THE SECURITIES ACT)	Order No. 4404
)	
Section 20)	February 4, 2004

Navigator

WHEREAS:

- (A) Navigator Capital Management Inc. (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an Order pursuant to section 20 of *The Securities Act* (Manitoba) (the "Act") that the Applicant and a portfolio manager employed by the Applicant be exempt from the registration requirements in section 6 of the Act;
- **(B)** The Applicant has represented to the Commission that:
 - 1. The Applicant is a corporation incorporated and subsisting under the laws of the Province of Ontario and it proposes to commence business in Ontario as an investment counsel and portfolio manager.
 - 2. The Applicant has applied for registration as an advisor (in the category of investment counsel and portfolio manager) with the Ontario Securities Commission prior to commencement of business.
 - 3. The Applicant's principal business objective is to establish, and serve as portfolio manager and investment counsel to and distributor of, pooled investment funds. Each fund will be domiciled in the Province of Ontario or another jurisdiction outside of Manitoba. None of the investors in the funds will be resident in or domiciled in Manitoba.
 - 4. The Applicant's funds will be distributed pursuant to prospectus exemptions set forth in Ontario securities laws and the securities laws of other jurisdictions. The Applicant's funds will not be distributed in Manitoba.
 - 5. The Applicant's head office is situated in Toronto and accordingly all of its staff will be resident and working outside of Manitoba subject to one exception noted in paragraph 7 below.
 - 6. The Applicant has also applied for registration of James Darcel ("Darcel"), who is the Applicant's portfolio manager and designated compliance officer, as Advising Officer, Advising Director and Designated and Chief Compliance Officer with the Ontario Securities Commission.
 - 7. Darcel is and will remain resident in Winnipeg.

- 8. Neither Darcel nor the Applicant will advise persons resident in Manitoba or issuers domiciled or subsisting under the laws of Manitoba (unless prior registration or other required consents or exemptions have been obtained from the Commission).
- 9. Darcel will serve as a portfolio manager and investment counsel to the Applicant's clients which will principally consist of pooled investment funds. Darcel's principle functions will include monitoring the investment portfolio of each client and to make buy, sell and hold decisions having regard to the client's investment objectives and market conditions and other factors he deems relevant. In carrying out his functions, Darcel will provide trade order execution instructions to the Applicant's brokers. Darcel will work with senior management of the Applicant to develop investment strategies for existing and new pooled funds.
- 10. Darcel will communicate with the Applicant's clients through electronic mail, telephone and fax or in person at locations that are physically outside the Province of Manitoba.
- 11. Darcel will travel to Ontario and attend at the Applicant's offices in Toronto as frequently as necessary to effectively discharge his duties.
- (C) In the opinion of the Commission 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, the Applicant and James Darcel are exempt from the requirements to register under section 6 of the Act in connection with their respective activities described in sections 3 and 9 provided that:
 - (i) That the Applicant and James Darcel will obtain registration in Ontario as Investment Counsel and Portfolio Manager and Advising Officer and Advising Director, respectively, and continue to be registered in Ontario in those categories;
 - (ii) None of the clients of the Applicant will be resident or domiciled in Manitoba;
 - (iii) Neither the Applicant nor Darcel will directly or indirectly provide advice to Manitoba residents or issuers subsisting under the laws of Manitoba; and
 - (iv) the Applicant and Darcel will become registered prior to advising Manitoba residents or issuers subsisting under the laws of Manitoba.
- **2. THAT** the fee for this order shall be \$750.00.

Director - Legal