

THE SECURITIES ACT ) Order No. 4051  
)  
Section 20 ) February 12, 2003

DUNDEE WEALTH MANAGEMENT INC.

WHEREAS:

(A) Application has been made by Dundee Wealth Management Inc. ("**Dundee Wealth**") 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**") that certain trades in securities of Dundee Wealth shall be exempt from sections 6 and 37 of the Act.

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

1. Dundee Wealth is a corporation incorporated under the *Business Corporations Act* (Ontario). The common shares in the capital of Dundee Wealth are listed and posted for trading on the Toronto Stock Exchange. Dundee Wealth is a reporting issuer or the equivalent in each province of Canada.

2. Dundee Wealth is not in default under any requirement of the Act, or the Regulation or Rules made thereunder.

3. IPC Financial Network Inc. ("IPCFN") is a corporation incorporated under the *Canada Business Corporations Act* (the "CBCA"). The common shares of IPCFN (the "IPCFN Common Shares") are listed and posted for trading on the TSX Venture Exchange. IPCFN is a reporting issuer or the equivalent in British Columbia, Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia.

4. 6042074 Canada Inc. ("Subco") is a corporation incorporated under the CBCA and is a direct wholly-owned subsidiary of Dundee Wealth. Subco is not a reporting issuer or the equivalent in any province of Canada. Subco will be used for the sole purpose of effecting the Amalgamation (as defined in paragraph 6 below).

5. Pursuant to a merger agreement dated as of December 26, 2002 (the "Merger Agreement") between Dundee Wealth, Subco and IPCFN, Dundee Wealth intends to acquire all of the issued and outstanding common shares in the capital of IPCFN, including common shares of IPCFN issuable upon the exercise or surrender of outstanding stock options and upon the conversion of the outstanding convertible preferred shares of IPCFN ("IPCFN Preferred Shares").

6. In accordance with an amalgamation agreement (the "Amalgamation Agreement") entered into or to be entered into between IPCFN and Subco, IPCFN

and Subco will amalgamate (the "Amalgamation") pursuant to section 181 of the *Canada Business Corporations Act* (the "CBCA") (the amalgamated company to be formed by the amalgamation of IPCFN and Subco being hereinafter referred to as "Amalco").

7. On December 26, 2002, Dundee Wealth and IPCFN issued a joint press release announcing the entering into of the Merger Agreement and the proposed Amalgamation.

8. A special meeting (the "Special Meeting") of the holders of IPCFN Common Shares and IPCFN Preferred Shares (collectively, the "IPCFN Shareholders") is expected to be held in March, 2003. At the Special Meeting, IPCFN will seek the requisite approval of the IPCFN Shareholders in respect of a special resolution approving a reorganization of capital relating to the conversion of the IPCFN Preferred Shares into IPCFN Common Shares (being 66 2/3% of the votes attached to the IPCFN Common Shares represented in person or by proxy at the Special Meeting and 66 2/3% of the votes attached to the IPCFN Preferred Shares represented in person or by proxy at the Special Meeting, voting as separate classes) and the special resolution required to approve the Amalgamation (being 66 2/3% of the votes attached to the IPCFN Common Shares and to the IPCFN Preferred Shares represented in person or by proxy at the Special Meeting, voting as one class) (the two aforementioned resolutions being hereinafter referred to as the "Special Resolutions").

9. In connection with the Special Meeting, IPCFN will mail to each IPCFN Shareholder (i) a notice of special meeting; (ii) a form of proxy (the "Proxy Form"); and (iii) a management proxy circular (the "Circular"). The Proxy Form and the Circular will be prepared in accordance with the CBCA and applicable securities laws.

10. It is an express condition precedent to the Amalgamation under the Amalgamation Agreement that, in accordance with the requirements of the CBCA, the Special Resolutions be passed by the requisite approvals of the IPCFN Shareholders referred to in paragraph 8 above.

