

THE SECURITIES ACT

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Order No. 4147

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Section 20(1)

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May 28, 2003

THE 55 SCHOOL BOARD TRUST

WHEREAS:

(A) The 55 School Board Trust (the "Issuer") had made application to The Manitoba Securities Commission (the "Commission") pursuant to Section 20(1) of The Securities Act R.S.M. 1988, Chapter S.50, as amended (the "Act"), for an Order exempting the Issuer from the prospectus requirements of Section 37 of the Act.

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

(1) the Issuer was organized for 55 Ontario School Boards under the auspices of the Government of Ontario;

(2) the Issuer is not a reporting issuer in any of the Provinces of Canada;

(3) the Issuer is offering Series A Senior Secured Debentures (the "Debentures") to be issued pursuant to a trust indenture between the Issuer and BNY Trust Company of Canada, as indenture trustee, in accordance with the terms of a confidential Offering Memorandum (the "Offering");

(4) the Debentures will be offered for sale subject to prior sale if, as and when issued by the Issuer and accepted by BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., Laurentian Bank Securities Inc., Merrill Lynch Canada Inc. and TD Securities Inc. (collectively, the "Underwriters"), in accordance with the conditions contained in the Underwriting Agreement.

(5) the Debentures will not be offered to individuals, will be subject to a minimum subscription of \$150,000 by purchasers resident in the Province of Manitoba and will be direct obligations of the Issuer;

(6) the confidential Offering Memorandum grants to purchasers resident in the Province of Manitoba contractual rights of action identical to those being made available to purchasers resident in the Province of Ontario;

(7) the Issuer wishes to offer the Debentures to securities advisers who are registered as portfolio managers ("Portfolio Managers") on behalf of fully-managed investment portfolio accounts over which they have the full discretion to

make investment decisions without requiring the client's express consent in connection with a particular transaction ("Managed Accounts");

(8) Portfolio Managers subscribing for Debentures on behalf of such Managed Accounts would thereafter distribute such Debentures among the various portfolio accounts over which they have the discretion to make investment decisions; however, such trades would not fall within the prospectus and registration exemptions contained in Sections 58(1) and 19(3) of the Act;

(9) each such Managed Account, will at the time of the purchase of Debentures hold assets having an aggregate net value or an aggregate acquisition cost of not less than \$97,000; and

(10) the Portfolio Managers will be solely responsible for the management of the Managed Accounts, with full power, authority and discretion to, inter alia, buy, sell or otherwise effect transactions in securities as agents for the Managed Accounts.

(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 Section 20(1) of the Act, trades in the Debentures in Manitoba in connection with the Offering to a Portfolio Manager acting as agent for Managed Accounts are exempt from Section 37 of the Act, provided that:

(a) each Portfolio Manager, at the time of purchase of the Debentures has full power, authority and discretion to buy, sell or otherwise effect transactions in securities as agent for the Managed Accounts managed by it and the aggregate acquisition cost of the Debentures to all Managed Accounts represented by each Portfolio Manager will not be less than \$150,000;

(b) each such Managed Account will, at the time of purchase of the Debentures, hold assets having an aggregate net value or an aggregate acquisition cost of not less than \$97,000;

(c) on or before the closing of the Offering, the Portfolio Managers which purchase the Debentures shall have been provided with a copy of this Order and the Issuer shall have received written confirmation from the Portfolio Managers, on behalf of their respective Managed Accounts, that they are aware of the limitation imposed by this order on dispositions of the Debentures by Managed Accounts;

(d) each Portfolio Manager and each beneficial purchaser of the Debentures for whom a Portfolio Manager is acting shall receive the contractual rights of action

for rescission and damages that are being conferred upon purchasers of the Debentures that are resident in Ontario, as set out in the Offering Memorandum; and

(e) within 10 days of the closing of the Offering, the Issuer shall file, or cause to be filed with the Commission a report, in duplicate, in respect of each such Managed Account which is in Form 8 of the Regulations, or which includes substantially the same information as is required in a report prepared in accordance with Form 8 of the Regulations, and in conjunction therewith the Issuer shall pay the fee which would be payable on the filing of such report.

2. THAT, the fee for this order is \$1,000.

BY ORDER OF THE COMMISSION

Deputy Director – Legal