

FORM D



1094989

02063801

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM D

NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION



OMB Approval

OMB Number: 3235-0076
Expires: May 31, 2005
Estimated average burden hours
per response ... 1

SEC USE ONLY

Prefix Serial

DATE RECEIVED

Name of Offering (If check if this is an amendment and name has changed, and indicate change.)

Convertible Subordinate Callable Secured Debentures

Filing Under (Check box(es) that apply): Rule 504 Rule 505 Rule 506 Section 4(6) ULOE

Type of Filing: New Filing Amendment

PROCESSED

NOV 04 2002

THOMSON FINANCIAL

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer (If check if this is an amendment and name has changed, and indicate change.)

Wolf Group Integrated Communications Ltd.

Address of Executive Offices (Number and Street, City, State, Zip Code)

5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Telephone Number (Including Area Code)

(416) 967-1700

Address of Principal Business Operations (Number and Street, City, State, Zip Code) (if different from Executive Offices) N/A

Telephone Number (Including Area Code)

Brief Description of Business

Full-service marketing communications agency that develops and implements integrated communications campaigns for national and regional clients in Canada and the United States.

Type of Business Organization

corporation limited partnership, already formed other (please specify):
 business trust limited partnership, to be formed

Actual or Estimated Date of Incorporation or Organization: Month 0 3 Year 9 7 Actual Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State; CN for Canada; FN for other foreign jurisdiction) CN

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1972 (2-99)

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Lawrence Wolf Inc.

Business or Residence Address (Number and Street, City, State, Zip Code)
5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Wolf Family Holdings Ltd.

Business or Residence Address (Number and Street, City, State, Zip Code)
5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Mickelbery Communications Incorporated

Business or Residence Address (Number and Street, City, State, Zip Code)
405 Park Avenue, Suite 1003, New York, New York 10022

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Wolf, Mary

Business or Residence Address (Number and Street, City, State, Zip Code)
5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Wolf, Lawrence

Business or Residence Address (Number and Street, City, State, Zip Code)
5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Kelly, Paul

Business or Residence Address (Number and Street, City, State, Zip Code)
5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Garville, Greg

Business or Residence Address (Number and Street, City, State, Zip Code)
405 Park Avenue, Suite 1003, New York, New York 10022

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

A. BASIC IDENTIFICATION DATA (Continued)

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Lippes, Gerald

Business or Residence Address (Number and Street, City, State, Zip Code)
77 Middlesex Road, Buffalo, New York 14216

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)
Jankelow, Ray

Business or Residence Address (Number and Street, City, State, Zip Code)
5 Hazelton Avenue, 2nd Floor, Toronto, Ontario, Canada M5R 2E1

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

A. BASIC IDENTIFICATION DATA (Continued)

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

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Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold or does the issuer intend to sell, to non-accredited investors in this offering? Yes No

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual? \$ Not Applicable

3. Does the offering permit joint ownership of a single unit? Yes No

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check Individual States) All States

| | | | | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| [AL] | [AK] | [AZ] | [AR] | [CA] | [CO] | [CT] | [DE] | [DC] | [FL] | [GA] | [HI] | [ID] |
| [IL] | [IN] | [IA] | [KS] | [KY] | [LA] | [ME] | [MD] | [MA] | [MI] | [MN] | [MS] | [MO] |
| [MT] | [NE] | [NV] | [NH] | [NJ] | [NM] | [NY] | [NC] | [ND] | [OH] | [OK] | [OR] | [PA] |
| [RI] | [SC] | [SD] | [TN] | [TX] | [UT] | [VT] | [VA] | [WA] | [WV] | [WI] | [WY] | [PR] |

