

# Press Release: **COMMERCE** *Split*

TSX SYMBOLS: XCM, XCM.PR.A

## COMMERCE SPLIT CORP.

### Announces Effective Date of Capital Reorganization

**TORONTO, ONTARIO – March 25, 2010** / Marketwire: Commerce Split Corp. (the “Company”) today announced that the reorganization previously approved by shareholders (the “Reorganization”) will be effective on March 26, 2010.

On the effective reorganization date, the Company’s assets will be divided pro rata into two separate investment portfolios to be known as the “Original Commerce Split Fund” and the “New Commerce Split Fund” in accordance with the reorganization plan contained in the Management Information Circular dated December 23, 2009 (the “Circular”).

At the opening of trading on March 26, 2010:

Holders of Priority Equity Shares (Symbol: **XCM.PR.A**) that did not elect to remain in the Original Commerce Split Fund will have each of the Priority Equity Shares that they hold converted into the following new securities in the New Commerce Split Fund:

1. One \$5.00 Class I Preferred Share (Symbol: **YCM.PR.A**) (the “Class I Preferred Share”);
2. One \$5.00 Class II Preferred Share (Symbol: **YCM.PR.B**) (the “Class II Preferred Share”);
3. One half 2011 Warrant (Symbol: **YCM.WT**); and
4. One 2012 Warrant (Symbol: **YCM.WT.A**).

Holders of Priority Equity Shares (Symbol: **XCM.PR.A**) that did elect to remain in the Original Commerce Split Fund will have each of the Priority Equity Shares that they hold converted into the following new security in the Original Commerce Split Fund:

1. One Priority Equity Share 2010 (Symbol: **YCM.PR.X**).

Holders of Class A Shares (Symbol: **XCM**) that did not elect to remain in the Original Commerce Split Fund will have each of the Class A Shares that they hold converted into the following securities (in order to achieve the required balancing objectives as previously discussed in the March 10, 2010 press release):

1. 0.7167721 of a Capital Share in the New Commerce Split Fund (Symbol: **YCM**); and
2. 0.283228 of a Class A Share 2010 in the Original Commerce Split Fund (Symbol: **YCM.X**)

Holders of existing Class A Shares (Symbol: **XCM**) who elected to remain in the Original Commerce Split Fund will have each of the Class A Shares that they hold converted into the following security in the Original Commerce Split Fund:

1. One Class A Share 2010 (Symbol: **YCM.X**)

#### **New Commerce Split Fund**

The following is a summary of some of the principal provisions of the Class I Preferred Shares, Class II Preferred Shares, 2011 Warrants, 2012 Warrants and Capital Shares of the New Commerce Split Fund:

##### Class I Preferred Shares

Each Class I Preferred Share (Symbol: **YCM.PR.A**) pays fixed cumulative preferential monthly dividends to yield 7.50% per annum on the \$5.00 notional issue price and has a repayment objective on December 1, 2014 or such other date as the Company may be terminated (the “Termination Date”) of \$5.00. The dividend payable in respect of the month of March 2010 will be accrued and is expected to be paid with the April 2010 dividend, payable May 10, 2010 to shareholders of record on April 30, 2010.

### Class II Preferred Shares

Each Class II Preferred Share (Symbol: **YCM.PR.B**) pays distributions to yield 7.50% per annum on the \$5.00 notional issue price if and when the net asset value per Unit exceeds \$12.50 and has a repayment objective on the Termination Date of \$5.00. Each "Unit" consists of one Class I Preferred Share, one Class II Preferred Share and one Capital Share. As the net asset value per Unit is currently less than \$12.50, no dividends will initially be paid on the Class II Preferred Shares.

### 2011 Warrant

Each whole 2011 Warrant (Symbol: **YCM.WT**) can be exercised to purchase one Unit for an exercise price of \$10.00 per Unit at specified times until February 28, 2011.

### 2012 Warrant

Each 2012 Warrant (Symbol: **YCM.WT.A**) can be exercised to purchase one Unit for an exercise price of \$12.50 per Unit at specified times until February 28, 2012.

### Capital Shares

Capital Shares (Symbol: **YCM**) will continue to participate in any net asset value growth over \$10.00 per Unit and dividends would be reinstated only if and when the net asset value per Unit exceeds \$15.00. The dividend rate on the Capital Shares will be set by the Board of Directors of the Company at its discretion, based on market conditions. No dividend payments will be made on the Capital Shares unless all dividends on the Class I Preferred Shares and, if applicable, Class II Preferred Shares have been declared and paid.

For additional information regarding the provisions attached to the Class I Preferred Shares, Class II Preferred Shares, 2011 Warrants, 2012 Warrants and Capital Shares, reference should be made to the Circular.

### **Original Commerce Split Fund**

The following is a summary of some of the principal provisions of the Priority Equity Shares 2010 and Class A Shares 2010 of the Original Commerce Split Fund. In general, these two classes of shares will retain the same characteristics as the existing Priority Equity and Class A Shares.

### Priority Equity Shares 2010

Priority Equity Shares 2010 (Symbol **YCM.PR.X**) will continue to have the repayment target of \$10 per share on December 1, 2014 as the primary investment objective. The Fund will continue to implement the Priority Equity Portfolio Protection Plan described in the original prospectus. Dividends are anticipated to remain suspended for the foreseeable future in order to preserve cash and to assist in rebuilding the net asset value of the Original Commerce Split Fund. Since the dividends on the Priority Equity Shares are cumulative, the suspended dividends (and all subsequent dividends not paid) will be accrued and are recorded as a liability in determining the net asset value of the Original Commerce Split Fund.

### Class A Shares 2010

Class A Shares 2010 (Symbol: **YCM.X**) will continue to participate in any net asset value growth over \$10.00 per Unit and dividends would be reinstated only if and when the net asset value per Unit exceeds \$12.50. Each "Unit" consists of one Priority Equity Share 2010 and one Class A Share 2010.

The Company will provide the opening net asset value per Unit for both the Original Commerce Split Fund and the New Commerce Split Fund on the effective date of the Reorganization.

Additional information regarding the Reorganization is contained in the Circular, available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website.

For further information please contact Investor Relations at 416-304-4443, toll free at 1-877-4-Quadra (1-877-478-2372), or visit [www.CommerceSplit.com](http://www.CommerceSplit.com).