

THE SECURITIES ACT

)

Order No. 3934

)

Section 20 and 95(2)(c)

)

October 23, 2002

GENMAR HOLDINGS, INC.

WHEREAS:

(A) Genmar Holdings Inc. ("Holdings") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) and subsection 95(2)(c) of *The Securities Act* (Manitoba) (the "Act") exempting trades relating to the granting of stock purchase rights, the award to and purchase by certain employees of Genmar Boats Canada Inc. ("Boats") of shares of Holdings (the "Shares") and the offer to acquire and the acquisition of Shares by Holdings from employees and former employees of Boats from, respectively, the registration and prospectus requirements of sections 6 and 37 of the Act, respectively and the issuer bid requirements of sections 86, 87, 88, and 91 of the Act.

(B) Holdings has represented to the Commission that:

1. Holdings owns 100% of the issued and outstanding shares of Minstar, Inc. ("Minstar") which owns 100% of the issued and outstanding shares of Genmar Industries, Inc. ("Industries") which owns 100% of the issued and outstanding shares of Boats.
2. Holdings, Minstar, and Industries are corporations incorporated in the United States of America and Boats is a corporation incorporated pursuant to the laws of Canada.
3. None of the securities of Holdings, Minstar, Industries or Boats are publicly traded.
4. Holdings wishes to issue shares and stock purchase rights to and offer to purchase and purchase shares from certain employees of Boats, including up to 15 eligible employees in Manitoba (the "Employees"), pursuant to Holdings 2001 Stock Award/Purchase Plan (the "Plan").
5. Participation in the Plan is voluntary and employees will not be induced to take the securities by expectation of employment or continued employment. Employees of Boats will be provided with a copy of the Plan which will provide the employees with the terms of the Plan.
6. The Plan includes provisions for the granting of awards of Holdings shares to eligible employees and the granting of stock purchase rights to enable eligible employees to purchase shares in Holdings. The Plan also provides for the

purchase by Holdings of securities issued pursuant to the Plan and means by which employees can sell their shares back to Holdings.

7. It is arguable that, as a result of Boats not being a direct subsidiary of Holdings, Boats is not an "affiliate" as such term is described in the Act and, as a result, the trades in the shares may not be exempt from the registration and prospectus requirements of the Act by clause 19(1)(1) and clause 58(1)(c) of the Act respectively and from the issuer bid requirements by clause 84(3) of the Act.

(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 section 20(1) of the Act, trades relating to the granting of stock purchase rights, and the award and issuance to employees of Boats of shares of Holdings pursuant to the Plan shall be exempt from the registration and prospectus requirements of sections 6 and 37 of the Act, respectively.

2. THAT pursuant to section 95(2)(c) of the Act, the issuer bid requirements of the Act shall not apply to purchases of Holdings shares by Holdings from employees or former employees of Boats, provided that such purchases are made in accordance with the Plan.

3. THAT, the fee for this order is \$1,550.00.

BY ORDER OF THE COMMISSION

Director