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check Individual States) All States

| | | | | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| [AL] | [AK] | [AZ] | [AR] | [CA] | [CO] | [CT] | [DE] | [DC] | [FL] | [GA] | [HI] | [ID] |
| [IL] | [IN] | [IA] | [KS] | [KY] | [LA] | [ME] | [MD] | [MA] | [MI] | [MN] | [MS] | [MO] |
| [MT] | [NE] | [NV] | [NH] | [NJ] | [NM] | [NY] | [NC] | [ND] | [OH] | [OK] | [OR] | [PA] |
| [RI] | [SC] | [SD] | [TN] | [TX] | [UT] | [VT] | [VA] | [WA] | [WV] | [WI] | [WY] | [PR] |

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check Individual States) All States

| | | | | | | | | | | | | |
|------|------|------|------|------|------|------|------|------|------|------|------|------|
| [AL] | [AK] | [AZ] | [AR] | [CA] | [CO] | [CT] | [DE] | [DC] | [FL] | [GA] | [HI] | [ID] |
| [IL] | [IN] | [IA] | [KS] | [KY] | [LA] | [ME] | [MD] | [MA] | [MI] | [MN] | [MS] | [MO] |
| [MT] | [NE] | [NV] | [NH] | [NJ] | [NM] | [NY] | [NC] | [ND] | [OH] | [OK] | [OR] | [PA] |
| [RI] | [SC] | [SD] | [TN] | [TX] | [UT] | [VT] | [VA] | [WA] | [WV] | [WI] | [WY] | [PR] |

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero". If the transaction is an exchange offering, check this box and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

| Type of Security | Aggregate Offering Price* | Amount Already Sold* |
|---|--|----------------------|
| Debt | \$ 0 | \$ 0 |
| Equity | \$ 0 | \$ 0 |
| | <input type="checkbox"/> Common <input type="checkbox"/> Preferred | |
| Convertible Securities (including warrants) | \$5,000,000 | \$ 0 |
| Partnership Interests | \$ 0 | \$ 0 |
| Other (Specify _____) | \$ 0 | \$ 0 |
| Total | \$5,000,000 | \$ 0 |

Answer also in Appendix, Column 3, if filing under ULOE

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

| | Number Investors | Aggregate Dollar Amount of Purchases* |
|---|------------------|---------------------------------------|
| Accredited Investors | 0 | \$0 |
| Non-accredited Investors | 0 | \$0 |
| Total (for filings under Rule 504 only) | 0 | \$ |

Answer also in Appendix, Column 4, if filing under ULOE

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

| Type of offering | Type of Security | Dollar Amount Sold |
|--------------------|------------------|--------------------|
| Rule 505 | _____ | \$ _____ |
| Regulation A | _____ | \$ _____ |
| Rule 504 | _____ | \$ _____ |
| Total | _____ | \$ _____ |

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

| | | |
|--|-------------------------------------|-----------|
| Transfer Agent's Fees | <input type="checkbox"/> | \$ _____ |
| Printing and Engraving Costs | <input type="checkbox"/> | \$ _____ |
| Legal Fees | <input checked="" type="checkbox"/> | \$50,000* |
| Accounting Fees | <input type="checkbox"/> | \$ _____ |
| Engineering Fees | <input type="checkbox"/> | \$ _____ |
| Sales Commissions (Specify finder's fees separately) | <input type="checkbox"/> | \$ _____ |
| Other Expenses (identify) | <input type="checkbox"/> | \$ _____ |
| Total | | \$50,000* |

* All Dollar amounts are in Canadian dollars.

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

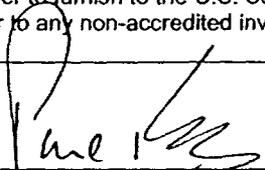
b. Enter the difference between the aggregate offering price given in response to Part C-Question 1 and total expenses furnished in response to Part C-Question 4.a. This difference is the "adjusted gross proceeds to the issuer."..... \$4,950,000*

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C-Question 4.b. above.

