



THE SECURITIES ACT)

Order No. 7604

Sections 20(1) and 148(1))

December 7, 2022

SOUTHAMPTON APARTMENTS (CDN) LIMITED PARTNERSHIP

WHEREAS:

- A. Southampton Apartments (CDN) Limited Partnership (the **Issuer**) is subject to a failure-to-file cease trade order, being Order No. 274 (the **FFCTO**) issued by the Manitoba Securities Commission (the **Commission**) on September 16, 1993 pursuant to section 148(1) of *The Securities Act* C.C.S.M. c.50 R.S.M. 1988, c.S50 (as amended) (the **Act**);
- B. The Issuer has applied to the Commission for a partial revocation order of the FFCTO pursuant to sections 20(1) and 148(1) of the Act;
- C. The Issuer has represented to the Commission that:
1. On December 1, 1985, the Issuer was formed as a limited partnership under the laws of the Province of Manitoba and registered pursuant to *The Partnership Act* (Manitoba), by a partnership agreement made between 71145 Manitoba Corporation, as general partner, and Jeffrey L. Badger, as the founding limited partner, and A.K. Penner & Sons Ltd., as the financing general partner (the **Financing General Partner**).
 2. The Issuer's head office is in Winnipeg, Manitoba.
 3. On November 13, 1987, the Issuer filed with the Commission a prospectus to offer for sale to the public securities designated as units (the **Units**) representing limited partnership interests in the Issuer, for the purpose of raising capital to build an apartment complex project in Minneapolis, MN (the **Project**).
 4. Pursuant to the prospectus, the Issuer reported to the Commission that it had completed its initial public offering on December 31, 1987 and that its issued and outstanding capital consisted of 280 Units issued to subscribers (the **Unitholders**).
 5. By 1993, the Financing General Partner was in default of its obligations to complete the Project and to guarantee of certain financial performance on the part of the Issuer.
 6. On July 7, 1993, by special resolution of the Unitholders, 3011607 Manitoba Ltd. replaced 71145 Manitoba Corporation as the general partner of the Issuer (the **General Partner**).

7. On September 2, 1993, the Commission directed that trading in the securities of the Issuer cease due to the failure of the Issuer to file a copy of its interim financial statements (the **Unfiled Documents**) for the 6-month period ended June 30, 1993, as required by section 129(5) of *The Securities Act*, which direction was extended indefinitely by Order No. 274 dated September 16, 1993 (the FFCTO).
8. On December 30, 1994, a meeting of Unitholders approved a settlement of the Issuer's claims against the General Financing Partner for its defaults in respect of the Project pursuant to which:
 - a. 20 Units were transferred to the General Partner for the benefit of the Issuer as partnership property;
 - b. 4 Units were transferred to 69559 Manitoba Corporation as the general partner of the Royal Arms I Limited Partnership;
 - c. all the issued and outstanding shares in the capital stock of 69559 Manitoba Corporation were transferred to the Issuer, and
 - d. all partnership interests in the Royal Arms I Limited Partnership, which owned the Royal Arms Apartment Block, 258 Royal Crescent, Winkler, Manitoba (the **Apartment Block**) were transferred to the General Partner for the benefit of the Issuer as partnership property.(the **Settlement**).
9. The Issuer's dispositions described in paragraph 8 herein, and in connection with the Settlement, were in breach of the FFCTO (the **Settlement-related FFCTO Breach**).
10. Since the date of the FFCTO, the Issuer has not filed any further financial statements or any continuous disclosure documents required by applicable securities legislation (together with the Unfiled Documents, the **Unfiled Continuous Disclosure**).
11. Other than the failure to file the Unfiled Continuous Disclosure, and the dispositions made in connection with the Settlement-related FFCTO Breach, the Issuer is not in default of the securities legislation of Manitoba.
12. On April 16, 2021, the Manitoba Court of Queen's Bench ordered that the Apartment Block be sold, and that, following the sale, the Partnership be wound up and dissolved, including the distribution to the Unitholders of their proportionate share of the moneys available upon the winding up of the Partnership (the **Dissolution Order**).
13. Because the dissolution of the Issuer will constitute a disposition by each Unitholder of their respective interests in the Partnership represented by the Units, the Issuer is seeking a partial revocation of the FFCTO solely for the purpose of carrying out the Dissolution Order.

- D. The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested by the Issuer.

I HEREBY ORDER pursuant to sections 20(1) and 148(1) of the Act, that:

1. The FFCTO be partially revoked solely to permit trades in securities of the Issuer (including, for greater certainty, acts in furtherance of trades in securities of the Issuer) that are necessary for the dissolution of the Issuer in accordance with the Dissolution Order.

BY ORDER OF THE COMMISSION



Chris Besko Director
The Manitoba Securities Commission