

THE SECURITIES ACT

)

Order No. 3060

)

Section 20

)

September 6, 2000

**NATIONAL BANK FINANCIAL INC.,
HSBC SECURITIES (CANADA) INC.
AND TELLAMON PHOTONIC NETWORKS INC.**

WHEREAS:

(A) National Bank Financial Inc. and HSBC Securities (Canada) Inc. (collectively, the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act* (Manitoba) (the "Act") that certain trades of Class B preference shares of Tellamon Photonic Networks Inc. (the "Corporation") to a purchaser resident in the Province of Manitoba be exempt from sections 6 and 37 of the Act;

(B) The Applicant has represented to the Commission that:

1. The Corporation's business is the design, development, manufacturing, marketing, distribution and sale of erbium doped fiber amplifiers and systems, other optical amplifiers and systems, noise suppressors, as well as components, blocks and sub-systems included in such products and systems, and related products and telecommunications systems.
2. On August 17, 2000, the Corporation made a trade in securities pursuant to Subsection 19(3) of the Act, namely the sale to James Richardson & Sons Ltd. (the "Purchaser"), of 300,000 Class B preference shares of the Corporation (the "Securities") through National Bank Financial Inc. and HSBC Securities (Canada) Inc. (the "Agents") for a total purchase price of US\$900,000 (the "Trade").
3. The Corporation filed with the Commission on August 31, 2000 in respect of the Trade a report in Form 8 (the "Form 8 Filing") under the Securities Regulation (the "Regulation") under the Act.
4. The Form 8 Filing was made on behalf of the Corporation outside of the period provided in the Regulation for the filing of same.
5. The Trade would have been exempt from Sections 6 and 37 of the Act pursuant to the above Subsection but for the failure of the Corporation to make the Form 8 Filing within the 10 day period provided for in the Regulation.
6. The failure on the part of the Corporation and the Applicant to make the Form 8 Filing within the time period aforesaid was inadvertent.

7. The Purchaser has consented to the granting of the order requested and has acknowledged that it waives all of its rights and remedies under 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, the Applicant and the Corporation are exempt from the requirements of sections 6 and 37 of the Act in connection with the Trade, provided that:

(a) the Purchaser receives a copy of this Order;

(b) a report of the trade in Form 8 to the Regulation be filed with the Commission.

2. THAT the fee for this order shall be \$350.00.

BY ORDER OF THE COMMISSION

Director