

2002 BCSECCOM 226

ORDER UNDER SECTIONS 48 AND 76 OF THE SECURITIES ACT R.S.B.C. 1996, c. 418

JOHN ANDERSON, BILL CALSBECK, KOLTAI HOLDINGS LTD. AND
CTI DIVERSIFIED HOLDINGS, INC.

Background

[para 1]

Anderson, Calsbeck and Koltai (the Sellers) applied for an exemption from the requirements to be registered to trade and to file and obtain receipts for a preliminary prospectus and prospectus in sections 34(1)(a) and 61 of the Act;

Representations

[para 2]

The Sellers and CTI represent that:

1. CTI was incorporated under the laws of Delaware, is not a reporting issuer under the Act, but is a reporting issuer under the United States *Securities Exchange Act of 1934* (the 1934 Act) and is not in default of any requirements of the 1934 Act;
2. as of February 11, 2002, CTI's authorized capital consisted of 50,000,000 common shares with par value of \$0.0001 per share, of which 17,808,744 common shares were outstanding;
3. the common shares are quoted for trading on the NASD Over-the-Counter Bulletin Board in the United States;
4. under buy-sell agreements dated February 11, 2002, the Sellers have agreed to sell an aggregate 2,669,675 common shares to Mark A. Godsy in consideration of \$10,000;
5. the Sellers acquired the common shares under an exemption from the prospectus requirements of the Act and each of the Sellers has held the common shares for at least 12 months;
6. the Sellers are all residents of British Columbia and all are or were insiders of CTI;
7. Godsy is an "accredited investor" within the meaning of United States securities laws; and
8. but for the fact that
 - (a) the common shares will be sold in a private transaction rather than through an investment dealer on an exchange or market outside Canada, and
 - (b) the number of common shares to be sold by two of the Sellers exceeds 5% of the issued capital of CTI,

the trade of the common shares to Godsy would be exempt from the requirements of sections 34(1)(a) and 61 of the Act under BC Instrument 72-502 *Trades in Securities of U.S. Registered Issuers*;

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Order

[para 3]

Because it is not prejudicial to the public interest, the Executive Director orders:

1. under sections 48 and 76 of the Act, trades in an aggregate 2,669,675 common shares by the Sellers to Godsy are exempt from the Registration and Prospectus Requirements; and
2. under section 76 of the Act, any trade in common shares acquired under this order is deemed to be a distribution unless the conditions in subsection 2.6(4) of Multilateral Instrument 45-102 *Resale of Securities* are satisfied.

[para 4]

DATED March 14, 2002.

Brenda Leong
Director