

THE SECURITIES ACT) Order No. 3317
)
Section 20) April 26, 2001

CSB SYSTEMS LTD.

WHEREAS:

(A) Application (the "Application") has been made on behalf of CSB Systems Ltd. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (as amended) (the "Act") exempting from the registration and prospectus requirements of Sections 6 and 37 of the Act the issuance by the Applicant of warrants to purchase Class A Common Shares in the capital of the Applicant ("Warrants") to Wellington West Capital Inc. (the "Agent") as consideration for services provided by the Agent in connection with the offering of up to \$1,250,000 of 8.5% senior convertible redeemable debentures (the "Debentures") to "informed purchasers" (as such term is defined in Section 89 of the Regulation to the Act) resident in Manitoba at a purchase price of \$5,000 per Debenture (the "Offering");

(B) It has been represented to the Commission that:

1. The Applicant is a corporation amalgamated under *The Corporations Act* (Manitoba) on June 1, 1996. The Applicant's head office is located at 185 Stradbrook Avenue, Winnipeg, Manitoba, R3L 0J4.
2. The Applicant is not a reporting issuer or the equivalent in any of the provinces in Canada.
3. The Applicant carries on business as a reseller of enterprise resource planning software and the provider of related computer services.
4. The Agent is a corporation incorporated pursuant to the laws of Manitoba. The Agent is registered under the Act as a "broker" and "investment dealer".
5. The Applicant is offering the Debentures to "informed purchasers" (as such term is defined in Section 89 of the Regulation) resident in Manitoba at a purchase price of \$5,000 per Debenture. The Debentures have a five year term and are convertible at any time prior to redemption into Class A Common Shares (the "Shares") of the Corporation at a rate of 37.03 Shares per \$1,000 principal amount of Debentures converted.
6. The Offering is being made in reliance upon Subsection 91(a) of the Regulation. The Applicant paid the prescribed fee and filed with the Commission

a notice in writing of its intention to trade, prepared and executed in accordance Form 23 of the Regulation on April 12, 2001.

7. Pursuant to a draft agency agreement dated as of March 26, 2001 (the "Agency Agreement"), it is contemplated that Applicant will retain the Agent to market the Offering and to use its best efforts to introduce appropriate investors to the Applicant. Pursuant to the Agency Agreement, in consideration for the services provided by the Agent, the Applicant agreed to pay to the Agent 6% of the gross subscription proceeds from the Offering along with up to 4,630 Class A Common Share Purchase Warrants. Each Warrant entitles the Agent to purchase from the Applicant one (1) Share at a price of \$37.03 per Share.

9. The Warrants may only be transferred by the Agent to certain of its directors, officers and employees, up to a maximum of four individuals (the "Transferees"). The Warrants may not be transferred by the Transferees.

10. Upon the exercise of the Warrants by the Agent or the Transferees, the Shares will be subject to the transfer restrictions contained in the Applicant's shareholders agreement, as may be amended or replaced from time to time (the "Shareholders Agreement") which provides that shares are not transferable except in accordance with the provisions of the Shareholders Agreement or with the consent of all of the security holders of the Applicant.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. **THAT**, pursuant to subsection 20(1) of the Act, the issuance of the Warrants by the Applicant to the Agent in consideration for services performed by the Agent in connection with the Offering shall be exempt from sections 6 and 37 of the Act.

2. **THAT** the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Director