

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, MANITOBA, Qu顛c,
NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND
LABRADOR, AND PRINCE EDWARD ISLAND

AND

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

AND

IN THE MATTER OF REGIS CORPORATION

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Saskatchewan, Manitoba, Qu顛c, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the "Jurisdictions") has received an application from Regis Corporation ("Regis") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security (the "Registration Requirement") shall not apply to trades in securities of Regis obtained under an employee incentive plan;

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 Regis has represented to the Decision Makers that:

3.1 Regis is a corporation incorporated under the laws of, and has its head office located in, the State of Minnesota, the United States of America (the "U.S.");

3.2 Regis is not a reporting issuer, or the equivalent, in any of the Jurisdictions and has no intention of becoming a reporting issuer, or the equivalent, in any of the Jurisdictions;

3.3 Regis is not in default of any of the requirements of the Legislation;

3.4 Regis is subject to the reporting requirements of the *Securities Exchange Act of 1934* of the U.S.;

3.5 the authorized share capital of Regis consists of 100,250,000 shares of capital stock consisting of 100,000,000 shares of common stock, par value US\$0.05 (the

"Common Shares") and 250,000 shares of preferred stock, of which 41,737,147 Common Shares and no shares of preferred stock were issued and outstanding as at September 14, 2001;

3.6 the Common Shares are quoted on the Nasdaq National Market tier of The Nasdaq Stock Market ("Nasdaq-NM") under the symbol "RGIS." There is no present or anticipated future market in Canada for the Common Shares;

3.7 persons whose last address as shown on Regis' books was in Canada and who hold Common Shares do not hold more than 10% of the outstanding Common Shares nor do they represent in number more than 10% of the total number of holders of Common Shares;

3.8 a majority of Regis' directors and a majority of its senior officers reside outside of Canada;

3.9 on July 29, 1991, Regis' Board of Directors approved Regis' Contributory Stock Purchase Plan (the "Plan");

3.10 the Plan commenced on January 1, 1992 and is a defined contribution plan designed to enable full and part-time employees of Regis and its subsidiaries (the "Participants") to purchase Common Shares through an agent at prevailing market prices with funds contributed 85% by the Participant and 15% by Regis;

3.11 currently, a total of 2,050,000 Common Shares may be acquired under the Plan on behalf of the Participants including Participants resident in the Jurisdictions (the "Canadian Participants");

3.12 on October 1, 2001 there were approximately 96 eligible Canadian Participants;

3.13 the distribution of Canadian Participants within Canada is as follows:

<u>Province</u>	<u>Number of Employees</u>
British Columbia	7
Alberta	16
Saskatchewan	9
Manitoba	5
Ontario	51
Quebec	1
New Brunswick	4

Nova Scotia	3
Prince Edward Island	Nil
Newfoundland	Nil

3.14 the Plan is administered by an administrative committee of not less than three members selected from Regis' Board of Directors (the "Committee");

3.15 the Committee has appointed an administrator to assist in the operation of the Plan (the "Administrator");

3.16 US Bancorp Piper Jaffray Inc. currently acts as the Administrator;

3.17 the Administrator is a corporation registered to trade in securities under the applicable U.S. securities legislation as a broker-dealer, but is not registered to trade in securities under the Legislation;

3.18 an eligible Participant may contribute to the Plan, through payroll deductions to the Administrator, via a fixed dollar contribution with a minimum contribution of US\$10 per month or via a percentage of compensation contribution to a maximum amount not to exceed ten percent of the Participant's total annual compensation;

3.19 Regis pays all Plan-related expenses including commissions and fees related to the acquisition of the Common Shares;

3.20 Employees are immediately fully vested in their own contributions and in Regis' fifteen percent contribution upon the purchase of Common Shares on their behalf;

3.21 the amount, price and timing of all purchases are in the sole discretion of the Administrator;

3.22 the Administrator maintains a separate account for each Participant, and the Administrator allocates to each account the number of full and fractional shares of the Common Shares purchased with contributions and other proceeds credited to such account;

3.23 to the extent that dividends are paid on any Common Shares, the proceeds of such dividends will be automatically transferred to the Participants' account and, so far as practicable, used to purchase additional Common Shares on behalf of the Participants;"

3.24 the Plan provides that upon withdrawal from the Plan, each Participant will receive the Common Shares held on the Participants' behalf by the Administrator and cash for any fractional shares held;

3.25 on termination of employment, the Administrator will deliver the Participants' Common Shares and any cash in the Participants' account to the Participant, or, in the case of death, to the persons entitled thereto;

3.26 participation in the Plan is voluntary and the Participants will not be induced to participate in the Plan, or to acquire Common Shares under the Plan, by expectation of employment or continued employment;

3.27 the Common Shares acquired by the Participants under the Plan is in addition to and not in lieu of consideration payable to Participants for their services;

3.28 the Common Shares offered under the Plan have been registered with the U.S. Securities and Exchange Commission (the "SEC") under the U.S. Securities Act of 1933;

3.29 Canadian Participants who acquire Common Shares under the Plan will be provided with a copy of a prospectus prepared pursuant to SEC requirements and describing the Plan, this MRRS Decision Document and all continuous disclosure material relating to Regis which is provided to holders of Common Shares resident in the United States;

3.30 all sales of Common Shares made on behalf of Canadian Participants under the Plan will be made through the facilities of a stock exchange outside Canada, or on the Nasdaq-NM, in accordance with the rules of such exchange or market and through an agent registered to trade in securities in the jurisdiction where the exchange or market is located;

3.31 no exemptions from the Registration Requirement exist under the Legislation to allow the Canadian Participants to sell the Common Shares acquired under the Plan;

"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. AND WHEREAS the Decision of the Decision Makers under the Legislation is that the trades (the "Trades") in Common Shares acquired under the Plan by the Canadian Participants shall not be subject to the Registration Requirement provided that:

"6.1 at the time of the Trades the total number of Common Shares held by the Canadian Participants in any one of the Jurisdictions is not more than 10% of the outstanding Common Shares and the number of Canadian Participants in any one

of the Jurisdictions does not represent in number more than 10% of the total number of holders of Common Shares; and

"6.2 all sales of Common Shares made on behalf of Canadian Participants under the Plan are made through the facilities of an exchange or market outside Canada in accordance with the rules of such exchange or market and all applicable laws and through an agent registered to trade in securities in the jurisdiction where the exchange or market is located.

DATED this 11th day of December, 2001.

Glenda A. Campbell, Vice-Chair James A.
Millard, Q.C., Member

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief under subsection 116(1) of the Act from the registration requirement under section 54 of the Act to allow for trades of securities acquired under an employee incentive plan through a foreign agent and foreign exchange or market.

Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended - ss. 54 and 116(1)