

THE SECURITIES ACT

)

Order No. 3131

)

Section 20

)

November 15, 2000

**MEZZO LIMITED PARTNERSHIP AND MEZZO INCORPORATED**

**WHEREAS:**

(A) Application has been made on behalf of Mezzo Limited Partnership (the "Partnership") and Mezzo Incorporated (the "General Partner"), the general partner of the Partnership to The Manitoba Securities Commission (the "Commission") for an Order pursuant to Section 20 of *The Securities Act* (Manitoba) (the "Act") exempting from the registration and prospectus requirements of Sections 6 and 37 of the Act the issuance of limited partnership units ("Units") of the Partnership to Wellington West Capital Inc. (the "Agent") as consideration for services provided by the Agent in connection with the offering of Units on a private placement basis (the "Offering") to investors in Manitoba;

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

1. The Partnership is a limited partnership registered under *The Business Names Registration Act* (Manitoba) with its registered office located in Winnipeg, Manitoba;
2. The General Partner is a corporation incorporated under *The Corporations Act* (Manitoba) with its registered office located in Winnipeg, Manitoba;
3. The Partnership does not have the status of a reporting issuer (or equivalent) in any jurisdiction.
4. The Partnership was formed for the purpose of establishing a restaurant/nightclub project (the "Project") located in the Exchange District in Winnipeg, Manitoba and, in connection therewith, the Partnership is offering a maximum of 1500 Units at a purchase price of \$1000 per Unit, on a private placement basis, in reliance on the exemptions set out in Sections 19(3) and 58(1)(b) of the Act and Section 90 of the Regulation (the "Regulation") under the Act.
5. The Agent has agreed to act as agent for the Company in connection with the Offering, subject to terms and conditions of an agency agreement (the "Agency Agreement") made as of September 25, 2000 pursuant to which the Partnership will, subject to prior approval of the Commission, issue 100 Units to the Agent in lieu of commission in respect of services rendered by the Agent to the Partnership in connection with the Offering. The issuance of 100 Units to the Agent has been

disclosed in writing to each of other subscribers of Units prior to their subscribing for Units in the Partnership;

6. Units of the Partnership will be issued to the Agent upon the acceptance by the General Partner of the Agent's subscription for Units;

7. The issuance of Units by the Partnership to the Agent in consideration for services performed by the Agent constitutes a "trade" made in the course of a "primary distribution to the public" subject to the registration and prospectus requirements of the Act and is not exempt from such requirements;

8. The securities laws of certain other jurisdictions provide exemptions from the registration and prospectus requirements under such laws for the issuance of securities to a registrant by an issuer in consideration for services performed by such registrant;

9. The limited partnership agreement (the "Partnership Agreement") to be entered into by the General Partner and each of the subscribers whose subscriptions are accepted by the General Partner (including the Agent) restricts the transferability of the Units in a number of ways in that: (i) it grants limited partners a right of first refusal to purchase the Units of another limited partner who has received an offer to purchase their Units from a third party; and (ii) the consent of the General Partner is required prior to a transfer of Units.

(C) The Commission is satisfied in the circumstances of this particular case that it would not be prejudicial to the public interest to grant the Order requested.

**IT IS ORDERED:**

**1. THAT**, pursuant to Section 20 of the Act, the Partnership and the General Partner are exempt from Sections 6 and 37 of the Act with respect to the issuance of Units by the Partnership to the Agent in consideration for services performed by the Agent, provided that the Units acquired by the Agent shall not be traded without the prior written consent of the Director of the Commission, unless such Units have been held for a period of at least twelve (12) months.

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

**BY ORDER OF THE COMMISSION**

**DIRECTOR**