| | <input type="checkbox"/> | Payment to Officers, Directors, & Affiliates | <input type="checkbox"/> | Payments To Others* |
|---|--------------------------|---|-------------------------------------|------------------------|
| Salaries and fees..... | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| Purchase of real estate | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| Purchase, rental or leasing and installation of machinery and equipment..... | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| Construction or leasing of plant buildings and facilities | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)..... | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| Repayment of indebtedness..... | <input type="checkbox"/> | \$ _____ | <input checked="" type="checkbox"/> | \$ <u>3,025,000</u> |
| Working capital..... | <input type="checkbox"/> | \$ _____ | <input checked="" type="checkbox"/> | \$ <u>1,925,000</u> |
| Other (specify)..... | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ _____ |
| Column Totals | <input type="checkbox"/> | \$ _____ | <input type="checkbox"/> | \$ <u>4,950,000</u> |
| Total Payments Listed (column totals added)..... | | | <input checked="" type="checkbox"/> | \$ <u>4,950,000</u> |

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b) (2) of Rule 502.

| | | |
|---|---|----------------------------|
| Issuer (Print or Type) | Signature | Date |
| Wolf Group Integrated Communications Ltd. |  | September <u>17</u> , 2002 |
| Name of Signer (Print or Type) | Title of Signer (Print or Type) | |
| Paul Kelly | Chief Executive Officer and President | |

ATTENTION

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

* All Dollar amounts are in Canadian dollars.

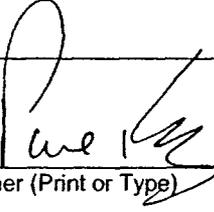
E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? Yes No

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform Limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

| | | |
|---|---|--------------------|
| Issuer (Print or Type) | Signature | Date |
| Wolf Group Integrated Communications Ltd. |  | September 17, 2002 |
| Name of Signer (Print or Type) | Title of Signer (Print or Type) | |
| Paul Kelly | Chief Executive Officer and President | |

Instruction:

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

APPENDIX

| 1 | 2 | | 3 | 4 | | | | 5 | |
|-------|---|----|------------------------|--|--|-----------------------------------|--------|-----|--|
| | Intend to sell to non-accredited investors in State (Part B-Item 1) | | | Type of security and aggregate offering price offered in state (Part C-Item 1) | Type of investor and amount purchased in State (Part C-Item 2) | | | | Disqualification under State ULOE (if yes, attach explanation of waiver granted (Part E-Item 1)) |
| State | Yes | No | | Number of Accredited Investors | Amount | Number of Nonaccredited Investors | Amount | Yes | No |
| AL | | | | | | | | | |
| AK | | | | | | | | | |
| AZ | | | | | | | | | |
| AR | | | | | | | | | |
| CA | | | | | | | | | |
| CO | | | | | | | | | |
| CT | | | | | | | | | |
| DE | | | | | | | | | |
| DC | | | | | | | | | |
| FL | | X | Convertible Debentures | 0 | 0 | 0 | 0 | | X |
| GA | | X | Convertible Debentures | 0 | 0 | 0 | 0 | | X |
| HI | | | | | | | | | |
| ID | | | | | | | | | |
| IL | | | | | | | | | |
| IN | | | | | | | | | |
| IA | | | | | | | | | |
| KS | | | | | | | | | |
| KY | | | | | | | | | |
| LA | | | | | | | | | |
| ME | | | | | | | | | |
| MD | | | | | | | | | |
| MA | | | | | | | | | |
| MI | | | | | | | | | |
| MN | | | | | | | | | |
| MS | | | | | | | | | |
| MO | | | | | | | | | |
| MT | | | | | | | | | |

