

January 15, 2010

Translation

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC, ONTARIO, MANITOBA,
SASKATCHEWAN, ALBERTA,
BRITISH COLUMBIA, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND AND
NEWFOUNDLAND AND LABRADOR
(the "Jurisdictions")**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
MECACHROME INTERNATIONAL INC.
(the "Filer")**

DECISION

Background

The securities regulatory authority or regulator of the Jurisdictions (the "Decision Maker") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer is not a reporting issuer in the Jurisdictions (the "Exemptive Relief Sought").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Autorité des marchés financiers is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation organized under the *Canada Business Corporations Act* (the "CBCA") with its head office in Montré, Quéc.
2. The Filer is a reporting issuer in the Jurisdictions.
3. On December 12, 2008, the Filer obtained an order of protection from the Quéc Superior Court (the "Court") granting *inter alia* a stay of proceedings by its creditors pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). The stay of proceedings has been extended from time to time by the Court and will currently expire on January 18, 2010.
4. On August 26, 2009, the Filer's creditors approved its proposed plan of reorganization and compromise dated August 4, 2009 (the "Plan").
5. On September 1, 2009, the Filer obtained an order from the Court sanctioning the Plan pursuant to the CCAA and Section 191 of the CBCA.
6. On December 16, 2009, pursuant to the Plan, the Filer filed an amended and restated plan (the "Amended Plan").
7. Immediately prior to the effective date of the Amended Plan the authorized share capital of the Filer consisted of an unlimited number of multiple voting shares (the "Multiple Voting Shares"), an unlimited number of subordinate voting shares (the "Subordinate Voting Shares") and an unlimited number of preferred shares issuable in series.
8. Immediately prior to the effective date of the Amended Plan the Filer had 7,509,532 Multiple Voting Shares, 16,264,972 Subordinate Voting Shares and no preferred shares were issued and outstanding.
9. Immediately prior to the effective date of the Amended Plan the Filer had 200 million aggregate principal amount of unsecured Senior Subordinated Notes bearing interest at the annual rate of 9%, due in 2014 that were issued and outstanding (the "Notes").
10. On December 17, 2009, the Amended Plan became effective.
11. As provided in the Amended Plan, the following actions occurred, amongst others:
 - a) the amendment of the share capital of the Filer to create the following new classes of shares:
 - (i) a class of redeemable non-voting preferred shares (the "Preferred Shares");
 - (ii) a class of voting common shares (the "Common Shares");
 - (iii) a class of multiple voting redeemable

common shares (the "MVRCS"); and (iv) a class of subordinate voting redeemable common shares (the "SVRCS");

b) the Multiple Voting Shares were exchanged for MVRCS;

c) the Subordinate Voting Shares were exchanged for SVRCS;

d) in consideration of a subscription amount of approximately 43,595,095 paid by Mecadev S.A.S. to the Filer, Macadev S.A.S. was issued 43,594,995 Preferred Shares and 100 Common Shares of the Filer;

e) the MVRCS and the SVRCS were redeemed by the Filer and cancelled;

f) the amendment of the share capital of the Filer to amend and cancel the Multiple Voting Shares and the Subordinate Voting Shares; and

g) the Notes were cancelled in accordance with the Amended Plan.

12. As a result, as at the effective date of the Amended Plan, Mecadev S.A.S. became the sole security holder of the Filer.

13. The Filer contravened its obligations under the Legislation as a reporting issuer, due to the fact that it did not file:

a) its annual financial statements, annual management's discussion and analysis and annual information form for the year ended December 31, 2008, as required pursuant to sections 4.1, 4.2, 5.1, 6.1 and 6.2 of *Regulation 51-102 respecting Continuous Disclosure Obligations* (the "Regulation 51-102");

b) its annual certificates for the year ended December 31, 2008, as required pursuant to Part 4 of *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* (the "Regulation 52-109");

c) its interim financial statements and interim management's discussion and analysis for the interim periods ended March 31, 2009, June 30, 2009 and September 30, 2009, as required pursuant to sections 4.3, 4.4 and 5.1 of Regulation 51-102; and

d) its interim certificates for the interim periods ended March 31, 2009, June 30, 2009 and September 30, 2009, as required pursuant to Part 5 of Regulation 52-109.

14. The Filer did not surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the "BC Instrument") in order to avoid the 10-day waiting period under the BC Instrument.

15. As a result of representations 13 and 14, the Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* in order to apply for the Exemptive Relief Sought.

16. The Filer's has regularly filed its bi-weekly default status reports as required pursuant to Section 4.4 of *Policy Statement 12-203 respecting Cease Trade Orders for Continuous Disclosure Defaults*.

17. The securities of the Filer are not the object of a cease trade order in any of the Jurisdictions.

18. The Filer's Subordinate Voting Shares were delisted from the Toronto Stock Exchange as at the close of business on January 23, 2009.

19. The Notes of the Filer were delisted from the Luxembourg Stock Exchange as at the close of business on December 18, 2009.

20. The Filer has no shares or other securities listed on any stock exchange or marketplace as defined in *Regulation 21-101 respecting Marketplace Operation*.

21. The Filer has no current intention of distributing its securities in any jurisdiction in Canada through a public or private offering.

22. The outstanding securities of the Filer, including debt securities, are beneficially owned directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 securities holders in total in Canada.

23. The Filer has applied for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

"Alida Gualtieri"

Manager, Continuous Disclosure

Autorité des marchés financiers