

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF THE PROVINCES OF SASKATCHEWAN, MANITOBA, NOVA SCOTIA,
NEWFOUNDLAND, NEW BRUNSWICK AND
PRINCE EDWARD ISLAND

AND

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

AND IN THE MATTER OF VOXCOM INCORPORATED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Saskatchewan, Manitoba, Nova Scotia, Newfoundland, New Brunswick and Prince Edward Island (the “Jurisdictions”) have received an application from VOXCOM Incorporated (“VOXCOM”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the requirements under the Legislation to be registered to trade in a security (the “Registration Requirement”) and to file and obtain a receipt for a preliminary prospectus and prospectus (the “Prospectus Requirement”) not apply to the issue from time to time by VOXCOM of common shares of VOXCOM (the “Common Shares”) to certain of its authorized dealers resident in the Jurisdictions (the “Authorized Dealers”);

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the Saskatchewan Securities Commission is the principal regulator for this application;

AND WHEREAS VOXCOM has represented to the Decision Makers that:

1. VOXCOM was incorporated under the laws of Canada on January 6, 1989;
2. The authorized share capital of VOXCOM consists of an unlimited number of Common Shares and 200,000 class “A” performance shares (the “Performance Shares”). There are currently 5,049,842 Common Shares and 200,000 Class “A” Performance Shares issued and outstanding;
3. The Common Shares are listed and posted for trading on the TSX Ventures Exchange (“TSX Ventures”);

4. VOXCOM is a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia but is not a reporting issuer in Saskatchewan, Manitoba, Newfoundland, New Brunswick and Prince Edward Island;
5. The principal business of VOXCOM is the sale, installation and service of security alarm systems and the operation of an emergency response centre that provides 24 hour alarm monitoring and response services;
6. An Authorized Dealer is a security system dealer who joins VOXCOM's dealer network and enters into an agreement with VOXCOM (the "Dealer Agreement"). The Dealer Agreement requires that the Authorized Dealer exclusively market the products and services of VOXCOM to security alarm system customers and commit full time and attention to the provision of dealer services;
7. As part of the remuneration for the services rendered, the Dealer Agreement provides for the issuance of Common Shares to the Authorized Dealer pursuant to formulas contained in the Dealer Agreement;
8. The Common Shares will be issued pursuant to the terms in the Dealer Agreement to the Authorized Dealers 13 months after the month in which a VOXCOM security alarm system, which is to be monitored and serviced by VOXCOM, was installed;
9. The Dealer Agreement can be terminated by either VOXCOM or the Authorized Dealer under various circumstances as outlined in the Dealer Agreement;
10. VOXCOM obtained from the Vancouver Stock Exchange, the predecessor of TSX Ventures, approval for the issuance of 100,000 Common Shares to the Authorized Dealers ("the TSX Ventures Order"). Since the granting of the TSX Ventures Order, VOXCOM has undergone a one for five share consolidation (the "Consolidation") and the TSX Ventures Order does not contemplate the impact of the Consolidation. In conjunction with this application to the Jurisdictions, VOXCOM has obtained approval from TSX Ventures for the further issuance of 150,000 Common Shares;
11. Prior to entering into a Dealer Agreement, VOXCOM will, unless the Authorized Dealer advises otherwise in writing, provide the Authorized Dealer with a copy of the latest audited financial statements and its latest quarterly report;
12. The Authorized Dealer will have knowledge of the business and affairs of VOXCOM which is akin to that of an employee of VOXCOM since, among other things, during the term of the Dealer Agreement, the Authorized Dealer has a revenue sharing relationship with VOXCOM and is provided with support services by VOXCOM to attract new security alarm customers;
13. Prior to entering into the Dealer Agreement, an Authorized Dealer will have an opportunity to ask and receive answers to questions regarding the business and affairs of VOXCOM and the Common Shares to be issued under the Dealer Agreement;

14. After a Dealer Agreement is entered into and until the Authorized Dealer becomes a holder of Common Shares, VOXCOM will, unless the Authorized Dealer otherwise advises in writing, send to the Authorized Dealer in accordance with applicable law all disclosure materials VOXCOM is required to send to its holders of Common Shares under the Legislation;
15. There are currently six Authorized Dealers in Saskatchewan, one Authorized Dealer in Manitoba, five Authorized Dealers in Nova Scotia, three Authorized Dealers in Newfoundland and one Authorized Dealer in New Brunswick; and
16. There are no available exemptions under which VOXCOM can rely upon to issue the Common Shares to the Authorized Dealer under the Dealer Agreement;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively the “Decision”);

AND WHEREAS each Decision Maker 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 Registration Requirement and the Prospectus Requirement shall not apply to the trades from time to time by VOXCOM of Common Shares to the Authorized Dealers pursuant to the Dealer Agreement provided that:

1. the first trade in Common Shares acquired pursuant to this Decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in subsections (3) or (4) of section 2.6 of Multilateral Instrument 45 –102 – *Resale of Securities* are satisfied; and
2. Prior to the issuance of the Common Shares, VOXCOM provides each Authorized Dealer with a copy of this Decision Document, together with a statement that as a consequence of the Authorized Dealer acquiring Common Shares under this Decision Document, certain protections, rights and remedies provided by the Legislation, including statutory rights of rescission or damages, will not be available to the Authorized Dealer.

DATED July 24, 2002.

“Barbara Shourounis”

Barbara Shourounis
Director