APPENDIX

| 1 State | 2 Intend to sell to non-accredited investors in State (Part B-Item 1) | | 3 Type of security and aggregate offering price offered in state (Part C-Item 1) | 4 Type of investor and amount purchased in State (Part C-Item 2) | | | | 5 Disqualification under State ULOE (if yes, attach explanation of waiver granted (Part E-Item 1)) | |
|------------|--|----|---|---|--------|-----------------------------------|--------|---|----|
| | Yes | No | | Number of Accredited Investors | Amount | Number of Nonaccredited Investors | Amount | Yes | No |
| NE | | | | | | | | | |
| NV | | | | | | | | | |
| NH | | | | | | | | | |
| NJ | | | | | | | | | |
| NM | | | | | | | | | |
| NY | | X | Convertible Debentures | 0 | 0 | 0 | 0 | | X |
| NC | | | | | | | | | |
| ND | | | | | | | | | |
| OH | | X | Convertible Debentures | 0 | 0 | 0 | 0 | | X |
| OK | | | | | | | | | |
| OR | | | | | | | | | |
| PA | | | | | | | | | |
| RI | | | | | | | | | |
| SC | | | | | | | | | |
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| PR | | | | | | | | | |



October 22, 2002

Dear Shareholders/Special Warrant Holders,

On September 12, 2002, Wolf Group Integrated Communications Ltd. ("WGIC") sent a notice of intention to all shareholders and warrant holders not resident of the State of New York (September 23 to all shareholders and warrant holders who are New York State residents) to raise Canadian \$5,000,000 through an offering of secured, subordinated, convertible, callable debentures (the "Debentures").

I am sorry to report that we were only able to generate limited investor interest in the Debenture offering at the proposed conversion rate of \$.70 per share. On a positive note, we have had a number of in-depth discussions with both new investors and certain existing shareholders and warrant holders who have expressed interest in purchasing the Debentures at a lesser rate of conversion. As a result, we are reducing the price of the Debenture in hopes of solidifying this interest from these current and potential new investors, and in the hope of attracting renewed interest from the remaining shareholder and warrant holder group.

We believe the new valuation creates a compelling opportunity for investors. Please refer to the attached letter of notification that reflects the revised conversion price of the Debenture. I reiterate the Wolf family's intent to purchase not less than Canadian \$2,000,000 of the proposed Debenture (subject to attracting sufficient interest in the Debenture offering to satisfy certain obligations of WGIC's Bank).

The proposed financing will strengthen the financial position of the Company, and assist management in its plans to enhance revenue growth and profitability. We will continue to investigate strategic alternatives to help build shareholder value and create liquidity. To that end, I would like to encourage you all to participate.

Sincerely,

Lawrence Wolf

Insert Address

October 22, 2002,

Dear _____:

Wolf Group Integrated Communications Ltd. (the "Corporation") plans to offer to sell (the "Offering") secured, subordinated, convertible, callable debentures in the aggregate amount of Canadian \$5,000,000 (the "Debentures"). The Debentures will accrue interest at an annual rate of 5%, which interest will be paid annually. The Debentures will be convertible at the option of the holder at any time into common shares of the Corporation, at a conversion rate of 3,333 common shares for every Canadian \$1,000 of principal amount of Debenture (Canadian \$.30 per share). Certain terms of the Debentures are enclosed in the attachment entitled "Term Sheet". The Wolf family has committed to purchasing not less than Canadian \$2,000,000 principal amount of Debentures.

The Corporation plans to use the proceeds from the sale of the Debentures to pay down a portion of the existing Toronto Dominion Bank (the "Bank") facilities and to enhance its working capital. Specifically, 65% of the proceeds, up to Canadian \$3,500,000, and 50% of any incremental proceeds will be used to permanently reduce the Bank facility.

