

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – large U.S. company deemed to cease to be reporting issuers under the Act it became a reporting issuer as a result of a business combination with a Canadian reporting issuer carried out by way of a plan of arrangement. After completion of the arrangement Canadian share ownership was de minimus.

Applicable Alberta Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF ROXIO, INC.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in Alberta and Saskatchewan (the “Jurisdictions”) has received an application from Roxio, Inc. (“Roxio”) for a decision under the securities legislation (the “Legislation”) of the Jurisdictions that Roxio is 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 is the principal regulator for this application;
3. AND WHEREAS Roxio has represented to the Decision Makers that:
 - 3.1 Roxio is a corporation existing under the laws of the State of Delaware in the United States of America (the “U.S.”);
 - 3.2 Roxio’s head office is located in Milpitas, California, U.S.;
 - 3.3 the authorized capital of Roxio consists of 100,000,000 common shares (the “Roxio Common Shares”) and 10,000,000 shares of preferred stock of which as at January 31, 2002 there were 19,183,016 Roxio Common Shares, and no shares of preferred stock, outstanding;
 - 3.4 Roxio is subject to the U.S. *Securities and Exchange Act* of 1934, as amended;

- 3.5 the Roxio Common Shares are quoted on the Nasdaq National Market (“Nasdaq”) under the trading symbol “ROXIO”;
- 3.6 other than the Roxio Common Shares quoted on the Nasdaq, there are no securities of Roxio listed or quoted on any exchange or market;
- 3.7 MGI Software Corp. (“MGI”) was incorporated in 1995 under the laws of Ontario and, prior to May 28, 2002, was a reporting issuer in all provinces of Canada;
- 3.8 MGI’s authorized capital consisted of an unlimited number of common shares (the “Common Shares”) of which 43,634,47 MGI Common Shares were outstanding as of January 31, 2002;
- 3.9 on December 3, 2001 Roxio, and MGI (collectively, the “Parties”) entered into a combination agreement which provided for an arrangement and whereby the Parties agreed to complete the arrangement under section 182 of the *Business Corporations Act* (Ontario) (the “OBCA”);
- 3.10 on January 31, 2002, Roxio, through MGI-Roxio Holding Corp., (“MGI-Roxio”) its indirect wholly-owned subsidiary, completed a transaction involving a statutory plan of arrangement (the “Arrangement”) with respect to MGI under the OBCA;
- 3.11 a management information circular relating to the Arrangement was sent to the shareholders of MGI on or about January 2, 2002;
- 3.12 the Arrangement was approved by the shareholders of MGI on January 28, 2002, at a special meeting of the MGI shareholders;
- 3.13 under the Arrangement:
 - 3.13.1 each MGI Common Share, other than those held by Roxio and any of its subsidiaries, was exchanged for approximately 0.05269 of a Roxio Common Share;
 - 3.13.2 Roxio issued approximately 2,298,777 Roxio Common Shares to MGI-Roxio; and
 - 3.13.3 MGI-Roxio exchanged all of the Roxio Common Shares for MGI Common Shares;
- 3.14 as a result of the Arrangement:
 - 3.14.1 MGI became a subsidiary of MGI-Roxio;
 - 3.14.2 all holders of MGI Common Shares (other than Roxio and its subsidiaries) became holders of Roxio Common Shares; and
 - 3.14.3 Roxio became a reporting issuer in the Jurisdictions and Québec;

- 3.15 Roxio will remain a reporting issuer in Québec and will satisfy its reporting obligations in reliance on National Instrument 71-101 – *The Multijurisdictional Disclosure System*;
 - 3.16 Roxio is not in default of any of the requirements of the Legislation;
 - 3.17 Roxio is not a reporting issuer in British Columbia, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, or Newfoundland and Labrador;
 - 3.18 immediately before the completion of the Arrangement there were 19,183,016 Roxio Common Shares outstanding, of which approximately 16 (or 0.00008% of the then outstanding Roxio Common Shares) were held by two holders of record having addresses in Canada;
 - 3.19 Roxio will send concurrently to all holders of Roxio Common Shares resident in the Jurisdictions all disclosure material furnished to holders of Roxio Common Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation materials;
 - 3.20 as at February 7, 2002, after conducting a search through the transfer agent and Independent Investors Communications Corporation, Roxio believes there were approximately 15,630 holders of Roxio Common Shares in Canada, holding 1,053,064 Roxio Common Shares representing approximately 8.15 % of the total number of holder of Roxio Common Shares and representing approximately 5.5% of the total number of issued and outstanding Roxio Common Shares; and
 - 3.21 attached as Appendix “A” to this MRRS Decision Document is a chart showing holders of Roxio Common Shares whose last address as shown on the books of Roxio was in Canada;
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 pursuant to the Legislation is that Roxio is deemed to have ceased to be a reporting issuer under the Legislation.

DATED this 5th day of September, 2002.

“original signed by”

Patricia M. Johnston

Director, Legal Services & Policy Development

APPENDIX "A"

(Canada only)

Region	Shareholders	Shares
Labrador	0	0
Newfoundland	79	2,961
Nova Scotia	230	11361
New Brunswick	129	7106
Prince Edward Island	23	742
Quebec	2250	128118
Ontario	9711	743485
Manitoba	228	11077
Saskatchewan	145	6616
Alberta	908	56618
British Columbia	1902	84167
Yukon Territory	11	356
Northwest Territories	8	388
Nunavut	3	44
Unknown Canadian	1	25