THE SECURITIES ACT)	Order No. 3070
)	
Section 20)	September 28, 2000

CYBERSHARE LIMITED

WHEREAS:

- (A) Cybershare Limited (the "Issuer") has applied to The Manitoba Securities Commission (the "Commission") pursuant to Section 20(1) of *The Securities Act* R.S.M. 1988, Chapter S.50, as amended (the "Act"), for an Order exempting the Issuer from certain requirements of Clause(ii) of Section 91(a) of the Regulations to the Act.
- **(B)** The Issuer has represented to the Commission that:
 - 1. The Corporation is a corporation incorporated under the provisions of *The Corporations Act* (Manitoba) pursuant to Articles of Incorporation dated July 7, 1993.
 - 2. The Corporation filed Articles of Amendment dated August 17, 2000, pursuant to which, *inter alia*, all of the issued and outstanding Class "A" Common Shares of the Corporation were converted into shares of the same class on the basis of 10,000 Class "A" Common Shares for each issued and outstanding Class "A" Common Share.
 - 3. The authorized share capital of the Corporation consists of an unlimited number of Class "A" common shares, Class "B" Common Shares and Preferred Shares, of which 3,000,000 Class "A" Common Shares and 50,950 Preferred Shares were issued and outstanding as at September 11, 2000. The shares of the Corporation are not publicly traded.
 - 4. The chief executive officer and principal shareholder of the Corporation was, until the transaction described below was completed, Robert Hall ("Hall"). Under the direction of Mr. Hall, as the Corporation's sole officer and director, the Corporation filed a Notice of Intention Trade in a Security (Form 23) on March 20, 2000 with the Commission intending to issue securities of the Corporation (the "Offering") to a limited number of investors pursuant to Section 91(a) of the Regulations to the Act.
 - 5. The 180 day period during which the Offering is to be completed expires on September 24, 2000.
 - 6. During the course of the next several months immediately following the commencement of the Offering, the Corporation received expressions of interest

from a number of investors with respect to the purchase of shares in the Corporation pursuant to the Offering.

- 7. During June of 2000, Glen Beer ("Beer"), employee and minority shareholder of the Corporation, and his spouse, Karin Overgaard ("Overgaard"), entered into negotiations with Hall regarding a potential purchase by Beer and Overgaard of all, or substantially all, of the capital stock of the Corporation (the "Share Purchase"). Negotiations between the parties with respect to the Share Purchase ultimately resulted in a Share Purchase Agreement dated July 14, 2000 (the "Agreement") being executed whereby Beer and Overgaard agreed to purchase all of the Preferred Shares and all but 10 of the issued Class "A" Common Shares.
- 8. Following completion of the Share Purchase on August 10, 2000, Beer and Overgaard owned 96.7% of the voting stock of the Corporation, and the Corporation underwent a management restructuring and a corporate reorganization, which included, among other things, a share split (pursuant to the Articles of Amendment referred to above).
- 9. As a result of the negotiations between the parties with respect to the Agreement, and as a direct result of the material change in control of the Corporation which was to result as a consequence of the Agreement, the Corporation advised the potential investors who has expressed interest with respect to the Offer that the Corporation would not proceed with the Offering during this time period. Accordingly, the Corporation ceased all negotiations with these investors during this time period, with the intention of resuming discussions once the purchase and subsequent reassessment were complete.
- 10. Approximately two months elapsed as a consequence of the negotiations pertaining to, and the execution of, the Agreement, the closing of this transaction, the reorganization of the Corporation and the creation of the Corporation's new business plan, during which time the Corporation did not approach potential investors with respect to the Offering.
- 11. The Corporation believes that most of the investors who originally expressed interest in obtaining shares pursuant to the Offering prior to the discussions and negotiations relating to the Agreement, may still be interested in subscribing. Additionally, a limited number of other related or sophisticated investors may also wish to participate in the Offering.
- 12. The time limit of 180 days during which the offering is to be completed pursuant to Section 91(a)(ii) expires on or about September 24, 2000, but the Corporation would not, in light of the changes, be able to complete the Offering by then. Management of the Corporation is still anxious to avail itself of the Section 91(a) exemption, but expects that it will need 2 months more in order to properly do so.

(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 Section 20(1) of the Act, trades in the shares issued with respect to the Offering shall be exempt from Section 91(a)(ii) of the Act provided that:
 - (a) All subscriptions with respect to the Offering will be completed, along with the filing of the requisite Forms with the Commission no later than November 23, 2000.
- **2. THAT**, the fee for this Order is \$1,000.00.

BY ORDER OF the COMMISSION

Director – Legal