Pursuant to a shareholders agreement dated May 29, 1997, among the Corporation, its then existing shareholders, and holders of the Corporation's special warrants (the "Agreement"), the Corporation is hereby giving notice of the Offering to each Shareholder and Public Holder (as defined in the Agreement). The Debentures being offered will be sold only to "Accredited Investors", each of whom will be allowed to buy up to his or her pro-rata amount of the Debentures as determined in Section 3.02 of the Agreement. An Accredited Investor is defined as (A) a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase, exceeds Canadian \$1,000,000 if a Canadian investor (or U.S. \$1,000,000 if an U.S. investor); (B) a natural person who had an individual income in excess of Canadian \$200,000 if a Canadian investor (or U.S. \$200,000 if an U.S. investor) in each of the two most recent years or joint income with that person's spouse in excess of Canadian \$300,000 if a Canadian investor (or U.S. \$300,000 if an U.S. investor) in each of those years and has a reasonable expectation of reaching the same income level in the current year; (C) In the case of a Canadian offeree which is a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least Canadian \$5,000,000 as reflected in its most recently prepared financial statements; (D) In the case of an U.S. offeree which is a corporation, partnership, or trust, it should have total assets in excess of U.S. \$5,000,000 and should not have been formed for the specific purpose of acquiring the Debentures, and if a trust, whose purchase is directed by a sophisticated

person who is capable of evaluating the investment; or (E) a company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are accredited investors.

We calculate your pro-rata amount of the Debenture to be Canadian \$_____. This letter is intended to constitute notice of the proposed Offering to each Shareholder and Public Holder in accordance with Section 3.02 of the Agreement. The Shareholders and Public Holders have 10 business days from the date of this letter to take up and pay for their pro-rata share of the Offering. Following this period, the Corporation is required to make a follow-up offer of the Debentures to those Shareholders and Public Holders who elected to take up and pay for their pro-rata share of the Debentures initially offered to them. The specific mechanism for this follow-up offering is outlined in Section 3.02 of the Agreement, to which you are a party.

Either Larry Wolf or I would be pleased to answer any questions that you may have on this matter.

Sincerely,

Paul Kelly
President and CEO

DISCLAIMER

THE SALE AND DELIVERY OF THE DEBENTURES IS CONDITIONAL UPON SUCH SALE BEING EXEMPT FROM THE PROSPECTUS FILING REQUIREMENTS UNDER APPLICABLE SECURITIES LAWS IN CONNECTION WITH THE DISTRIBUTION OF THE DEBENTURES. THE COMPANY IS NEITHER A PUBLIC COMPANY NOR A REPORTING ISSUER AND IT IS POSSIBLE THAT IT MAY NEVER BECOME A PUBLIC COMPANY OR A REPORTING ISSUER. CONSEQUENTLY, THE DEBENTURES (UNLESS CALLED FOR REDEMPTION BY THE COMPANY) AND THE COMMON SHARES ISSUABLE UPON CONVERSION THEREOF MAY BE SUBJECT TO INDEFINITE HOLD PERIODS UNDER APPLICABLE SECURITIES LEGISLATION.

THE DEBENTURES AND COMMON SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") AND ARE BEING OFFERED WITHIN THE UNITED STATES ONLY TO ACCREDITED INVESTORS (AS DEFINED IN RULE 501(a) UNDER THE 1933 ACT). THE DEBENTURES AND COMMON SHARES MAY ONLY BE RESOLD OR TRANSFERRED IN A TRANSACTION THAT IS IN COMPLIANCE WITH APPLICABLE FEDERAL AND STATE SECURITIES LAWS IN THE UNITED STATES.

THE DEBENTURES AND COMMON SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN SECURITIES COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS LETTER AND THE ATTACHED PRELIMINARY TERM SHEET. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

FOR FLORIDA RESIDENTS:

THE SECURITIES REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER §517.061 OF THE FLORIDA SECURITIES ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

Wolf Group Integrated Communications Ltd.

Term Sheet

October 22, 2002

Issuer: Wolf Group Integrated Communications Ltd. ("Wolf" or the "Company").

Instrument: Secured, subordinated, convertible, callable debentures (the "Debentures").

Amount: Canadian \$5,000,000.

Term: 48 months.

Interest: 5% per annum, paid annually.

Purpose: To pay down a portion of the existing Bank facility and to enhance its working capital. Specifically, 65% of the proceeds, up to Canadian \$3,500,000, and 50% of any incremental proceeds will be used to permanently reduce the Bank facility.

