

IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2

AND

IN THE MATTER OF
TRIRAK INDUSTRIES CORPORATION

O R D E R

Section 135

Hearing Held September 18 and October 29, 1991

Before: Marcel de la Gorgendiere, Q.C., Chairman
Herbert Dow, Vice Chairman (September 18, 1991 only)
Morley Meiklejohn, Commission Member

Appearances: James M. Hall, representing Commission staff
Perry Khakhar, representing the Respondent

Order dated December 16, 1991

ORDER

It was represented to the Saskatchewan Securities Commission (the Commission) by the staff of the Commission that Trirak Industries Corporation (the Issuer);

1. Being a reporting issuer other than a mutual fund within the meaning of The Securities Act, 1988 S.S. 1988, c. S-42.2 (the Act) had failed to file a financial statement for the three-month period ending November 30, 1988; and
2. being a reporting issuer other than a mutual fund within the meaning of the Act had failed to file in a form acceptable to the Commission an annual audited financial statement for its financial year ending August 31, 1988;

AND WHEREAS on the 6th day of February, 1989 the Commission issued a Temporary Order pursuant to section 134 of The Securities Act, 1988, c. S-42.2 (the Act) that trading in the securities of the Issuer cease up to and including the 21st day of February, 1989 which Order was extended by the Commission on the 21st day of February, 1989;

AND WHEREAS a hearing was held, at the request of the Issuer, before the Commission on the 18th of September, 1991 and adjourned to the 29th of October, 1991;

AND WHEREAS as a result of allegations made in the Notice of Hearing dated September 16, 1991 and as a result of evidence given to the Commission at the hearing by staff of the Commission and on behalf of the Issuer, the Commission has determined as follows:

1. That trading with respect to any securities or commodity futures contracts of the Issuer shall cease for the following specified period, namely, the rest of its corporate existence.
2. The Commission gives notice that it will be prepared to consider an application to vary or revoke this Order pursuant to the provisions of section 158 of the Act providing that the Issuer has:
 - (a) held a meeting of shareholders;
 - (b) received approval of a reorganization plan by the majority of the minority shareholders;
 - (c) issued an Information Circular to its shareholders;
 - (d) prepared the Information Circular in accordance with Form 28 - Information Circular, as detailed in The Securities Regulations, and the general directions of the Commission included in the Appendix to this Order;

3. If any question arises over content of the Information Circular, either the Issuer or staff may apply to the Commission for further direction.
4. The Information Circular shall be approved by Commission staff before being released to the shareholders, and either the staff or the Issuer may apply to the Commission for further direction in the event of any question over content arises.

DATED at the City of Regina, in the Province of Saskatchewan, this 16th day of December, 1991.

"Marcel de la Gorgendiere"_____

Marcel de la Gorgendiere, Q.C.
Chairman

APPENDIX

This is the appendix to the Order of the Saskatchewan Securities Commission in the Matter of Trirak Industries Corporation (the Company) dated the 16th day of December, 1991.

The Commission in its Order has indicated that an application to revoke or vary the Temporary Cease Trade Order may be considered by it, providing that certain action is taken as detailed in this appendix. The shareholders are to be given the following information so as to:

1. be aware of the past conduct of the business affairs of the Company;
2. be in a position to make informed investment decisions in regard to the maintenance or disposition of their shares; and
3. consider what other courses of action may be open to them in regard to the preservation or enhancement of their equity in the Company.

While the Commission is concerned that a number of breaches of the provisions of The Securities Act, 1988 and The Business Corporations Act have occurred, it does not wish to penalize non-responsible shareholders by maintenance of a cease trade order. However, the Commission will require that all relevant material information, bearing on their interest as shareholders, be made available to them. Without restricting the generality of the foregoing, the Commission will require that an Information Circular be mailed to all shareholders 25 days prior to the holding of a meeting of shareholders, for consideration and approval at a meeting of the shareholders, which shall provide:

1. A summary of operations of the Company from its inception detailing:
 - (1) the types of undertakings of the Company;
 - (2) results of the operation in narrative form including material changes such as changes in control of the Company and management;
 - (3) disposition of land, buildings and equipment of the Company. If the disposition of equipment has not been finalized, details of any proposals for sale of equipment and repayment of debt.
 - (4) an outline of the share structure of the Company as it currently exists together with details as to escrow arrangements.
 - (5) details of past and proposed debt-equity exchanges, including details of proposed exchanges with Yokie Ltd.

and Richard Leibel.

- (6) an auditor's confirmation of details as to receipt of cash by the Company in regard to the debts to Yokie Ltd. and Richard Leibel. Details of the basis on conversion must be given.
2. Details of any reorganization plan contemplated by the Company must be given in sufficient detail in order for the shareholders to be able to assess the nature of the proposals and plans including the working capital requirements.
3. An undertaking by the Company's director and controlling shareholder that approval to proceed in accordance with the plans must be obtained by a majority of the minority shareholders.
4. Disclosure of financial statements including audited financial statements for August 31, 1988 through to 1991 inclusive, together with interims, if any, since August 31, 1991.
5. Such other information and certificates as are ordinarily contained in an information circular provided to shareholders prior to an annual meeting (Form 28).