THE SECURITIES ACT	)	Order No. 4024
	)	
Section 20	)	December 18 2002

## Amended and Restated World of Water International Ltd. and Newco

## WHEREAS:

- (A) Application has been made on behalf of World of Water International Ltd. ("World of Water") and <u>4557973</u> Manitoba Ltd. ("Newco") 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 (as amended) (the "Act") that certain trades made in connection with an offering of shares in the capital of Newco to certain purchasers resident in Manitoba (the "Offering") shall be exempt from sections 6 and 37 of the Act.
- (B) It has been represented to the Commission by the World of Water and Newco that:
  - 1. World of Water is a corporation incorporated under *The Corporations Act* (Manitoba). Its head office is located at 326 Keewatin Street, Winnipeg, Manitoba, R2X 2R9.
  - 2. Newco is a corporation incorporated under *The Corporations Act* (Manitoba). Its head office is to be located at 326 Keewatin Street, Winnipeg, Manitoba, R2X 2R9.
  - 3. Newco will be a franchisee of World of Water and will be created in order to facilitate World of Water's expansion into the Province of Ontario. Newco will carry on business in the Province of Ontario as a producer and marketer of distilled water, and will buy and sell products such as water coolers, filtration systems, water distillers, beer and wine making products and water treatment products.
  - 4. Neither World of Water nor Newco are a reporting issuer or the equivalent in any of the Provinces in Canada.
  - 5. Newco is a "private issuer" (as such term is defined in Subsection 1.1 of *Multilateral Instrument 45-103 Capital Raising Exemption* ("MI 45-103")).
  - 6. World of Water is a founder and a control person (as such terms are defined in Subsection 1.1 MI 45-103) of Newco and will beneficially own 52% of Newco with the rest of Newco owned as to 8% by each of six potential investors (the "Potential Investors").

- 7. One of the Potential Investors is an employee of an affiliate of World of Water which is affiliated with Newco for the purposes of *The Corporations Act* (Manitoba) but is not affiliated with Newco for the purposes of the Act. This Potential Investor is very familiar with the way in which World of Water and its subsidiaries operate and is not being induced to purchase shares of Newco by expectation of employment or continued employment. One of the Potential Investors is a supplier and close business associate of World of Water. The remaining three Potential Investors will be close personal friends or close business associates of a director or senior officer of Newco, or will be "accredited investors" (as such term is defined in MI 45-103).
- 8. The Commission has published Notice 2002-38 entitled *Proposed Amendments* to Multilateral Instrument 45-103 Capital Raising Exemption and Proposed Adoption in Additional Jurisdictions which indicates that, subject to comments and possible further consideration, the Commission is prepared to adopt MI 45-103.
- 9. If MI 45-103 was now in effect, certain of the trades in connection with the Offering by Newco would be effected in reliance upon Section 2.1 of MI 45-103 and such offering would be exempt from the prospectus and registration requirements of the Act as World of Water and certain of the Potential Investors to whom the Offering is being made, would be exempt from the registration and prospectus requirements pursuant the Exemption.
- 10. The Offering will not violate the provisions of Newco's Articles of Incorporation.
- (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, trades between Newco, World of Water and the Potential Investors in connection with the Offering shall be exempt from Sections 6 and 37 of the Act.
- **2. THAT** the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal