

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer has only one security holder - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s. 83.

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO, ALBERTA,
SASKATCHEWAN,
QUÉBEC, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR AND YUKON

AND

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

AND

IN THE MATTER OF SPAR AEROSPACE LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Saskatchewan, Québec, Nova Scotia, Newfoundland and Labrador and Yukon (the "Jurisdictions") has received an application from Spar Aerospace Limited (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

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

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

- (a) The Filer is continued under the Canada Business Corporations Act (the ACBCA@), is a reporting issuer in each of the Jurisdictions, and is not in default of any requirements under the Legislation.
- (b) The Filer's head offices are in Toronto, Ontario.

- (c) Prior to the Consolidation (as defined below) the Filer was authorized to issue an unlimited number of common shares (the "Common Shares"), of which 15,108,273 Common Shares were issued and outstanding as of the date of the Consolidation. The Filer was also authorized to issue 10,000,000 preferred shares and 20,000,000 junior preferred shares. There were no preferred shares or junior preferred shares issued and outstanding as of the date of the Consolidation.
- (d) The Filer does not intend to seek public financing by way of an offering of securities.
- (e) On October 17, 2001, a formal offer (the "Offer") was made by 3931170 Canada Inc. (the "Offeror"), a wholly-owned subsidiary of L-3 Communications Corporation, to purchase all of the issued and outstanding Common Shares for \$15.50 cash for each Common Share deposited under the Offer.
- (f) The Offer was extended on each of November 22, 2001, December 3, 2001, and December 14, 2001.
- (g) On December 6, 2001, Spar announced that it was proceeding with a going private transaction, which was effected by way of a share consolidation (the "Consolidation").
- (h) The Offer expired on January 3, 2002. As of January 10, 2002 the Offeror had taken up and paid for approximately 10,872,488 Common Shares, representing approximately 71.9% of the outstanding Common Shares.
- (i) The Consolidation, which was carried out pursuant to section 173 of the CBCA, was effected in accordance with the terms of a special resolution passed by a special majority of shareholders of the Filer at a shareholder meeting held on January 23, 2002. The Consolidation became effective on January 23, 2002, upon filing of the articles of amendment and the issuance of a certificate of amendment giving effect thereto.
- (j) On January 23, 2002, the Filer held a special meeting of shareholders where the shareholders voted to approve the Consolidation.
- (k) Upon the Consolidation:
 - (i) all of the Common Shares were changed into new common shares (the "New Common Shares") on the basis of one (1) New Common Share for each 5,289,500 Common Shares;

- (ii) holders of Common Shares were not entitled to receive certificates for fractional New Common Shares, and were not entitled to exercise any of the rights of shareholders in respect of any fractional New Common Share other than the right to receive payment, without interest, of the sum of \$15.50 in cash for each Common Share held immediately prior to Consolidation;
 - (iii) the Offeror became the sole shareholder of the Filer; and
 - (iv) New Common Shares were only issued to the Offeror (as the sole shareholder of the Filer).
- (l) The Filer is currently authorized to issue:
- (i) an unlimited number of New Common Shares, of which two (2) New Common Shares are issued and outstanding;
 - (ii) 10,000,000 preferred shares, none of which are issued or outstanding; and
 - (iii) 20,000,000 junior preferred shares, none of which are issued or outstanding.
- (m) The Common Shares were delisted from The Toronto Stock Exchange on January 25, 2002, and no securities, including debt securities, of the Filer are listed or traded on an exchange or market in Canada or elsewhere.
- (n) Other than the New Common Shares, the Filer has no securities, including debt securities, outstanding.

AND WHEREAS under 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;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Filer is deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

DATED at Toronto, Ontario this 14th day of March, 2002.

AJohn Hughes@

John Hughes
Manager, Continuous Disclosure