

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")**

- and -

**IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
HOLLINGER INC.**

**(BEING THE INDIVIDUALS AND ENTITIES LISTED
IN SCHEDULE "A" HERETO)**

**STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

1. Hollinger Inc. ("Hollinger") is amalgamated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.
2. Each of the individuals and entities listed in Schedule "A" (individually, a "Respondent" and collectively, the "Respondents") is, or was, at some time since the end of the period covered by the last financial statements filed by Hollinger, namely September 30, 2003, a director, officer or insider of Hollinger and during that time had, or may have had, access to material information with respect to Hollinger that has not been generally disclosed.
3. On April 30, 2004, Hollinger issued and filed on SEDAR a press release disclosing that it will be delayed in filing its annual financial statements (and annual Management's Discussion & Analysis related thereto) and its Annual Information Form for the year ended December 31, 2003 by the required filing date under Ontario securities law, namely May 19, 2004, and its interim statements (and interim Management's Discussion & Analysis related thereto) for the first quarter ended March 31, 2004 by the required filing date under Ontario securities law, namely May 15, 2004.
4. Hollinger has failed to file its interim statements (and interim Management's Discussion & Analysis related thereto) for the three-month period ended March 31, 2004 as required to be filed under Ontario securities law on or before May 15, 2004.
5. Hollinger International Inc. ("HLR") is the principal subsidiary of Hollinger. HLR is incorporated under the laws of Delaware and is a reporting issuer in the Province of Ontario. HLR is currently engaged in a strategic process as described in the material change report filed by HLR on November 27, 2003 (the "Strategic Process"). The Strategic Process has been commenced by the board of directors of HLR and is being conducted through HLR's financial advisor, Lazard Frères & Co. LLC, to pursue a range of alternative strategic transactions for HLR. The Strategic Process may involve the sale or reorganization of all or a part of HLR's business and other possible transactions by means that may include asset sales, share sales or a merger, amalgamation, arrangement, business combination or other reorganization.

6. On April 5, 2004, Hollinger filed a material change report disclosing that it had entered into an agency agreement in respect of a proposed offering and sale of up to 20,096,919 subscription receipts (the "Subscription Receipts") of Hollinger at a price of CDN\$10.50 per Subscription Receipt for gross proceeds of CDN\$211 million (the "Subscription Receipt Offering"). On April 7, 2004, Hollinger issued and filed a press release and material change report announcing the closing of the offering of Subscription Receipts. As described in the above-mentioned material change reports, the gross proceeds from the sale of the Subscription Receipts will be held in escrow for a certain period following the closing of the Subscription Receipt Offering, pending the satisfaction of certain escrow conditions. The satisfaction of certain of these escrow conditions may constitute or involve trades in securities of Hollinger and/or HLR.
7. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Hollinger, except as described below, until such time as all disclosure required by Ontario securities law has been made by Hollinger.
8. It is therefore in the public interest that an order be issued that all trading, whether direct or indirect, by the Respondents in the securities of Hollinger, with the exception of
 - a. any trade in securities of Hollinger contemplated by, or in connection with, the Subscription Receipt Offering (including without limitation any redemptions or retractions of any securities of Hollinger other than pursuant to a retraction request initiated by a Respondent); and
 - b. any trade in securities of Hollinger contemplated by or in connection with any transaction directly or indirectly resulting or arising from the Strategic Process;

shall cease until two full business days following the receipt by the Commission of all filings Hollinger is required to make pursuant to Ontario securities law.

DATED at Toronto, this 18th day of May, 2004.

Schedule "A"

509645 N.B. Inc.
509646 N.B. Inc.
1269940 Ontario Limited
2753421 Canada Limited
Amiel Black, Barbara
Argus Corporation Limited
Atkinson, Peter Y.
Bassett, Douglas G.
Black, Conrad M. (Lord)
Boulton, J. A.
Burt, The Hon. Richard
Carroll, Paul A.
Colson, Daniel W.
Conrad Black Capital Corporation
Cowan, Charles G.
Creasey, Frederick A.
Cruickshank, John
Deedes, Jeremy
Dimma, William A.
Dodd, David
Duckworth, Claire F.
Eaton, Fredrik S.
Gotlieb, Allan E.
Healy, Paul B.
Kipnis, Mark
Kissinger, The Hon. Henry A.
Lane, Peter K.
Loye, Linda
Maida, Joan
McCarthy, Helen
Meitar, Shmuel
O'Donnell-Kennan, Niamh
Paris, Gordon
Perle, The Hon. Richard N.

Radler, F. David
The Ravelston Corporation Limited
Rohmer, Richard, OC, QC
Ross, Sherrie L.
Sabia, Maureen J.
Samila, Tatiana
Savage, Graham
Seitz, The Hon. Raymond G.H.
Smith, Robert T.
Stevenson, Mark
Thompson, The Hon. James R.
Van Horn, James R.
Walker, Gordon W.
White, Peter G.