

THE SECURITIES ACT) Order No. 3457
)
Section 20) August 14, 2001

MARQUEST INVESTMENT COUNSEL INC.

WHEREAS:

(A) Marquest Investment Counsel Inc. (the "Applicant") has made application 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 (the "Act") that:

(a) certain trades in units ("Units") of open-end unit trusts established, or to be established from time to time, by the Applicant (the "Funds") be exempt from the registration and prospectus requirements of sections 6 and 37 of the Act; and

(b) trades in Subscribed Units and Reinvested Units, as defined below, be exempt from the registration and prospectus requirements of sections 6 and 37 of the Act.

(B) The Applicant has represented to the Commission that:

1. The Applicant is registered in Ontario as a limited market dealer and as an adviser in the categories of investment counsel and portfolio manager.
2. The Applicant has established or will establish one or more Funds pursuant to declarations of trust for which the Applicant acts or will act as the trustee and manager.
3. None of the Funds currently intends to become a reporting issuer, as such term is defined in the Act, and the Units of the Funds will not be listed on any stock exchange.
4. Each Fund is or will be divided into Units that will evidence each investor's undivided interest in the assets of the Fund.
5. It is intended that Units of certain Funds are or will be qualified for investment by a trust governed by a self-administered registered retirement savings plan, registered retirement income fund or a deferred profit sharing plan ("Registered Plans").
6. The initial distribution of Units of a Fund (the "Initial Investment") to an investor and the Registered Plans of the investor (an investor alone, an investor's Registered Plan alone, or any combination of the foregoing, a "Unitholder") will

have an aggregate acquisition cost to the Unitholder of at least \$97,000. (the "Prescribed Amount").

7. As the Prescribed Amount of an Initial Investment in a fund is met through the aggregation of the acquisition costs of Units of a Fund by some or all of an investor and an investor's Registered Plans, there are no exemptions from the registration and prospectus requirements of the Act.

8. Following the Initial Investment in a Fund, it is proposed that Unitholders be permitted to subscribe and pay for additional Units of that Fund in increments of less than the Prescribed Amount (the "Subscribed Units").

9. Each Fund proposes to distribute additional Units by way of automatic reinvestment of distributions to Unitholders of the Fund (the "Reinvested Units").

(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, an Initial Investment in Units of a Fund shall be exempt from the registration and prospectus requirements of the Act provided that the aggregate acquisition cost to a Unitholder of the Initial Investment is not less than the Prescribed Amount and provided that a report as prescribed in the securities regulations to the Act is filed by the Unitholder as prescribed in the regulations to the Act along with the prescribed filing fee.

2. THAT, pursuant to subsection 20(1) of the Act, that trades in Subscribed Units are exempt from sections 6 and 37 of the Act provided that:

(a) at the time of the trade the Unitholder who made the Initial Investment then owns Units of that Fund having an aggregate acquisition cost or an aggregate net asset value of not less than the Prescribed Amount; and

(b) the Applicant is registered in Ontario as a limited market dealer and as an adviser in the categories of investment counsel and portfolio manager

1. THAT, pursuant to subsection 20(1) of the Act, that trades in Reinvested Units are exempt from sections 6 and 37 of the Act provided that:

(a) no sales commission or other charge in respect of such issuance of Reinvested Units is payable; and

(b) the Unitholder has received, not more than 12 months before such issuance, a statement describing (A) the details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of a Unit, (B) the right, if any, that the Unitholder has to make an election to receive cash instead of

Units on the payment of the net income or net realized capital gains distributed by the Fund, (C) instructions on how the right referred to in subclause (B) can be exercised, and (D) the fact that no prospectus is available for the Fund as Units are offered pursuant to prospectus exemptions only.

2. THAT the fee for this Order is \$1,000.00.

BY ORDER OF THE COMMISSION

Director