

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer following an amalgamation.

**Applicable Alberta Statutory Provisions**

Securities Act, S.A., 1981, c.S-6.1, as amended, s. 125.

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, ONTARIO,  
QUÉBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF CARMA CORPORATION

**MRRS DECISION DOCUMENT**

1. WHEREAS the local securities regulatory authority or regulator (the **ADecision Maker@**) in each of Alberta, British Columbia, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland (the **AJurisdictions@**) has received an application from Carma Corporation (**ANew Carma@**) for a decision under the securities legislation of the Jurisdictions (the **ALegislation@**) that New Carma be deemed to have ceased to be a reporting issuer, or the equivalent, under the Legislation;
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the **ASystem@**), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS New Carma has represented to the Decision Makers that:
  - 3.1 New Carma was formed on September 20, 2000, by the amalgamation (and other related transactions) of Carma Corporation (**AOld Carma@**) and 891557 Alberta Ltd. (**A891557"**), a wholly owned subsidiary of Brookfield Properties Corporation (**ABrookfield@**), pursuant to an amalgamation agreement dated September 19, 2000 (the **AAmalgamation@**);

- 3.2 the Amalgamation was approved by the holders of Old Carma common shares on September 19, 2000;
  - 3.3 Old Carma became a reporting issuer in Alberta by obtaining a receipt for its prospectus on February 10, 1988;
  - 3.4 Old Carma is a reporting issuer, or the equivalent, in each of the Jurisdictions and, as of the date of the Amalgamation, was not in default of any requirements under the Legislation;
  - 3.5 New Carma became a reporting issuer, or the equivalent, in the Jurisdictions by virtue of the Amalgamation;
  - 3.6 New Carma is not in default of any of its obligations as a reporting issuer, or the equivalent, under the Legislation;
  - 3.7 the authorized capital of New Carma consists of an unlimited number of common shares (the ACommon Shares@), an unlimited number of Class A Redeemable Preferred Shares and an unlimited number of Class B Preferred Shares (AClass B Shares@);
  - 3.8 as of November 15, 2000, 187,048,500 Common Shares, 1,534,000 Class B Shares and no Class A Redeemable Preferred Shares were issued and outstanding;
  - 3.9 as a result of the Amalgamation, Brookfield and its wholly owned subsidiaries own all of the Common Shares and Class B Shares;
  - 3.10 there are no other securities, including debt securities, of New Carma currently issued and outstanding other than the Common Shares and Class B Shares except as provided in subparagraph 3.11 below;
  - 3.11 four Canadian financial institutions hold secured debt of New Carma;
  - 3.12 Old Carma's Common Shares were delisted from The Toronto Stock Exchange on October 6, 2000;
  - 3.13 there are no securities of Old Carma, 891557 or New Carma listed on any stock exchange or traded over the counter in Canada or elsewhere; and
  - 3.14 New Carma does not intend to seek public financing by way of an offering of securities;
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker ( collectively, the ADecision@);
  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 New Carma is deemed to have ceased to be a reporting issuer, or the equivalent, under the Legislation effective as of the date of this decision.

DATED at Calgary, Alberta this 29<sup>th</sup> day of November, 2000.

Aoriginal signed by@\_\_\_\_\_

Patricia M. Johnston

Director, Legal Services and Policy Development