

THE SECURITIES ACT

)

Order No. 2687

)

Subsection 20(1)

)

November 16, 1999

LIQUOR STORES NO. 3 LIMITED PARTNERSHIP

WHEREAS:

(A) Liquor Stores No. 3 Limited Partnership (the "Applicant") has applied to The Manitoba Securities Commission (the "Commission") pursuant to Subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 as amended (the "Act") for an order approving certain trades in the units of limited partnership interest (the "Units") in the Applicant, as hereinafter set forth, will not, subject to the terms and conditions hereinafter set forth, be exempted from sections 6 and 37 of the Act.

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

1. The Applicant is a limited partnership formed under the laws of the Province of Ontario, created for the purpose of developing and/or acquiring and operating one or more liquor stores in the Province of Alberta (the "Business"). The Applicant is not subject to the continuous disclosure requirements of the Act.
2. The Applicant, pursuant to a confidential offering memorandum dated November 30, 1998 (the "Offering Memorandum"), conducted an offering of a maximum of 72 Units in Liquor Stores No. 3 Limited Partnership, offering such Units to potential investors in the Provinces of Ontario, Alberta, Saskatchewan, Manitoba, Nova Scotia, New Brunswick and Prince Edward Island.
3. North American Property Group Equities Inc. (the "Agent") pursuant to an agency agreement dated November 30, 1998 between the Applicant and the Agent, acted as the Agent of the Applicant on a "best efforts" basis for the sale of the Units pursuant to the Offering Memorandum. The Agent is appropriately registered under the securities legislation of other provinces of Canada, where such registration is required.
4. The offering under the Offering Memorandum was made principally in reliance upon a prospectus exemption contained in section 72(1)(p) of the *Securities Act* (Ontario) and, as well, pursuant to the prospectus exemption contained in section 71(1)(d) of the *Securities Act* (Ontario).
5. The offering, in addition, is made pursuant to a subscription form to be completed by a proposed purchaser which required, as disclosed in the offering memorandum, that each such proposed purchaser was required to produce a minimum of two Units of the limited partnership at \$25,000.00 per Unit. Two

purchasers from the Province of Manitoba (the "Manitoba Purchasers") prepared and forwarded subscriptions in the limited partnership, which subscriptions were duly accepted by the limited partnership each accepted on January 8, 1999.

6. In the case of each of the Manitoba Purchasers, the contractual rights of action and rescission prescribed by the regulation promulgated under the Act (the "Regulation") were provided to the Manitoba Purchasers.

7. The offering by the limited partnership was closed on January 11, 1999. No prior consultation has been made and, therefore, no material was filed with the Commission in respect of the proposed offering including, without limiting the foregoing, a Notice of Intention to Trade in Securities upon the equivalent section under the Act and the Regulations, specifically Subsection 91(a) of the regulation.

8. No exemptions from the registration and prospectus requirements of the Act are available for the sale of Units to the Manitoba Purchasers.

(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(1) of the Act that the purchase by the Manitoba Purchasers of the Units are exempt from sections 6 and 37 of the Act provided that:

(a) the Applicant provide to the Manitoba Purchasers a copy of this Order; and

(b) the Manitoba Purchasers be given 21 days from receipt of the Order to confirm or rescind their purchase.

2. THAT, the fee for this order shall be \$650.00.

BY ORDER OF THE COMMISSION

DIRECTOR – LEGAL