

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer has only one security holder – issuer deemed to have ceased being 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, NOVA SCOTIA AND SASKATCHEWAN**

AND

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

AND

IN THE MATTER OF GLYKO BIOMEDICAL LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “**Decision Maker**”) in each of Ontario, Alberta, Nova Scotia and Saskatchewan (the “**Jurisdictions**”) has received an application from Glyko Biomedical Ltd. (“**Glyko**”) for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) deeming Glyko to have ceased to be a reporting issuer or the equivalent in each of the Jurisdictions;

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

AND WHEREAS Glyko has represented to the Decision Makers that:

1. Glyko, an indirect wholly-owned subsidiary of BioMarin Pharmaceutical Inc. (“**BioMarin**”), was incorporated pursuant to the *Canada Business Corporation Act* (the “**CBCA**”) on June 26, 1992, and continued under the *Company Act* (British Columbia) on August 20, 2002. The registered office of Glyko is 199 Bay Street, Toronto, Ontario, M5L 1A9.
2. Glyko does not have any operating activities or operational employees. The principal asset of Glyko is an equity position in BioMarin. As of August 21, 2002 (the “**Closing Date**”), Glyko held 11,367,617 shares of BioMarin common stock, representing approximately 21.3% of the outstanding shares of BioMarin common stock.
3. The shares of BioMarin common stock held by Glyko were issued by BioMarin to Glyko upon the inception and initial funding of BioMarin and upon subsequent funding and a subsequent technology license transfer from Glyko to BioMarin.

4. Glyko's authorized capital consists of an unlimited number of Glyko common shares. As of the Closing Date, 34,352,823 Glyko common shares were issued and outstanding.
5. Other than its common shares, Glyko has no other securities, including debt securities, outstanding.
6. Prior to completion of the indirect acquisition by BioMarin of all of the issued and outstanding securities of Glyko by way of plan of arrangement (the "**Arrangement**") under section 192 of the CBCA, Glyko's common shares were listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "GBL".
7. Other than on the TSX, the Glyko common shares are not listed or quoted on any other exchange or market.
8. Prior to completion of the Arrangement, Glyko was a reporting issuer or the equivalent in Ontario and each of the other Jurisdictions and, to the best of the knowledge of Glyko, Glyko is not in default of any of the requirements of the Legislation.
9. At a special meeting of the Glyko shareholders held on August 15, 2002, Glyko obtained the requisite shareholder approval for the Arrangement.
10. After obtaining the requisite approval for the Arrangement from the Glyko shareholders, all other required consents and regulatory approvals were obtained. In this respect, a final order of the Ontario Superior Court of Justice approving the Arrangement was granted on August 16, 2002.
11. On August 20, 2002, the Arrangement was effected by filing Articles of Arrangement with the Director under the CBCA. Pursuant to the Arrangement, each Glyko common share issued and outstanding immediately prior to the completion of the Arrangement was automatically exchanged for 0.3309 shares of BioMarin common stock. This exchange was effected on the Closing Date through the transfer of Glyko common shares to BioMarin Acquisition (Nova Scotia) Company ("**BioMarin Nova Scotia**") in exchange for the delivery by BioMarin Nova Scotia to the former holders of Glyko common shares of the appropriate number of shares of BioMarin common stock. Upon the completion of the Arrangement, the only remaining Glyko common shareholder is BioMarin Nova Scotia.
12. On August 22, 2002, the Glyko common shares were voluntarily de-listed from the TSX.

13. Glyko does not intend to seek public financing by way of an offering of its securities.

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 under the Legislation is that Glyko be deemed to have ceased to be a reporting issuer in each of the Jurisdictions pursuant to the applicable Legislation.

DATED November 19th , 2002.

“John Hughes”



Ontario Securities Commission	Ontario étage Securities ouest de l'Ontario	Commission des valeurs mobilières Toronto ON M5H 3S8	P.O. Box 55, 19 th Floor 20 Queen Street West Toronto ON M5H 3S8	CP 55, 19e 20, rue queen
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Memorandum

Date: November 12, 2002

To: John Hughes
Manager, Continuous Disclosure

From: Bryce Kraeker
Legal Counsel, Corporate Finance Branch

Subject: **Application filed by Glyko Biomedical Ltd. under section 83 of the Securities Act (Ontario), Application No. 943/02**

Application

This is an application on behalf of Glyko Biomedical Ltd. (Glyko) filed under the System in each of Alberta, Saskatchewan, Ontario and Nova Scotia (the Jurisdictions) for a decision, pursuant to the securities legislation of each of the Jurisdictions (the Legislation), that Glyko be deemed to have ceased to be a reporting issuer under the Legislation. Ontario is the principal regulator for the purposes of the application.

Recommendation

Staff recommends that the relief sought be granted in the form of the attached draft decision document (the Decision Document).

Facts

The relevant facts are as set out in the Decision Document. All capitalized terms have the same meaning as set out in the Decision Document unless otherwise defined in this memorandum.

Discussion and Analysis

Staff submit that it would not be prejudicial to the public interest to grant the relief requested on the following basis:

- § all of the issued and outstanding common shares of Glyko are owned by BioMarin Nova Scotia;
- § other than its common shares owned by BioMarin Nova Scotia, Glyko has no securities, including debt securities, outstanding;
- § no securities, including debt securities, of Glyko are listed or quoted on any market or exchange; and

- § Glyko does not intend to seek public financing by way of an offering of its securities.

As Glyko has only one security holder (who will have access to material information relating to Glyko without the need to rely upon the statutory disclosure requirements applicable to reporting issuers under the Legislation) and there is no longer a public market for the securities of Glyko (resulting in capital market participants no longer having any need to obtain continuous disclosure of material information relating to Glyko), staff recommends that the relief be granted on the basis that it would not be prejudicial to the public interest.

Comments from Other Jurisdictions

British Columbia

Staff requested that Glyko advise whether it had considered the provisions of British Columbia Instrument 11-502 regarding the Voluntary Surrender of Reporting Issuer Status and, if so, why it feels that relief is still required in British Columbia. Glyko advised that, upon review of BCI 11-501, it has determined that relief is not necessary in British Columbia.

Nova Scotia

Staff requested a representation regarding whether or not Glyko has any outstanding debt securities and information on whether such securities are held by residents of Nova Scotia. A representation has been added to the Decision Document indicating that Glyko has no outstanding debt securities.

Saskatchewan

Staff asked that all standard representations found in MRRS decision document precedents be added to the Decision Document. All appropriate representations were included in the final draft of the Decision Document.