Eligible Individual Purchaser: Must be an "Accredited Investor", namely (A) a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of the purchase, exceeds Canadian \$1,000,000 if a Canadian investor (or U.S. \$1,000,000 if an U.S. investor); (B) a natural person who had an individual income in excess of Canadian \$200,000 if a Canadian investor (or U.S. \$200,000 if an U.S. investor) in each of the two most recent years or joint income with that person's spouse in excess of Canadian \$300,000 if a Canadian investor (or U.S. \$300,000 if an U.S. investor) in each of those years and has a reasonable expectation of reaching the same income level in the current year; (C) In the case of a Canadian offeree which is a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least Canadian \$5,000,000 as reflected in its most recently prepared financial statements; (D) In the case of an U.S. offeree which is a corporation, partnership, or trust, it should have total assets in excess of U.S. \$5,000,000 and should not have been formed for the specific purpose of acquiring the Debentures, and if a trust, whose purchase is directed by a sophisticated person who is capable of evaluating the investment; or (E) a company in respect of which

all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are accredited investors.

- Security:** Registered fixed and floating charge security interest in Canada and a perfected security interest in the United States over the assets of Wolf, with upstream guarantees from its operating subsidiaries (subject to applicable law), subordinate to the senior, secured lender.
- Conversion:** The Debentures will be convertible into common shares of the Company ("Common Shares") at the holder's option at any time, at a conversion rate of 3,333 Common Shares for each Canadian \$1,000 principal amount converted (Canadian \$.30 per share).
- Call Provision:** The Company will be entitled to call the Debentures at par at any time after the third anniversary of the issue date. If Wolf sells all or substantially all of its assets, or its outstanding securities are acquired, holders of Debentures will be entitled to convert their Debentures or permit the Company to call their Debentures contemporaneously with such sale or acquisition.
- Information Rights:** So long as the holder continues to hold its original Debentures, such holder shall be entitled to receive: (i) quarterly consolidated unaudited financial statements of the Company within 60 after each quarter, and (ii) annual consolidated audited financial statements of the Company within 180 days after the Company's year end.
- Funding Date:** Not later than 10 business days from the date of this Term Sheet.
- Law:** The Debentures will be issued and governed under the laws of Ontario, and applicable federal laws of Canada, and will be issued in Canada and the United States in accordance with applicable provincial, federal and state securities laws.
- Jurisdiction** The Debentures will be sold in Canada on a private placement basis (to Accredited Investors in Ontario, and elsewhere, pursuant only to prospectus and registration exemptions in such provinces), and in the United States, pursuant to United States federal and state registration exemptions.
- Risk factors** Please see Schedule "A" hereto for a description of certain of the risk factors applicable to an investment in the Debentures.

SCHEDULE A

RISK FACTORS

Lack of Liquidity; Absence of Public Markets. The Company is currently not a reporting issuer in any jurisdiction, and there is currently no market through which the Debentures or the Company's Common Shares may be sold. In addition, the holders of Common Shares will not be able to sell or otherwise transfer their securities unless an exemption from applicable securities laws is available to such transferee, or until the Company becomes a reporting issuer in Ontario and lists its securities upon a recognized exchange. Purchasers of Debentures are advised to consult their legal advisors with respect to these resale restrictions.

Taxation. Prospective investors should be aware that the purchase of the Debentures might have significant tax consequences both in Canada and the United States. Such consequences for investors who are resident in, or citizens of, Canada or the United States are not addressed herein. The Company is not providing any investor with any tax advice in any jurisdiction. Each prospective investor should consult its own tax advisor concerning the investment described herein.

Competition; Market Fluctuations. The market for the Company's services is competitive. The Company competes in many cases against companies that have greater product development capabilities and marketing and financial resources. There is no assurance that the Company will be able to compete successfully against current or future competitors, or that the competitive pressures faced by the Company will not have an adverse effect on its business, operating results or financial condition.

