been approved by special resolution by the vote of the holders of the Class "A" Preference Shares, Class "B" Preference Shares and Common Shares then outstanding, all of the foregoing votes of each such class of shares to be taken separately at a meeting specifically called for this purpose.

8. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:

L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares in the Capital of the Corporation without the express consent of the directors of the Corporation expressed by resolution of the directors of the Corporation at a meeting of the board of directors, or by an instrument or instruments in writing signed by all the directors.

(a) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation, were, while in the employment, and have continued after the termination of the employment, to be shareholders of the Corporation, is limited to not more than fifty, of whom two or more persons who are the joint registered owners of one or more shares being counted as one shareholder;

(b) Any invitation to the public to subscribe for any securities of the Corporation is prohibited;

(c) The board of directors may from time to time, in such amounts and on such terms as it deems expedient;

(i) borrow money on the credit of the Corporation;

(ii) issue, sell or pledge debt obligations (including bonds, debentures, notes or other similar obligations, secured or unsecured) of the Corporation;

(iii) charge, mortgage, hypothecate or pledge all or any of the currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertaking, to secure any debt, obligations or any money borrowed or other debt or liability of the Corporation;

(d) The board of directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board above to such extent and in such manner as the board shall determine at the time of each such delegation; and

(e) That the Chairman presiding at a meeting of shareholders or directors of the Corporation shall not have a second or casting vote in case of an equality of votes.

10. The names and addresses of the incorporators are
Nom et adresse des fondateurs
First name, initials and last name or corporate name
Prénom, initiale et nom de famille ou dénomination sociale

Full address for service or address of registered office or
of principal place of business giving street & No. or R.R.
No., municipality and postal code
*Domicile élu, adresse du siège social ou adresse de
l'établissement principal, y compris la rue et le numéro, le
numéro de la R.R., le nom de la municipalité et le code
postal*

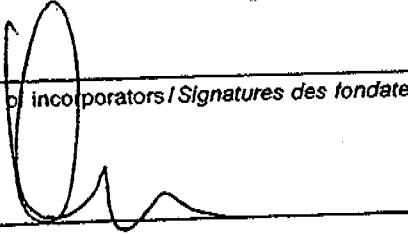
KENNETH H. PAGE

439 UNIVERSITY AVENUE
SUITE 2200
TORONTO, ONTARIO
M5G 1Y8

These articles are signed in duplicate.

Les présents statuts sont signés en double exemplaire.

Signatures of incorporators / *Signatures des fondateurs*


KENNETH H. PAGE

**CONSENT TO ACT AS A DIRECTOR AND
DECLARATION OF CITIZENSHIP AND RESIDENCE**

TO: CROWNADS COMMUNICATIONS INC.

The undersigned, in accordance with the provisions of *the Business Corporations Act, R.S.O. 1990* (the "Act"), hereby consents to act as a Director of the Corporation upon his/her election or appointment. Such consent is to continue in effect until the date upon which the undersigned gives written notice to the Corporation revoking such consent, resigns or ceases to be a Director of the Corporation.

The undersigned hereby further consents, pursuant to the provisions of the by-laws of the Corporation, to the holding of meetings of the Board of Directors or of the Executive Committee by means of a conference, telephone or other communication equipments by means of which all persons participating at the meeting can hear each other.

The undersigned hereby:

1. acknowledges and declares that the undersigned is at least 18 years of age, is not an undischarged bankrupt, is not of unsound mind as found by a court of Canada or any other jurisdiction, is a citizen of Canada or has been lawfully admitted to Canada as permanent resident and is at the present time ordinarily residing in Canada;
2. undertakes to advise the Corporation in writing of any change in citizenship or residence forthwith after such change; and
3. acknowledges that the Corporation will rely upon such information for the purposes of ensuring compliance by the Corporation with the provisions of the Act regarding the composition of the business transacted by the Board of Directors of the Corporation and the Executive Committee of the Board of Directors of the Corporation (if any).

DATED this 12th day of March, 2002.



SAID REZA HEIDARY

The following is hereby enacted as a Resolution of the Board of Directors of **CROWNADS COMMUNICATIONS INC.**, by virtue of its execution by the sole Director of the Corporation pursuant to the provisions of *the Business Corporations Act, R.S.O. 1990.*

BANKING AND SIGNING OFFICERS

BE IT RESOLVED

that the be and is hereby appointed the bank of Corporation, and the banking resolution as required by the said bank, in the form annexed hereto as Schedule "A", be and the same is hereby accepted.

that SAID REZA HEIDARY has the signing authority of cheques and other bills of exchange in the form required by the bank or financial institution of the Corporation. It is also resolved to authorize the President of the Corporation to sign this resolution and to deliver a certified copy of same to the bank or financial institution of the Corporation.

DATED this 12th day of March, 2002.


SAID REZA HEIDARY

RESIGNATION

TO: CROWNADS COMMUNICATIONS INC.

AND TO: THE SHAREHOLDERS THEREOF

I hereby tender my resignation as a Director of **CROWNADS COMMUNICATIONS INC.**, which resignation is to take effect at the date hereof.

DATED this 12th day of March, 2002.



KENNETH H. PAGE