

**THE SECURITIES ACT**

)

**Order No. 3406**

)

**Section 20**

)

**June 27, 2001**

**Infocorp Computer Solutions Ltd.**

**WHEREAS:**

(A) Application has been made on behalf of Infocorp Computer Solutions Ltd. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order (the "Order") under subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") in connection with the offering by the Applicant of Convertible Debentures (as defined below) on a private placement basis through Rampart Securities Inc. (the "Agent"), exempting from the registration and prospectus requirements of Sections 6 and 37 of the Act: (i) the issuance of common shares (the "Underlying Shares") of the Applicant to the holders of Convertible Debentures pursuant to the exercise by the Applicant of its right to force the conversion of the Convertible Debentures in accordance with the terms attaching thereto; and (ii) the issuance to the Agent of Broker Warrants (as defined below) as additional compensation earned in respect of the Offering

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

1. The Applicant is a corporation incorporated under the laws of the Province of Manitoba with its registered office and head office located in Winnipeg, Manitoba, is a reporting issuer or equivalent under the securities legislation in the Provinces of Manitoba, Ontario, British Columbia and Alberta (collectively the "Reporting Jurisdictions"), and is, to the best of its knowledge, not in default of any of the requirements under such legislation;
2. The authorized capital of the Applicant consists of an unlimited number of common shares ("Shares"), of which 13,872,715 Shares were issued and outstanding as of June 25, 2001;
3. The Shares of the Applicant are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and were delisted from the Canadian Venture Exchange effective March 16, 2001;
4. The Agent is a corporation incorporated under the laws of Ontario with its registered office and head office located in Toronto. The Agent is registered as an investment dealer, or equivalent, in the Provinces of Ontario, Quebec, New Brunswick, Alberta and British Columbia;
5. The Offering of up to 750 Units will be made to purchasers resident in the Reporting Jurisdictions in reliance on the private placement exemptions from the

registration and prospectus requirements of the securities legislation in such jurisdictions;

6. Each Unit is comprised of a two year 9.5% convertible debenture (the "Convertible Debenture") in the principal amount of \$1000.00 and 429 common share purchase warrants ("Share Purchase Warrants");

7. Each Convertible Debenture will be convertible into Underlying Shares on the following basis:

(a) at the option of the holder thereof, at any time before 5:00 p.m. on the last business day prior to June 30, 2003 (the "Maturity Date") at a conversion price of \$1.75 per Underlying Share; and

(b) at the option of the Applicant, into Underlying Shares at any time after the first anniversary of the issue of the Convertible Debenture and before 5:00 p.m. on the Maturity Date at a conversion price of \$1.75 per Underlying Share,

subject to adjustment of the conversion prices in accordance with TSE policies;

8. Each Share Purchase Warrant entitles the holder thereof to purchase one Share at a price of \$2.00 per Share any time prior to 5:00 p.m. on the Maturity Date;

9. The conversion features of the Convertible Debenture are fully described in a term sheet to be provided to potential investors in Manitoba;

10. In consideration for its services provided in connection with the Offering, the Applicant will pay to the Agent a fee equivalent to 10% of the total gross proceeds of the Units sold under the Offering and issue the Broker Warrants entitling the Agent to acquire that number of Shares equivalent to 10% of the maximum number of Underlying Shares issuable upon the conversion of the Convertible Debentures, at an exercise price of \$2.00 per Share at any time prior to 5:00 p.m. on the date that is the second anniversary of the issuance of the Broker Warrants.

11. The issuance of Underlying Shares to holders of the Convertible Debentures pursuant to the exercise by the Applicant of its right to force the conversion of the Convertible Debentures in accordance with the terms attaching to the Convertible Debentures would be subject to the registration and prospectus requirements of the Act for which an exemption is not available;

12. Although the Agent is not resident in the Province of Manitoba, because the Applicant's registered and head office is located in the Province of Manitoba, the issuance by the Applicant of the Broker Warrants will be subject to the

registration and prospectus requirements of the Act for which an exemption is not available;

(C) I am satisfied that it would not be prejudicial to the public interest to grant the Order requested.

**I HEREBY ORDER** pursuant to a delegation to me by the Commission under subsection 4(1) of the Act of the powers in that behalf

**1. THAT**, pursuant to subsection 20(1) of the Act, the issuance of the Underlying Shares to holders of Convertible Debentures pursuant to the exercise by the Applicant of its right to force the conversion of the Convertible Debentures in accordance with the terms attaching thereto is exempt from the registration and prospectus requirements of sections 6 and 37 of the Act.

**2. THAT**, pursuant to subsection 20(1) of the Act, the issuance to the Agent of Broker Warrants as additional compensation earned in respect of the Offering is exempt from the registration and prospectus requirements of sections 6 and 37 of the Act;

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

**BY ORDER OF THE COMMISSION.**

**Director – Legal**