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Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to have ceased to be a reporting issuer following a share redemption leaving only one security holder.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 1(1), 88

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

AND

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

AND

IN THE MATTER OF FLETCHER CHALLENGE FINANCE CANADA INC.

MRRS DECISION DOCUMENT

[para 1]

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Newfoundland, Nova Scotia, Ontario, Québec and Saskatchewan (the "Jurisdictions") has received an application from Fletcher Challenge Finance Canada Inc. ("Finance Canada") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Finance Canada be deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation;

[para 2]

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

[para 3]

AND WHEREAS Finance Canada has represented to the Decision Makers that:

1 Finance Canada was formed under the *Canada Business Corporation Act* (the "CBCA") on August 19, 1986 under the name Fletcher Challenge Finance Canada Inc., and is a reporting issuer in each of the Jurisdictions;

2 Finance Canada maintains its head office in Vancouver, British Columbia;

3 Finance Canada's authorized capital consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of preferred shares issuable in series (of which 5,200,000 8% Cumulative Redeemable Retractable Preferred Shares, Series A (the "Series A

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Shares") and 7,000,000 7 7/8% Cumulative Redeemable Retractable Preferred Shares, Series B (the "Series B Shares") are authorized and an unlimited number of Class 1 shares (the "Class 1 Shares"). As of November 10 there were 300 Common Shares issued and outstanding, and no Series A Shares, Series B Shares or Class 1 Shares issued and outstanding;

4 Finance Canada has been a reporting issuer in each of the Jurisdictions since September 8, 1986. All of its outstanding Series A Shares and Series B Shares were redeemed by November 30, 1993. On June 27, 1991, Finance Canada issued an aggregate of \$100,000,000 principal amount of Series A and Series B Debentures (the "Debentures") by way of private placement. The trust indenture governing the Debentures contained a covenant of Finance Canada to maintain its status as a reporting issuer so long as the Debentures remained outstanding. On July 4, 2000 the remaining outstanding Debentures were redeemed;

5 the Series A Shares and Series B Shares were delisted from The Toronto Stock Exchange and no securities of Finance Canada are listed or quoted on any exchange or market;

6 Finance Canada is not in default of any of its obligations as a reporting issuer under the Legislation with the exception of its obligation to file its annual audited financial statements for the year ended June 30, 2000; the debenture redemption was completed before the obligations of Finance Canada to file the financial statements arose;

7 2945797 Canada Inc. ("Numberco") is the sole beneficial owner of the issued and outstanding Common Shares and has been since July 7, 2000;

8 no securities are outstanding in the capital of Finance Canada, including debt securities, other than the Common Shares held by Numberco;

9 Finance Canada does not intend to seek public financing by way of an offering of its securities;

[para 4]

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

[para 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;

[para 6]

The Decision of the Decision Makers under the Legislation is that Finance Canada is deemed to have ceased to be a reporting issuer under the Legislation.

[para 7]

DATED December 15, 2000.

Brenda Leong
Director