THE SECURITIES ACT)	Order No. 4090
)	
Section 20)	March 26, 2003

KEY NOVA SCOTIA FUNDING COMPANY

WHEREAS:

- (A) Key Nova Scotia Funding Company (the "Corporation") has applied to The Manitoba Securities Commission (the "MSC") pursuant to Section 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act"), for an Order exempting the Corporation from the requirements of Section 64(1) of the *Securities Regulations* to the Act.
- **(B)** The Corporation has represented to the Commission that:
 - 1. The Corporation was incorporated on March 3, 2003 pursuant to the laws of the Province of Nova Scotia, and is an indirect wholly-owned subsidiary of KeyBank National Association ("KeyBank"), which in turn is a wholly-owned subsidiary of KeyCorp. The registered office of the Corporation is located at Suite 900, Purdy's Wharf Tower One, 1959 Upper Water Street, P.O. Box 997, Halifax, Nova Scotia, B3J 2X2.
 - 2. KeyBank is not a reporting company; however, KeyCorp is subject to the reporting requirements of the *United States Securities Exchange Act of 1934*.
 - 3. The Corporation is not a reporting issuer in any province of Canada nor is it intended that it become a reporting issuer in any province in Canada in the foreseeable future. The Corporation is not subject to the financial disclosure obligations set out in Part XII of the Act, nor will it be subject to similar financial disclosure obligations in any other Canadian province.
 - 4. The Corporation intends to offer short term promissory notes (the "Notes") in Canada authorized in denominations of not less than \$1,000, subject to a minimum of \$100,000 in lawful money of Canada (or, in each case, the equivalent thereof at the date of issue in U.S. dollars). The Notes shall mature up to one year from the date of issue.
 - 5. The Notes will be unconditionally guaranteed as to payment of principal and interest, if any, by KeyBank.
 - 6. The Notes will not be offered outside Canada or to any entity that is not resident in Canada or to any entities purchasing for resale to, or for the account or benefit, any entity who is not resident in Canada.

- 7. The Notes will be offered for sale to large institutional investors and not individuals or other retail investors.
- 8. Upon the issuance of Notes to purchasers resident in Manitoba, the Corporation will be deemed to be a "finance company", as defined in the Securities Regulations to the Act, and will be subject to certain reporting requirements pursuant to subsection 64(1) of the Securities Regulations to the Act.
- 9. The finance company disclosure requirement was revoked in Ontario (O.Reg 507/97), British Columbia (NIN#98-18), Saskatchewan (Order 51-902) and Alberta ((1999) 8 ASCS 397). The Corporation will be applying for an order from the securities regulators in Nova Scotia, and will provide notice to the securities regulators in Newfoundland and Labrador, exempting it from the finance company disclosure obligations under the securities legislation in those provinces.
- (C) In the opinion of the Commission 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, the Corporation is exempt from S 64(1) of the *Securities Regulations* to the Act.
- **2. THAT** the fee for this Order is \$25.00.

BY ORDER OF THE COMMISSION

Deputy-Director – Legal