11. The Circular to be sent to all of the IPCFN Shareholders in connection with the proposed Amalgamation will contain prospectus-level disclosure in respect of Dundee Wealth and the proposed Amalgamation, as required by Part 2 of Ontario Securities Commission Rule 54-501 *Prospectus Disclosure in Certain Information Circulars*, and the Circular and the Proxy Form will comply with the requirements of sections 101, 102 and 104 of the Act by operation of subsection 103(1) of the Act.

12. Every IPCFN Shareholder shall have, with respect to his, her or its IPCFN Shares, the right to dissent in connection with the Special Resolutions pursuant to

section 190 of the CBCA, exercisable within the time limits and in the manner prescribed by subsections 190(5) and 190(7) of the CBCA respectively.

13. The Amalgamation will result in each holder of IPCFN Common Shares (an "IPCFN Common Shareholder") receiving for each IPCFN Common Share (a) 0.05 of a common share in the capital of Dundee Wealth (a "Common Share"), (b) one redeemable preferred share in the capital of Amalco (an "Amalco Preferred Share"), and (c) 0.125 of a First Preference Share, Series A of Dundee Wealth (a "Series A Share") or 0.125 of a First Preference Share, Series B of Dundee Wealth (a "Series B Share").

14. Pursuant to the Amalgamation, Dundee Wealth will receive common shares in the capital of Amalco in exchange for its shares of Subco. Under the Merger Agreement, on the second business day following completion of the Amalgamation, each Amalco Preferred Share will be redeemed for Cdn. \$0.25 in cash (assuming 66 million IPCFN Common Shares outstanding). Upon completion of such redemption, Dundee Wealth will own all of the shares of Amalco.

15. The issuances by Dundee Wealth to IPCFN Common Shareholders of Common Shares, Series A Shares and Series B Shares in connection with the Amalgamation are hereinafter referred to collectively as the "Dundee Wealth Amalgamation Trades".

16. It is not clear whether the Dundee Wealth Amalgamation Trades which are to occur in connection with the Amalgamation fall within the scope of the exemptions under paragraphs 19(1)(j) and 58(1)(b) of the Act, or under any other exemptions from the prospectus and registration requirements in sections 6 and 37 of the Act. Accordingly, relief is required from the prospectus and registration requirements of the Act for the Dundee Wealth Amalgamation Trades.

17. Series A Shares are convertible into Common Shares in the following circumstances:

(a) at the option of the holder under certain conditions at a provided conversion rate;

(b) at the option of Dundee Wealth under certain conditions at a provided conversion rate; and

(c) In accordance with the terms and conditions of the Series A Shares under the Articles of Dundee Wealth, the Series A Shares will be automatically converted (collectively, the "Automatic Conversions") into Common Shares, at a provided conversion rate, if any Series A Shares remain outstanding:

(i) on the Series A Shares dividend payment date immediately following the third anniversary of the initial issuance of the Series A Shares, if the market price of Common Shares (as defined) has exceeded \$10.00 at any time prior to dividend payment date, or

(ii) on the Series A dividend payment date immediately following the date the market price of Common Shares (as defined) exceeds \$10.00, if such event occurs later than the Series A Shares dividend payment date immediately following the third anniversary of the initial issuance of the Series A Shares;

18. The terms and conditions of the Automatic Conversion feature of the Series A Shares will be disclosed in the Circular distributed to IPCFN Shareholders.

19. There are no exemptions available under the Act to exempt the Automatic Conversions of the Series A Shares into Common Shares. Accordingly, relief is required from the prospectus and registration requirements in sections 6 and 37 of the Act for the trades occurring in connection with the Automatic Conversions.

20. Following completion of the Amalgamation, the IPCFN Common Shares will be de-listed from the TSX Venture Exchange and IPCFN will apply to cease being a reporting issuer or the equivalent in all provinces in which it is currently a reporting issuer or the equivalent.

(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 Dundee Wealth Amalgamation Trades are not subject to sections 6 or 37 of the Act.

**2. THAT**, pursuant to subsection 20(1) of the Act, all trades in connection with the Automatic Conversions shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

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

BY ORDER OF THE COMMISSION

Deputy Director - Legal