

**THE CORPORATIONS ACT**

)

**Order No. 4105**

)

**Section 150**

)

**April 16, 2003**

**CROCUS INVESTMENT FUND**

**WHEREAS:**

(A) Application has been made on behalf of Crocus Investment Fund (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 150 (1) of *The Corporations Act*, R.S.M. 1987, c. C225 (as amended) (the "Act") that the Applicant be granted an exemption from the requirement to distribute to each shareholder a comparative interim financial statement as is required under subsection 149(3) of the Act.

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

1. The Applicant is a Manitoba based labour-sponsored venture capital corporation with a current capitalization of over \$170,000,000.
2. The Applicant is a corporation created by *The Crocus Investment Fund Act* and is a prescribed labour-sponsored venture capital corporation for the purposes of the *Income Tax Act* (Canada) and *The Income Tax Act* (Manitoba). Pursuant to Commission Order No. 3581 dated November 22, 2001, the Applicant is designated as a mutual fund company for the purposes of *The Securities Act* (Manitoba) (the "Securities Act"). The Applicant's Class A Common Shares are offered for sale to the public on a continuous basis by way of a long form prospectus currently dated January 23, 2003, for which a receipt was issued by the Director of the Commission on January 28, 2003.
3. The Applicant is subject to the reporting requirements of Parts X, XI and XII of the Securities Act.
4. The Applicant is required by subsection 129(5) of the Securities Act to mail to its shareholders by prepaid mail its Interim Statements within 60 days of the date to which they are made up (the "Securities Law Requirements").
5. The Applicant is also subject to the requirements of the Corporations Act and is required by subsection 149(3) of the Corporations Act and by Section 11 of the Regulation to the Corporations Act (Regulation 385/87) to mail to each of its shareholders its Interim Statements within 60 days of the date to which they are made up (the "Corporate Law Requirements").
6. The Applicant files its Interim Statements with the Commission on SEDAR and the Interim Statements are available for viewing on the Applicant's website at [www.crocusfund.com](http://www.crocusfund.com) and on the SEDAR website at [www.sedar.com](http://www.sedar.com).

7. The Commission recently passed MSC Rule 2002-2 which adopted National Instrument 54-102 entitled, "Interim Financial Statement and Report Exemption" ("NI 54-102"). NI 54-102 exempts issuers from the requirements in securities legislation to send Interim Statements to its shareholder provided that the issuer establish a "supplemental list" of those shareholders that elect, on an annual basis, to receive the Interim Statements.

8. Although NI 54-102 exempts the Applicant from the Securities Law Requirements, the Applicant is still subject to the Corporate Law Requirements and is therefore required to send its shareholders the Interim Statements.

9. Subsection 150(1) of the Corporations Act allows the Commission, if satisfied that in the circumstances of the particular case there is adequate justification for so doing, to make an order exempting a corporation from the Corporate Law Requirements.

(C) The Commission is of the opinion that there is adequate justification to grant the order requested.

**IT IS ORDERED THAT:**

1. The Applicant is hereby exempted from the requirements of subsection 149(3) of *The Corporations Act* (Manitoba) and shall not be required to deliver its comparative interim financial statements to its securityholders provided that the Applicant complies with the requirements of National Instrument 54-102.

2. The fee for this order shall be \$25.00.

**BY ORDER OF THE COMMISSION**

**Deputy Director - Legal**