THE SECURITIES ACT	)	Order No. 5743
	)	
Section 148	)	July 30, 2008

## MODATECH SYSTEMS INC.

- (A) WHEREAS the securities of Modatech Systems Inc. (the "Issuer") are subject to a cease trade order issued by the Manitoba Securities Commission (the "Commission") on July 10, 1997 (the "Cease Trade Order") under section 148 of the Act prohibiting all trading in the securities of the Issuer until the Cease Trade Order is revoked:
- **(B) AND WHEREAS** the Issuer has applied to the Commission in compliance with National Policy 12-202 *Revocation of a Compliance-Related Cease Trade Order* (the "Application") for an order pursuant to section 148(1) of the Act revoking the Cease Trade Order;
- **(C) AND UPON** the Issuer having represented that:
  - 1. The Issuer is a British Columbia corporation existing under the *Business Corporations Act* (British Columbia), on February 28, 1983 under the name 260827 B.C. Ltd.; the Issuer changed its name on May 28, 1984 to Modatech Systems Inc.; the head office of the Issuer is located in the province of British Columbia;
  - 2. The Issuer's authorized capital consists of 40,000,000 shares divided into 25,000,000 Common Shares, 12,500,000 Class A Preferred Shares and 2,500,000 Class B Preferred Shares, of which 6,772,001 Common Shares are issued and outstanding and 2,000,000 Class B Preferred Shares are issued and outstanding;
  - 3. The Issuer is a reporting issuer or the equivalent in British Columbia, Manitoba, Ontario and Quebec (the "Reporting Jurisdictions") and is currently subject to the Cease Trade Orders in each of the Reporting Jurisdictions as a result of its failure to file financial statements; the last financial statements filed by the Issuer on the System for Electronic Document Analysis and Retrieval ("SEDAR") were the audited annual financial statements for the years ended November 30, 2004 and 2003, filed on October 6, 2005;
  - 4. The Issuer also remains in default of certain other continuous disclosure requirements under the legislation of the Reporting Jurisdictions and the underlying regulations; the Issuer made its last filing on SEDAR on November 16, 2005;
  - 5. During the meeting of shareholders of the Issuer held on November 7, 2005, the shareholders approved certain amendments to the attributes of the Class A Preferred Shares making the Class A Preferred Shares redeemable at the option of

the Issuer; the redemption price was fixed at \$.025 per share plus all declared and unpaid dividends accrued thereon as at December 31, 2005;

- 6. In December 2005 the Issuer took the corporate steps necessary to redeem all of the issued and outstanding Class A Preferred Shares (the "Share Redemption");
- 7. In May 2007, the Issuer received partial revocation of the Cease Trade Orders from each Decision Maker in the Reporting Jurisdictions solely for the purpose of allowing it to carry out the Share Redemption:
  - (a) British Columbia: Partial Revocation Order dated May 18, 2007;
  - (b) Manitoba: Order No. 5367 dated May 22, 2007;
  - (c) Québec: Decision No. 2007-MC-0997 dated May 18, 2007; and
  - (d) Ontario: Order dated May 18, 2007;
- 8. The Share Redemption has been completed;
- 9. The outstanding securities of the Issuer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Reporting Jurisdictions and less than 51 security holders in total in Canada; specifically, the Common Shares are held by one Ontario resident shareholder and the Class B Preferred Shares are held by one B.C. resident shareholder;
- 10. No securities of the Issuer are currently traded on a marketplace as defined by National Instrument 21-101 *Marketplace Operations*;
- 11. The Issuer applied to all of the Reporting Jurisdictions for a decision that the Issuer has deemed to have ceased to be a reporting issuer in each of the Reporting Jurisdictions. The decision that the Issuer is not a reporting issuer in Manitoba is being granted concurrently with the revocation of the cease trade order in Manitoba; and
- 12. The Issuer has applied for a revocation of the cease trade orders in each of the Reporting Jurisdictions. The relief is being granted concurrently with the revocation of the cease trade order in Manitoba.
- **(D) AND UPON** considering the Application and the recommendation of the staff of the Commission;
- **(E) AND UPON** considering that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

(F) IT IS ORDERED	THAT	pursuant	to section	148(1) of th	e Act,	the	Cease	Trade	Order is
hereby revoked.									

Deputy Director - Legal