

THE SECURITIES ACT

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Order No. 3257

)

Section 20

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March 1, 2001

BMO CAPITAL TRUST/BANK OF MONTREAL

WHEREAS:

(A) BMO Capital Trust (the "Trust") and Bank of Montreal (the "Bank") have made application (the "Application") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S59 (the "Act") that certain trades contemplated in a prospectuses (the "Prospectuses") of the Trust to be filed with the Commission in the future pursuant to which a series of Trust Capital Securities (the "BMO BOaTS") of the Trust are to be distributed, be exempt from sections 6 and 37 of the Act;

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

(a) the Bank is a Canadian chartered bank subject to the *Bank Act* (Canada) and is subject to the continuous disclosure reporting requirements of the Act and is not in default of any applicable requirements of the Act or the securities regulations made thereunder;

(b) the Trust is a closed-end trust established pursuant to a declaration of trust under the laws of Ontario;

(c) the Trust and the Bank intend to file the Prospectuses in relation to a series of offerings in each province and territory of Canada of BMO BOaTS (the "Offerings");

(d) the terms of each series of the BMO BOaTS will provide for, among other things, the following:

(i) under certain conditions, as hereinafter described, BMO BOaTS may be:

(A) exchanged at the option of the holder (the "Holder Exchange Right"); or

(B) exchanged automatically (the "Automatic Exchange"), without the consent of the holder; or

(C) redeemed by the Trust (the "Trust Redemption") in the event that the Automatic Exchange does not result in the exchange of all BMO BOaTS then outstanding;

for shares of a series of non-cumulative redeemable First Preferred Shares, of the Bank (the "Class B Preferred Shares");

(ii) under certain circumstances, the Class B Preferred Shares may be converted into Bank Common Shares at the option of the Bank (the "Bank Conversion").

(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:

(a) the issuance and distribution of Class B Preferred Shares pursuant to the exercise of the Holder Exchange Right;

(b) the issuance and distribution of Class B Preferred Shares pursuant to the Automatic Exchange;

(c) the issuance and distribution of Class B Preferred Shares pursuant to the Trust Redemption; and

(d) the issuance and distribution of Bank Common Shares pursuant to the exercise of the Bank Conversion;

shall be exempt from sections 6 and 37 of the Act provided that no commission or other remuneration is paid or given to any person in respect of such trades except for ministerial or professional services or for services performed by a person or company registered for trading in securities under the Act.

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

BY ORDER OF THE COMMISSION

Director - Legal