

THE SECURITIES ACT ) Order No. 4834  
)  
Section 20(1) ) **July 20, 2005**

## **CINEPLEX GALAXY INCOME FUND**

### WHEREAS:

(A) Application has been made by Cineplex Galaxy Income Fund (the "Applicant") 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 trades in securities of the Applicant in connection with an automatic conversion be exempt from section 6 of the Act.

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

1. The Applicant is an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario. The Applicant's head office is located at 1303 Yonge Street, Suite 300, Toronto, Ontario.
2. The Applicant has an approximate 43.8% interest in Cineplex Galaxy LP (the "Partnership"). The Partnership owns, operates or has an interest in 86 theatres with 775 screens in Canada.
3. An unlimited number of Trust Units ("Trust Units") are issuable pursuant to the Applicant's declaration of trust. The Trust Units are listed and posted for trading on the Toronto Stock Exchange.
4. The Applicant is a reporting issuer or the equivalent in each of the Provinces and Territories in Canada.
5. The Applicant will offer Subscription Receipts in each of the Selling Jurisdictions pursuant to a Preliminary Short Form Prospectus dated July 4, 2005 (the "Preliminary Prospectus") and a Final Prospectus dated July 11, 2005 (the "Final Prospectus"), filed pursuant to the Mutual Reliance Review System ("MRRS") for prospectuses and annual information forms under National Policy 43-201. MRRS Decision Documents issued on July 4, 2005 and July 11, 2005, confirm that receipts have been issued by the regulators in each of the Selling Jurisdictions for the Preliminary Prospectus and the Final Prospectus respectively.
6. Each Subscription Receipt entitles a holder to one Underlying Trust Unit of the Applicant upon the completion of the acquisition of Famous Players Limited Partnership and its general partner, Famous Players Co. by the Partnership (the "Acquisition") thereof without payment of any consideration in addition to the issue price of the Subscription Receipt.

7. The Final Prospectus qualifies for distribution both the Subscription Receipts and the Underlying Trust Units issuable pursuant to the Subscription Receipts.

8. The automatic issuance of the Underlying Trust Units pursuant to the Subscription Receipts (the "Automatic Conversions") is subject to the closing of the Acquisition. Upon the Acquisition being completed on or before August 31, 2005 (the "Termination Time"), the funds raised on the Subscription Receipts Offering will be released to the Applicant and one Unit will be issued for each Subscription Receipt without any further action on the part of the holder thereof and without payment of additional consideration.

9. If the closing of the Acquisition does not take place by the Termination Time, the Escrow Agent (CIBC Mellon Trust Company) shall return to holders of Subscription Receipts, commencing on the third business day following the Termination Time, an amount equal to the full subscription price therefore and their pro rata entitlements to interest actually earned on such amount.

(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 all trades in connection with the Automatic Conversions shall be exempt from Section 6 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

**2. THAT** the fee for this order shall be \$750.00.

**BY ORDER OF THE COMMISSION**

**Deputy Director – Legal**