

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Application to be deemed to have ceased to be a reporting issuer.

Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c. S-4, section 153

IN THE MATTER OF THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, ONTARIO
AND QUÉBEC

AND

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

AND

AND IN THE MATTER OF DESTINATION RESORTS INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received an application from Destination Resorts Inc. ("DRI") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that DRI be deemed to have ceased to be a reporting issuer under the Legislation;
2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission (the "Commission") is the principal regulator for this application;
3. AND WHEREAS DRI has represented to the Decision Makers that:
 - 3.1 DRI was incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") on December 5, 1996;
 - 3.2 DRI's head office is located in Calgary, Alberta;
 - 3.3 DRI is a reporting issuer in the Jurisdictions and, other than non-compliance with National Policy Statement 31 – *Change of Auditor of a Reporting Issuer*, in connection with the change of auditors at its annual general and special meeting held on May 31, 2000, DRI is not in default of any of the requirements of the Legislation;
 - 3.4 DRI became a reporting issuer in Alberta on December 6, 1996 with the filing of a securities exchange take-over bid circular;

- 3.5 the authorized capital of DRI consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares, of which as of July 25, 2002, there were 53,176,203 Common Shares issued and outstanding together with options (the "Options") to acquire an aggregate of 3,410,416 Common Shares;
 - 3.6 on November 22, 2000, T.G.S. Properties Ltd., a corporation incorporated pursuant to the laws of the Province of Alberta, completed an insider bid and compulsory acquisition transaction and became the sole holder of the Common Shares;
 - 3.7 the Common Shares were delisted by The Toronto Stock Exchange ("TSX") at the close of business on November 30, 2000;
 - 3.8 DRI concluded two private placements on January 15, 2001, resulting in two additional registered holders of Common Shares resident in Alberta;
 - 3.9 as at the date hereof, the outstanding Common Shares held by three shareholders and the Options are held by one of the holders of Common Shares and three Option holders;
 - 3.10 the books of DRI indicate that the last known address of the holders of Common Shares and one Option holder is in Alberta and the other two Option holders is in British Columbia;
 - 3.11 in addition to the Common Shares and the Options, DRI also had outstanding \$10,414,000 principal amount 8% convertible redeemable debentures (the "Debentures"), which matured on June 30, 2002 and which were listed and posted for trading on the TSX;
 - 3.12 the Debentures were paid in full on maturity and delisted by the TSX at the close of business on June 28, 2002;
 - 3.13 DRI has no securities, including debt obligations, outstanding, other than the outstanding Common Shares and Options;
 - 3.14 all of the security holders of DRI resident in Alberta are aware that DRI has applied to cease to be a reporting issuer in the Jurisdictions and have indicated that they understand the nature of the application and have no objection it;
 - 3.15 no securities of DRI are listed or quoted on any exchange or market; and
 - 3.16 DRI does not intend to seek public financing by way of an offering of its securities;
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. 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;
6. THE DECISION of the Decision Makers under the Legislation is that DRI is deemed to have ceased to be a reporting issuer.

DATED this 16th day of August, 2002.

“original signed by”

Patricia M. Johnston
Director, Legal Services & Policy Development