

THE SECURITIES ACT

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Order No. 3880

)

Section 20

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September 9, 2002

4527365 MANITOBA LTD.

WHEREAS:

(A) 4527365 Manitoba Ltd. (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(l) of The Securities Act, RSM 1988, c. S50 (the "Act"), exempting the Applicant and its directors from the registration and prospectus requirements of sections 6 and 37 of the Act in connection with the Offering (as defined below) and Informational Meetings (as defined below).

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

1. The Applicant is incorporated under The Corporations Act (Manitoba) and its share capital consists of an unlimited number of Class 1, 2, 3 and 4 Common Shares and an unlimited number of Class A, B, C and D Preferred Shares of which there are currently no shares outstanding. The Applicant was incorporated in March, 2002 for the purposes of carrying out the Project (as defined below).
2. A number of individuals residing in Boissevain, Manitoba and the surrounding area believe it is in the best interest of Boissevain to construct a hotel/motel in the town site.
3. The Applicant intends to offer its Class 1 Common Shares for the purposes of raising money to provide part of the financing for the development and construction of a franchised hotel/motel on Highway No. 10 in Boissevain (the "Project"). It is proposed the hotel/motel will consist of 40 to 48 rooms.
4. It is estimated that the project will cost approximately \$2,500,000.00 and will be paid by a combination of equity financing from the offering of Class 1 Common Shares and credit facilities obtained through a local lending institution.
5. The Applicant will be offering Class 1 Common Shares (the "Common Shares") at a price of \$1,000.00 per share. The minimum subscription will consist of 25 Common Shares for a total minimum acquisition cost of \$25,000.00. The minimum amount of the offering for the purposes of closing will be \$700,000.00 with a maximum of \$2,500,000.00 (the "Offering"). The Offering will be made only to persons who are ordinarily resident and have a substantial connection to Boissevain or the Rural Municipality of Morton within a 150 km radius of the town of Boissevain ("Eligible Investors"). All monies raised in the course of the Offering will be held in trust by J.A.H. George Law Office, Boissevain,

Manitoba. If the minimum subscription amount is not raised the monies will be returned to purchasers without interest.

6. The Offering will be made by the four Directors of the Applicant three of whom have confirmed they will be subscribing for Common Shares. All of the Directors have a substantial tie to Boissevain and three of the four Directors are business owners in Boissevain. The fourth Director, who will not be subscribing for Common Shares, is an economic development officer employed by the Turtle Mountain Development Corporation.

7. The Applicant wishes to hold a series of informational meetings to raise awareness of the Offering with Eligible Investors (the "Informational Meetings").

8. All Eligible Investors will be provided with a copy of an Offering Memorandum at or before the time of completing their subscription for shares, which complies with Form 26 of The Securities Regulation.

9. Each Eligible Investor will be required to complete a form of declaration acceptable to Commission staff at the time they subscribe for securities under the Offering confirming receipt of the Offering Memorandum, recommending that they obtain advice on the investment and confirming that they qualify as an Eligible Investor.

10. The purchaser will not be able to sell their security for one year subject to the Director consenting to a transfer of security where it is not prejudicial to the public interest.

11. There will be no sales or commissions paid directly or indirectly with respect to the trades except for the reasonable and actual costs incurred by individuals permitted to trade securities pursuant to the Order.

12. All advertisements used to promote the Offering will be filed with Commission staff at least five days before publication along with a list of locations where the advertisement will be placed.

13. Commission staff will be notified a minimum of five days before any informational meeting advising as to the time, date and place of the meeting.

14. The Offering shall be completed within 180 days of the date of any Commission Order authorizing the Offering. Fourteen days from the earlier of the Offering maximum being subscribed for or 180 days of the date of the Order the Applicant shall file a report substantially in Form 27 to The Securities Regulation along with the Declarations completed by the Eligible Investors with the Commission.

(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(l) of the Act, trades made by the Applicant in connection with the Offering and acts in furtherance of trades in connection with the Informational Meetings are exempt from sections 6 and 37 of the Act provided that:

(a) The Applicant's securities are being sold pursuant to the Offering shall only be made available to the Eligible Investors.

(b) The minimum amount that an Eligible Investor may subscribe for shall be Twenty Five (25) Common Shares for a total acquisition cost of \$25,000.

(c) The Applicant shall prepare and file with the Commission at least 10 days before its use the Offering Memorandum.

(d) The Applicant shall prepare a declaration in a form acceptable to the Commission staff (the "Declaration") which is to be completed by all Eligible Investors at the time they subscribe for securities pursuant to the Offering which states:

(i) Type and amount of securities purchased;

(ii) The purchaser is an Eligible Investor;

(iii) The purchaser has received all documents they are required to receive pursuant to this order;

(iv) The purchaser has received independent expert advice or has declined to receive independent expert advice concerning the Offering;

(v) The purchase has been made for investment purposes and not for resale;

(vi) The purchaser is aware that the effect of this order is that the purchaser will not have all rights and remedies established by the Act, which the purchaser may otherwise have;

(vii) The purchaser is aware that securities purchased pursuant to the Offering may not be sold for a period of 12 months from the date of purchase without the prior written approval of the director of the Commission.

- (e) The Offering Memorandum shall contain a statement to the effect that the Offering is being conducted pursuant to this order and as such the protections normally available under the Act are not available in this instance.
- (f) Prior to any sale of Common Shares a potential purchaser shall be provided with the Offering Memorandum.
- (g) No sales or commissions are paid directly or indirectly with respect to trades in securities of the issuer except for reasonable and actual costs incurred by individuals permitted to trade securities pursuant to this order.
- (h) Any and all forms of advertisements to be used to promote the Offering be filed with the Commission a minimum of five (5) days before publication along with a list of locations where the advertisement will be placed.
- (i) Commission staff shall be notified a minimum of five (5) days before any Informational Meeting advising as to the time, date and place of the meeting.
- (j) Any resale of the securities purchased in the Offering within 12 months of purchase will not be permitted without prior written consent of the Director of the Commission.
- (k) The proceeds from the Offering will be held by the Trustee or such other trustee as may be acceptable to Commission staff until all conditions precedent to closing, including the minimum offering to be met, are satisfied. In the event that the closing requirements are not met, the proceeds are to be returned to the purchasers.
- (l) The Offering shall be completed within 180 days from the date of this order.
- (m) Within 14 days of the earlier of the Offering maximum being subscribed or 180 days of this Order, the Applicant shall file a report of the details of the Offering with the Commission containing the information described in Form 27 to the Securities Regulation along with the originally signed Declarations for each investor.

BY ORDER OF THE COMMISSION

Deputy Director - Legal