

THE SECURITIES ACT ) Order No. 2644  
 )  
Section 20 ) October 8th, 1999

**JAZZ GOLF EQUIPMENT INC.**

(A) Upon the application of Jazz Golf Equipment Inc. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to Section 20 of *The Securities Act* (Manitoba) (the "Act") exempting certain pre-marketing activities from the prospectus and registration requirements of sections 6 and 37 of the Act.;

(B) The Applicants have represented to the Commission that:

1. The Applicant is a "private company," as that term is defined in the Act, incorporated under the laws of the Province of Manitoba.
2. In order to expand its business in the golf equipment market and increase its capital base, a significant expansion in size and a considerable injection of capital is required. In order to raise the necessary funds for such an expansion, the Applicant is considering an initial public offering of its common shares to the public in the Province of Manitoba (the "Province"), to be made through the facilities of The Winnipeg Stock Exchange (the "WSE") and in accordance with the prospectus and registration requirements of the Act.
3. The Applicant is a closely-held company, with almost all of its investors residing in Manitoba. The only shareholders owning more than 10% of the currently issued and outstanding shares in the capital of the Applicant are, Terry G. Hashimoto, the founder and President, and Jeff E. Gidney, the Secretary and Chairman of the Applicant.
4. The Applicant is not only established and owned locally, its marketing focus has been local and any public offering would be made in the Province as well. In light of its size as a small capital Applicant and its regional focus, the principals of the Applicant are concerned that the significant fixed costs it would incur in completing and initial public offering would greatly impact its financial position.
5. The Applicant has retained registrants under the Act who are also member firms on the WSE as its agents (the "Agents"), in the event the Applicant determines that it will proceed with an offering, and in that regard, the Agents are prepared to undertake certain pre-marketing activities aimed at determining the investor interest in the Province for an offering of shares by the Applicant.
6. Prior to the discussing or in any way surveying prospective investors regarding any offering of any securities pursuant to a prospectus, the Applicant proposes,

through its Agents, to provide a general Information Sheet disclosing pertinent general information regarding the Applicant, its expansion plans and the form of equity offering it is considering.

(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**, the following pre-marketing activities of the Applicant, to be undertaken by the Agents, be exempted from the registration and prospectus requirements of sections 6 and 37 of the Act:

(a) the distribution to potential investors in the Province by the Agents of a term sheet in the form approved by staff of the Commission prior to use;

(b) surveying and canvassing by the Agent of the recipients of such term sheet regarding their interest in this investment opportunity, including discussions and meetings to answer questions and gauge such interest; and

(c) preparing advertising for print media, the form and text of which shall be filed with the Commission at least ten (10) days prior to the dissemination of any such advertisement.

**2. THAT**, the fee for this order shall be \$650.00.

**BY ORDER OF THE COMMISSION**

**Director - Legal**