

THE SECURITIES ACT

)

Order No. 2769

)

Section 20

)

January 12th, 2000

NCE DIVERSIFIED INCOME TRUST

WHEREAS:

(A) NCE Diversified Income Trust (the "Trust") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act") exempting certain trades from the requirements contained in sections 6 and 37 of the Act, as outlined below;

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

1. The Trust is subject to the continuous disclosure requirements of the Act.
2. The Trust intends to issue securities pursuant to an Offering, consisting of an exchange offer (the "Exchange Offer") and the issue of warrants (the "Warrant Issue") as defined below, which is qualified by a prospectus dated January 4, 1999.
3. Pursuant to the Exchange Offer the Trust is offering up to 3,748,762 combined units consisting of one trust unit (the "Trust Unit") and one trust unit purchase warrant (the "Warrant") which will entitle the Warrant holder to subscribe for one Trust Unit for each Warrant (the "Additional Trust Unit") at a fixed price. A combined unit can only be subscribed for by exchanging units of certain other issuers named in the prospectus.
4. The Warrant Issue is the issuance of up to 21,212,320 additional warrants (the "Additional Warrants") to holders of its Trust Units of record at the close of business on January 12th, 2000 which will entitle the holder to subscribe for one Trust Unit (the "Underlying Trust Unit").
5. The Trust Units, Warrants and Additional Warrants are all described in and qualified under the prospectus dated January 4, 2000.
6. The issuance by the Trust of Additional Trust Units pursuant to the exercise of the Warrants and the issuance by the Trust of Underlying Trust Units pursuant to the exercise of the Additional Warrants would be exempt from the registration and prospectus requirements of the Act pursuant to paragraph 19(1)(h)(iii) and clause 58(1)(b) of the Act if the Trust was in fact a corporation. However, because the issuer is a Trust the exemptions are not available.

(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 subsection 20(1) of the Act, the issuance by the Trust of Additional Trust Units pursuant to the exercise of the Warrants and the issuance by the Trust of the Underlying Trust Units pursuant to the exercise of the Additional Warrants, all in accordance with the prospectus filed with and received by the Commission, are exempt from sections 6 and 37 of the Act.

2. **THAT** the fee for this order shall be \$650.00.

BY ORDER OF THE COMMISSION

Director – Legal