

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
EACH OF THE PROVINCES AND TERRITORIES OF CANADA**

AND

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

AND

IN THE MATTER OF AT&T Corp.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces and Territories of Canada (collectively the "Jurisdictions") has received an application from AT&T Corp. ("AT&T") for a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to qualify a prospectus in respect of the distribution or primary distribution to the public of a security (together the "Registration and Prospectus Requirements") shall not apply to the trades related to the redemption of Wireless Group Shares (as defined below) and the Distribution (as defined below) to holders of AT&T Shares (as defined below), subject to certain conditions;

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

AND WHEREAS AT&T has represented to the Decision Makers that:

1. AT&T is a multi-national corporation that is incorporated pursuant to the laws of the State of New York in the United States of America. Its principal executive offices are located in New York, New York.
2. AT&T is a world leader in communications and provides voice, data and video communications to large and small businesses, consumers and government entities.
3. AT&T is not a reporting issuer or the equivalent under the Legislation and has no present intention of becoming a reporting issuer or the equivalent under the Legislation.
4. AT&T is authorized to issue 16.50 billion shares of capital stock, consisting of 100 million shares of AT&T preferred stock and 16.4 billion shares of common stock (the "Common Shares"), of which 6.0 billion are shares of AT&T common stock (the "AT&T Shares"), 4.0 billion are shares of Class A Liberty Media Group tracking stock (the "Class A Liberty Shares"),

400 million are shares of Class B Liberty Media Group tracking stock (the "Class B Liberty Shares") and 6.0 billion are shares of AT&T Wireless Group tracking stock (the "Wireless Group Shares").

5. The AT&T Shares are listed on the New York Stock Exchange ("NYSE") and on stock exchanges in London, Paris, Geneva and Brussels.

6. As of May 31, 2001, 3,450,364,628 AT&T Shares, 2,375,782,004 Class A Liberty Shares and 212,045,288 Class B Liberty Shares, and 801,489,403 Wireless Group Shares were issued and outstanding. On January 22, 2001 AT&T issued 812,511,788 shares of a new class of AT&T preferred stock ("Convertible Preference Shares") which are convertible into Wireless Group Shares.

7. All classes of the Common Shares are registered with the Securities and Exchange Commission (the "SEC") pursuant to the *Securities Exchange Act of 1934* of the United States (the "1934 Act").

8. AT&T files with the SEC its annual report on Form 10-K as well as other continuous disclosure materials required under United States' securities legislation.

9. As of May 18, 2001, as shown on the books of AT&T there were approximately 3,049 AT&T shareholders resident in Canada owning approximately 823,945 AT&T Common Shares, (or approximately .02% of the issued and outstanding AT&T Common Shares). Of these AT&T shareholders, approximately 1,606 were resident in Ontario, 413 resident in British Columbia, 72 are resident in Manitoba, 488 resident in Quebec, 192 resident in Alberta, 154 resident in Nova Scotia and fewer than 50 resident in each of the other Jurisdictions.

10. AT&T Wireless Group was formed in 2000 and is one of the largest wireless communications service providers in the United States. It is not a separate legal entity but is a defined set of businesses, assets and liabilities of AT&T and its subsidiaries, including AT&T Wireless Services, Inc. ("AT&T Wireless Services"). As of December 31, 2000, the assets included in AT&T Wireless Group as a whole represented approximately 14.6% of AT&T's total assets, and those assets generated approximately 15.8% of AT&T's total revenue for the year ended December 31, 2000.

11. The Wireless Group Shares are a class of Common Shares intended to reflect the financial performance and economic value of AT&T Wireless Group and are listed on the NYSE under the symbol "AWE".

12. In 1994, AT&T incorporated AT&T Wireless Services as a Delaware Corporation with its principal offices in Redmond, Washington.

13. AT&T Wireless Services is a wholly owned subsidiary of AT&T and has been a member of the AT&T Wireless Group since its formation. The businesses, assets and liabilities of AT&T Wireless Services constitute substantially all of the businesses, assets and liabilities of the AT&T Wireless Group.

14. AT&T Wireless Services is authorized to issue 1 billion shares of preferred stock and 10 billion shares of common stock.

15. AT&T Wireless Services is not a reporting issuer or the equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.

16. AT&T has announced plans to restructure itself into a number of separate companies or separately tracked business units which may involve a number of trades that will affect the Canadian holders of AT&T Shares and Wireless Group Shares (the "Canadian Shareholders").

17. AT&T currently intends, subject to certain conditions, to split-off the AT&T Wireless Group from AT&T (the "Split-Off").

