

THE SECURITIES ACT) Order No. 3173
)
Section 20) December 12, 2000

CROCUS INVESTMENT FUND

WHEREAS:

(A) Application has been made on behalf of Crocus Investment Fund ("Crocus Fund") and Crocus Capital Inc. ("Crocus Capital") to The Manitoba Securities Commission (the "Commission") for an order under section 20 of *The Securities Act* (Manitoba) (the "Act") that the trades of Class "A" Common Shares (the "Shares") of Crocus Fund by registrants under the Act whose registration is restricted to the sale of certain specified securities ("Restricted Registrants") shall be exempt from section 6 of the Act;

(B) Local Policy No. 3.06 of the Commission sets forth the Commission's interpretation of the range of securities trading activity permitted by Restricted Registrants;

(C) Crocus Capital is registered as a Broker-Dealer under the Act with its registration restricted so that the securities trading activity of registered salesmen of Crocus Capital is restricted to the primary distribution of the Shares. Crocus Capital is one of the principal selling agents for the offering of Shares;

(D) The Notice to Securities Industry from the Commission dated December 11, 1997 (the "Notice"), specified the conditions that Restricted Registrants must meet before selling shares or units in a prospectus qualified labour-sponsored investment fund ("LSIF");

(E) By way of Commission Order No. 2280, dated August 6, 1998, the Commission ordered that the shares of a LSIF other than Crocus Fund (the "Other Fund") could be traded by those salesmen employed by Restricted Registrants who have, inter alia:

(i) successfully completed a course and examination relating to LSIF securities developed by the Other Funds or which has been approved for such purposes by the Commission; or

(ii) successfully completed an In-House Course (as the term is defined in Commission Order No. 2280) approved by the Commission and a course relating specifically to the attributes of the shares of the Other Fund, its prospectus features and updates on legislative changes and requirements applicable to LSIFs (a "Product Knowledge Course");

(F) Crocus Fund has a Product Knowledge Course in respect of the Shares and Crocus Fund (the "Crocus Product Knowledge Course") which has been approved by a Deputy Director of the Commission.

(G) By way of Commission Order No. 2813 dated December 10, 1999 (which Order is to remain in effect until December 31, 2000), the Commission ordered that Restricted Registrants who wish to sell the Shares not be subject to section 6 of the Act, subject to the condition that, inter alia, trading in the Shares on behalf of the Restricted Registrants shall be effected only by those salesmen ("Qualified Salesmen") employed by such Restricted Registrants who have:

(i) successfully completed The Canadian Securities Course (the "CSC"), which is offered through The Canadian Securities Institute: or

(ii) successfully completed the Labour Sponsored Investment Funds Course (the "IFIC Course") offered by the Investment Funds Institute of Canada; or

(iii) successfully completed the course offered by Crocus Capital relative to the trading of the Shares which has been approved for such purposes by the Commission (the "Crocus-In-House Course"); or

(iv) successfully completed a course approved by the Commission relating to the trading of an LSIF other than the Crocus Fund and has successfully completed the Crocus Product Knowledge Course;

where the sale is reviewed for suitability by a senior officer, director or branch manager of the Restricted Registrant who, at a minimum, has successfully completed the CSC or by such a person employed by the Restricted Registrant who is otherwise acceptable to the Deputy Director, Registrations of the Commission;

(I) In the opinion of the Commission it would not be prejudicial to the public interest to amend and extend the effect of Order No. 2813 dated December 10, 1999, and to exempt from section 6 of the Act any trades in Shares made by Restricted Registrants, as requested;

IT IS ORDERED:

1. THAT, pursuant to section 20 of the Act, trading by Restricted Registrants in respect of the primary distribution to the public of Shares shall be exempt from section 6 of the Act, subject to the following conditions:

(a) Trading in Shares on behalf of the Restricted Registrants shall be effected only by those salesmen ("Qualified Salesmen") employed by such Restricted Registrants who have:

(i) successfully completed the CSC;

(ii) successfully completed the IFIC Course;

(iii) successfully completed the Crocus In-House Course; or

(iv) successfully completed a course approved by the Commission relating to the trading of a LSIF other than Crocus Fund and the Crocus Product Knowledge Course; and

(b) Each trade of Shares through a Restricted Registrant must be reviewed for suitability by a senior officer, director or branch manager of the Restricted Registrant who, at a minimum, has successfully completed the CSC or by such a person employed by the Restricted Registrant who is otherwise acceptable to the Director, Registrations of the Commission.

2. THAT this Order shall remain in effect until December 31, 2001.

3. THAT the fee for this order is \$750.00.

BY ORDER OF THE COMMISSION

Director – Legal