In addition, accounts may shift agencies with comparative ease, usually on 90 days' notice. Clients may also reduce advertising budgets at any time for any reason. An agency's ability to compete for new clients is affected in some instances by the policy, which many advertisers follow, of not permitting their agencies to represent competitive accounts in the same market. Moreover, clients frequently wish to have different products represented by different agencies. Wolf has sought and will seek new business by showing potential clients examples of advertising campaigns produced and by explaining the variety of related services offered. Wolf competes in Canada and the United States with a multitude of full service and special service agencies. The business success of Wolf is and will continue to be highly dependent upon the skills and creativity of its staff and its relationships with its clients. Wolf is always vulnerable to possible loss of important personnel to other agencies. In addition to the usual risks of the advertising agency business, international operations are subject to the risk of currency exchange fluctuations, tax regulations, and to actions of governmental authorities.

Current Advertising Downturn. The current economic downturn and the effects of the events of September 11, 2001 have adversely affected the advertising industry, including Wolf. The Company is unable to estimate the extent or duration of this downturn. No assurance can be given of when, or to what extent, the advertising industry will rebound. A prospective investor should evaluate such factors in determining whether to invest in this offering.

Reliance on Key Personnel. The Company's success is highly dependent on the continued services of senior management, members of its board of directors and its key employees. The experience of these individuals will be a significant factor in the Company's success and growth. The loss of one or more of these individuals could have an adverse effect on the Company's operation and business prospects.

Dependence of Key Accounts. The Company's five largest clients accounted for approximately 34% of the Company's revenues for the year ended December 31, 2001, with fluctuations in the amount of revenue contributed from each such client from quarter to quarter. The termination of the Company's business relationship with any of its significant clients or a material reduction in the use of the Company's services by a significant client could have an adverse effect on the Company's business, financial condition and operating results.

Conflicts of Interest. Conflicts of interest are inherent in certain segments of the marketing communications industry. The Company has in the past and will in the future be unable to pursue certain potential advertising opportunities because such opportunities will require the Company to provide services to direct competitors of existing Company clients.

Future Capital Requirements. The future growth of the Company will be dependent on its ability to raise additional capital. There is no assurance that additional capital will be available.

Bank Relationship. The Special Loans division of the Bank currently administers the Company's loan facility. The Bank demanded payment of its advances May 7, 2002. The Company entered into a Forebearance Agreement with the Bank dated June 18, 2002 that expires October 31, 2002.

The Company has signed an agreement with the Bank dated September 16, 2002 to extend the loan facility to April 30, 2003 on the following material conditions: 1) the proceeds from the Debentures are not less than Canadian \$3,000,000, 2) 65% of the proceeds up to Canadian \$3,500,000 and 50% of any incremental proceeds will be applied to permanently pay down the Bank, and 3) the Bank is to be repaid in full on or before April 30, 2003. The agreement stipulates that if the Company does not raise a minimum Canadian \$3,000,000 and the Company does not permanently repay the Bank a minimum Canadian \$1,950,000 by not later than October 31, 2002, then the Bank may immediately terminate the loans without any prior notice.

Governmental Regulation. Canadian and United States federal, provincial, state, and local governments and their agencies and various consumer groups have directly or indirectly affected or attempted to affect the scope, content, and manner of presentation of advertising. Legislation is presently pending in the United States Congress and various state legislatures, and proposals are being considered by the United States Federal Trade Commission, Federal Communications Commission, and Food and Drug Administration, which in each case could impose further restraints on the ability of an advertiser to advertise its products. The continued activity by government and by consumer groups regarding advertising may cause further changes in advertising practices in coming years. While Wolf is not able to estimate the effect of these developments on its business, it believes the total volume of advertising in general media will not be materially reduced by these developments, even though the form, content, and manner of presentation of advertising may be modified. In addition, Wolf has taken and will take steps to assure that its management and operating personnel are aware of and responsive to the possible implications of such developments.