

Headnote:

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

Subsection 1(6) of the OBCA - issuer deemed to have ceased to be offering its securities to the public under the *Business Corporations Act* (Ontario).

Applicable Ontario Statutory Provisions

*Securities Act*, R.S.O. 1990, c.S.5, as am., ss.1(1), 6(3) and 83.

*Business Corporations Act*, R.S.O. 1990, c.B.16, as am., s.1(6).

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

AND

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

AND

IN THE MATTER OF  
THE SECOND CUP LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the *ADecision Maker@*) in each of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the *AJurisdictions@*) has received an application from The Second Cup Ltd. (the *AIssuer@*) for:

- (i) a decision pursuant to the securities legislation of the Jurisdictions (the *ALegislation@*) that the Issuer be deemed to have ceased to be a reporting issuer under the Legislation; and
- (ii) in Ontario only, an order pursuant to the Business Corporations Act (Ontario)

(the AOBCA@) that the Filer be deemed to have ceased to be offering its securities to the public;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the ASystem@) the Ontario Securities Commission is the principal regulator for this application;

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

1. The Issuer is a corporation governed by the OBCA with its registered office located at 175 Bloor Street East, South Tower, Suite 801, Toronto, Ontario, M4W 3R8.
2. The Issuer is a reporting issuer in all of the Jurisdictions and is not in default of any requirements under the Legislation.
3. The Issuer's authorized capital consists of an unlimited number of common shares (the ACommon Shares@) of which 9,760,274 are issued and outstanding, and an unlimited number of preference shares of which none are issued and outstanding.
4. The Issuer does not intend to seek public financing by way of an offering of its securities.
5. As a result of a take-over bid and the subsequent compulsory acquisition procedures, Cara Operations Limited beneficially owns all of the issued and outstanding securities of the Issuer.
6. The Common Shares were de-listed from The Toronto Stock Exchange as of the close of business on March 4, 2002 and no securities, including debt securities, of the Issuer are listed or traded on any market or exchange.
7. Other than the Common Shares, the Issuer 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 ADecision@);

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 under the Legislation is that the Issuer is deemed to have ceased to be a reporting issuer under the Legislation.

DATED this 30<sup>th</sup> day of April, 2002.

          AJohn Hughes@            
John Hughes  
Manager, Corporate Finance

AND IT IS HEREBY ORDERED by the Ontario Securities Commission pursuant to subsection 1(6) of the OBCA that the Filer is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

DATED this 30<sup>th</sup> day of April, 2002.

          AHoward I. Weston@            
A Commissioner

          ATheresa McLeod@            
A Commissioner