

THE SECURITIES ACT ) ORDER NO.. 4936  
)  
Section 20(1) ) December 14, 2005

## TORIC AUTOMATION INC.

### WHEREAS:

(A) Toric Automation Inc. ("Toric Canada") has applied 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 certain trades in securities related to a stock option plan and share bonus arrangement are not subject to Sections 6 or 37 of the Act.

(B) Toric Canada has represented to the Commission that:

(a) Toric Canada is a corporation incorporated under the federal laws of Canada. The authorized share capital of Toric Canada consists of an unlimited number of voting common shares, an unlimited number of non-voting common shares and an unlimited number of investment shares, of which 2,400,000 voting common shares and 3,000,000 investment shares are issued and outstanding as fully paid shares in the capital of Toric Canada. Toric Canada is engaged in the business of acquiring and commercializing pharmacy automation technology.

(b) Toric Automation (U.S.) Inc. ("Toric US") is a corporation organized under the laws of the State of Delaware and is a wholly-owned subsidiary of Toric Canada. Toric US carries on the business of acquiring and commercializing pharmacy automation technology in the United States marketplace, and, in particular, deals with technology relating to the automation of the preparation of syringe and intravenous admixtures ("APAS").

(c) Lombard Research Inc. ("LRI"), a medical research company which was established to conduct scientific research and product development is engaged through written agreement (the "Agreement") to act as a consultant for Toric US in respect of the APAS technology. LRI spends a significant amount of time and attention on the affairs and business of Toric US and will not provide any services in relation to a distribution or sale of securities or promotional/investor relations.

(d) Toric Canada is in the process of establishing a Stock Option Plan (the "Plan") for the directors, officers, employees and consultants of Toric Canada, or of an affiliate of Toric Canada (the "Exempt Participants"), and has extended the eligible participants in the Plan to include "any director, officer, employee or consultant of a person or entity which provides consulting or other services" to Toric Canada or any of Toric Canada's affiliates (the "Non-Exempt Participants").

(e) Subject to any adjustment in accordance with the terms of the Plan, Toric Canada has authorized the granting of options (the "Options") to purchase an aggregate of up to 600,000 non-voting common shares (the "Option Shares"), or 11% of its currently issued and outstanding capital stock.

(f) At the request of LRI and certain employees of LRI (the "Bonus Employees"), Toric Canada has agreed to authorize the granting of a direct issue of 23,640 non-voting common shares (the "Bonus Shares"), or .004% of its currently issued and outstanding capital stock, to the Bonus Employees in partial satisfaction of any cash bonus that they would otherwise be entitled to (the "Bonus Arrangement").

(g) The Plan and Bonus Arrangement creates in the eligible participants a proprietary interest in, and consequently a greater concern for, the welfare and success of Toric Canada. Toric Canada, in turn, benefits from these relationships.

(h) Under the provisions of National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106"), the trades of the Options and the Option Shares to the Exempt Participants are exempt from the registration and prospectus requirements of the Act. If the trade of the Options and Option Shares were to be made to LRI directly, those trades would be similarly exempt under NI 45-106, as subsections 2.24(1)(d) and 2.24(4) exempt from the registration and prospectus requirements "a trade by an issuer in a security of its own issue" to "an employee, executive officer, director or consultant of a related entity of the issuer." However, the Plan stipulates that trades will be made to any "director, officer, employee or consultant of a person or entity which provides consulting or other services" to Toric Canada or any of Toric Canada's affiliates. There is no exemption available under NI 45-106 for such trades.

(i) Similarly, if the trades of the Bonus Shares were to be made to LRI directly, those trades would be exempt under NI 45-106, as subsections 2.24(1)(d) and 2.24(4) exempt from the registration and prospectus requirements "a trade by an issuer in a security of its own issue" to "an employee, executive officer, director or consultant of a related entity of the issuer." However, the Bonus Arrangement stipulates that trades will be made to the Bonus Employees, none of whom are "an employee, executive officer, director or consultant of a related entity of the issuer." There is no exemption available under NI 45-106 for such trades.

(j) The Non-Exempt Participants and Bonus Employees:

(i) are engaged to provide services to Toric US, a related entity of Toric Canada, other than services provided in relation to a distribution,

(ii) provides the services under a written contract between Toric US and LRI, and

(iii) spends or will spend a significant amount of time and attention on the affairs and business of Toric US.

(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**, under subsection 20(1) of the Act, the trades of securities of Toric Canada to the Non-Exempt Participants and the Bonus Employees in connection with the Plan and the Bonus Arrangement, respectively, are exempt from Sections 6 or 37 of the Act.

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

**BY ORDER OF THE COMMISSION.**

**Deputy Director - Legal**