

THE SECURITIES ACT ) Order No. 3580  
 )  
Section 20 ) November 23, 2001

The True North Entertainment Complex Limited Partnership

WHEREAS:

(A) The True North Entertainment Complex Limited Partnership (the "Partnership") and its limited partners, Sardo Entertainment Limited Partnership ("Sardo") and Manitoba Moose Limited Partnership ("Moose LP"), have made application to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act* (Manitoba) (the "Act") exempting from the registration and prospectus requirements in sections 6 and 37 of the Act, respectively, various trades in securities;

(B) It has been represented to the Commission that:

1. The Partnership was created to carry on the business of acquiring and thereafter owning and operating, through its interest in TN Arena Limited Partnership, a sports and entertainment complex known as "The True North Centre" in Winnipeg, Manitoba, and to carry on other businesses and activities ancillary or incidental to such business, including acquiring and thereafter owning and operating, through its interest in TN Hockey Limited Partnership, the American Hockey League franchise known as The Manitoba Moose.

2. The Partnership is a limited partnership formed on November 30, 1999 pursuant to the laws of Manitoba. The general partner of the Partnership is The True North Entertainment Centre Inc. (the "General Partner"). The initial limited partner of the Partnership was The McGill-Stephenson Company Limited ("MSCL"), which acquired one unit (an "Initial Unit") of interest in the Partnership in consideration for its capital contribution of \$1.00 to the Partnership on November 30, 1999. The General Partner and MSCL entered into an Initial Limited Partnership Agreement dated as of November 30, 1999.

3. The initial capitalization of the Partnership was effected through various loans to the Partnership by MSCL, Crocus Investment Fund and Centara Corporation. Each of MSCL and Crocus Investment Fund loaned \$150,000 to the Partnership, and Centara Corporation loaned \$300,000 to the Partnership. The Partnership issued, or will issue, promissory notes to each of MSCL, Crocus Investment Fund and Centara Corporation evidencing its indebtedness to each of them. Centara Corporation, which is controlled by David Graves, assigned, or will assign, its promissory note to Sardo. Each of Crocus Investment Fund and MSCL assigned, or will assign, its promissory notes to Moose LP. There may be ongoing loans to the Partnership from Sardo and from Moose LP as funds are required.

4. The Initial Limited Partnership agreement was amended as of July 12, 2001 to facilitate the admission as limited partners of the Partnership of Sardo and Crocus Hockey Holdings Inc. ("Crocus"). Sardo acquired two Initial Units in consideration for its capital contribution of \$2.00 to the Partnership, and Crocus acquired one Initial Unit in consideration for its capital contribution to the Partnership of \$1.00.

5. The General Partner, MSCL, Crocus, Sardo and Moose LP entered into an Amended and Restated Limited Partnership Agreement dated as at October 22, 2001. On October 22, 2001, Moose LP subscribed for and was issued 7.5 units of the Partnership ("Units") in consideration for its capital contribution to the Partnership of \$750,000.00, and Sardo subscribed for and was issued 7.5 Units in consideration for its capital contribution to the Partnership of \$750,000.00.

6. On October 22, 2001, the Partnership redeemed the Initial Units held by each of MSCL and Crocus, and the two Initial Units held by Sardo.

7. There will be ongoing issuances by the Partnership of Units to Sardo and to Moose LP, as funds are required. It is possible that the aggregate acquisition cost of Units issued at any particular time will be less than \$97,000.00. The Partnership will also issue Units to Moose LP in exchange for the American Hockey League franchise known as The Manitoba Moose. The Partnership will also issue Units to Osmington Inc. or an affiliate in exchange for the site on which The True North Centre will be erected.

8. Each of Sardo and Moose LP will issue a demand promissory note to the Partnership (the "Sardo Note" and the "Moose Note", respectively,) evidencing its respective commitment for future funding to the Partnership, in consideration for the issuance by the Partnership of additional Units to Sardo and to Moose LP.

9. The General Partner was incorporated pursuant to the laws of Manitoba on November 30, 1999 as 4115287 Manitoba Inc. The name of the General Partner was changed to The True North Entertainment Centre Inc. pursuant to articles of amendment dated November 12, 2000. The General Partner is a "private company" as defined in the Act.

10. On November 30, 1999, MSCL subscribed for and was issued one common share of the General Partner for a subscription price of \$1.00.

11. On October 22, 2001, each of 4409192 Manitoba Ltd. and Moose LP subscribed for 50 common shares of the General Partner at a subscription price of \$1.00 per common share. All of the issued and outstanding shares of 4409192 Manitoba Ltd. are owned by David Graves.