18. In anticipation of the Split-Off, on May 25, 2001, AT&T completed an offer to exchange (the "Exchange Offer") AT&T Shares for Wireless Group Shares. The Exchange Offer and the Split-Off were described in an Offering Circular/Prospectus which was distributed to Canadian Shareholders prior to the Exchange Offer. AT&T has obtained relief from the Decision Makers in respect of the Exchange Offer.

19. Prior to the occurrence of the Split-Off which is anticipated to occur on July 9, 2001, AT&T will transfer to AT&T Wireless Services substantially all of the businesses, assets and liabilities of AT&T Wireless Group not already held by AT&T Wireless Services.

20. Immediately prior to the Split-Off, AT&T Wireless Services will have no shares of preferred stock and approximately 2,530,000,000 shares of common stock issued and outstanding, all of which will be owned by AT&T.

21. To complete the Split-Off:

(a) AT&T will redeem each Wireless Group Share outstanding on the Split-Off date for one share of AT&T Wireless Services common stock, together with an associated preferred stock purchase right (the "Redemption"); and

(b) AT&T will dividend to each holder of AT&T Shares on the distribution record date a fraction of a share of AT&T Wireless Services common stock and of an associated preferred stock purchase right for each AT&T Share held on the distribution record date (the "Distribution").

22. The Redemption will be effected in accordance with AT&T's redemption rights contained in AT&T's charter documents. The redemption feature attached to the Wireless Group Shares provides inter alia for a redemption of the tracking stock in exchange for the outstanding shares of common stock of a subsidiary of AT&T that holds all of the assets and liabilities of the AT&T Wireless Group at option of the AT&T board of directors.

23. AT&T, subject to certain conditions, intends to retain up to \$3 billion of shares of AT&T Wireless Services common stock for its own account for sale, exchange or monetization within six months of the Split-Off.

24. The Redemption and Distribution will be effected in compliance with applicable U.S. securities laws.

25. The AT&T Wireless Services common stock and associated preferred stock purchase rights have been registered with the SEC pursuant to Form S-1. AT&T Wireless Services files with the SEC its annual report on Form 10-K as well as other continuous disclosure materials required under United States' securities legislation.

26. The AT&T Wireless Services common stock to be distributed pursuant to the Distribution and Redemption has been approved for listing on the NYSE. It is expected that any resale of the AT&T Wireless Services common stock will be effected through the facilities of the NYSE.

27. As of June 22, 2001, residents of Canada of record hold less than 10 per cent of the shares of AT&T Shares, and of the Wireless Group Shares, that are presently issued and outstanding, and the number of Canadian residents of record holding AT&T Shares or Wireless Group Shares that are presently issued and outstanding is less than 10 per cent of the total number of holders of record of such AT&T Shares or Wireless Group Shares.

28. There is no market for the AT&T Wireless Services common stock in Canada and none is expected to develop.

29. Holders of the AT&T Wireless Services common stock resident in the Jurisdictions will receive the same continuous disclosure materials furnished to holders of the AT&T Wireless Services common stock resident in the United States.

30. An exemption from the Registration and Prospectus Requirements for the Redemption and Distribution is not available in the Jurisdictions because AT&T Wireless Services is not a reporting issuer or its equivalent within the meaning of the Legislation.

AND WHEREAS pursuant to 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 in each of the Jurisdictions under the Legislation of such Jurisdictions is that trades made in connection with the Redemption and Distribution shall be exempt from the Registration and Prospectus Requirements of the Legislation of such Jurisdictions, provided that the first trade in the AT&T Wireless Services common stock acquired pursuant to the Redemption and the Distribution shall be deemed to be a distribution or primary distribution to the public unless such trade is executed through the facilities of a stock

exchange outside of Canada in accordance with the rules of such exchange.

DATED July 6, 2001.

"Paul M. Moore"

"R. Stephen Paddon"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Split-Off Transaction- Parent distributing shares of its subsidiary in compliance with U.S. securities laws - Neither parent nor subsidiary is a reporting issuer in any Canadian jurisdiction - Issuer has over 50 shareholders in the Jurisdiction, holding fewer than 1% of outstanding shares.

Distribution of shares of subsidiary pursuant to Redemption and Distribution not subject to prospectus or dealer registration requirements ~ First trade deemed to be a distribution unless executed through the facilities of an exchange outside of Canada.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

Applicable Rule

Ontario Rule 72-501. Prospectus Exemption for First Trade Outside Ontario Market.