12. On October 22, 2001, the General Partner redeemed the one common share owned by MSCL.

13. Sardo is a limited partnership formed pursuant to the laws of Manitoba. The general partner of Sardo is 4285485 Manitoba Ltd., and the limited partner of Sardo is 4298005 Manitoba Ltd. All of the issued and outstanding shares of 4298005 Manitoba Ltd. are owned by David Graves.

14. Crocus is a Manitoba corporation all of the issued and outstanding shares of which are owned by Crocus Investment Fund.

15. Moose LP is a limited partnership formed pursuant to the laws of Manitoba. The general partner of Moose LP is Manitoba Moose Two Ltd. All of the voting common shares of Manitoba Moose Two Ltd. are owned by True North Holdings Ltd., 51% of the non-voting preferred shares of Manitoba Moose Two Ltd. are owned by Full Rack Hockey Ventures Limited Partnership, and 49% of the non-voting preferred shares of Manitoba Moose Two Ltd. are owned by Crocus. The limited partners of Moose LP are Full Rack Hockey Ventures Limited Partnership and Crocus. The general partner of Full Rack Hockey Ventures Limited Partnership is Full Rack Hockey Ventures Ltd. The limited partners of Full Rack Hockey Ventures Limited Partnership are Birchwood Automotive Group Ltd., MSCL, National Leasing Group Inc. and Stephenson Equipment Company Ltd. All of the issued and outstanding voting common shares of each of Full Rack Hockey Ventures Ltd. and True North Holdings Ltd. are owned by Mark Chipman.

16. TN Hockey Limited Partnership ("TNHLP") is a limited partnership formed pursuant to the laws of Manitoba on July 12, 2001. The general partner of TNHLP is TN Hockey Inc., a Manitoba corporation incorporated on July 12, 2001 and owned by the General Partner. The sole limited partner of TNHLP is the Partnership, which subscribed for and was issued one unit of limited partnership of TNHLP in consideration for \$1.00 on July 30, 2001.

17. TN Arena Limited Partnership ("TNALP") is a limited partnership formed pursuant to the laws of Manitoba on July 12, 2001. The general partner of TNALP is TN Arena Inc., a Manitoba corporation incorporated on July 12, 2001 and owned by the General Partner. The sole limited partner of TNALP is the Partnership, which subscribed for and was issued one unit of limited partnership of TNALP in consideration for \$1.00 on July 30, 2001.

18. Osmington Inc. is a corporation with its head office in Toronto, Ontario. Osmington Inc., or an affiliate, is the owner of the site in downtown Winnipeg on which The True North Centre will be erected.

19. The Units are not transferable by Limited Partners except in limited circumstances described in the Amended and Restated Limited Partnership Agreement.

20. In order to achieve the structure described above, the following trades in securities have occurred or will occur for which no exemptions are available (the "Non-Exempt Trades"):

- (1) issuance by the Partnership of one initial Unit to MSCL;
- (2) issuance by the Partnership of two initial Units to Sardo;
- (3) issuance by the Partnership of one initial Unit to Crocus;
- (4) issuance by the Partnership of promissory note to MSCL;
- (5) issuance by the Partnership of promissory note to Centara Corporation;
- (6) issuance by the Partnership of promissory note to Crocus Investment Fund;
- (7) redemption by the General Partner of one common share of the General Partner from MSCL;
- (8) redemption by the Partnership of initial Unit from MSCL;
- (9) redemption by the Partnership of initial Units from Sardo;
- (10) redemption by the Partnership of initial Unit from Crocus;
- (11) issuance by TNHLP of one unit of TNHLP to the Partnership;
- (12) issuance by TNALP of one unit of TNALP to the Partnership;
- (13) ongoing issuances by the Partnership of promissory notes to Sardo and Moose LP;
- (14) ongoing issuances by the Partnership of Units to Sardo and Moose LP for cash consideration;
- (15) issuance by the Partnership of Units to Moose LP in exchange for non-cash consideration consisting of The Manitoba Moose;
- (16) issuance by the Partnership of Units to Osmington Inc. or an affiliate in exchange for non-cash consideration consisting of the site in downtown Winnipeg;
- (17) issuance by Sardo of the Sardo Note;
- (18) issuance by Moose LP of the Moose Note.

(C) And whereas the Commission has determined 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, the Non-Exempt Trades are exempt from the registration and prospectus requirements of the Act;

**2. THAT** the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Director - Legal