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| THE SECURITIES ACT |) | Order No. 4104 |
| |) | |
| Section 20(1) |) | April 23, 2003 |

Buffalo Credit Union Ltd.

WHEREAS:

(A) Application has been made on behalf of Buffalo Credit Union Ltd. (the "Applicant") to The Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (as amended) (the "Act") that certain of its employees that are registered under the Act as broker-dealers, restricted to the sale of mutual funds, (the "Restricted Registrants") which the Applicant intends on using in connection with an offering of Class A Preference Shares (the "Preference Shares") in the capital of the Applicant to certain members of the Applicant resident in Manitoba (the "Offering") shall be exempt from the registration requirements of s. 6 of the Act on certain conditions;

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

1. The Applicant is a credit union incorporated under *The Credit Unions and Caisses Populaires Act* (Manitoba) (the "Credit Unions Act"). Its head office is located at 100 - 275 Broadway, Winnipeg, Manitoba, R3C 4M6.
2. The Applicant is not a reporting issuer or the equivalent in any of the Provinces in Canada.
3. The authorized capital of the Applicant consists of an unlimited number of Common Shares and an unlimited number of Surplus Shares. The Applicant will be filing Articles of Amendment in order to create 500,000 Class A Preference Shares that will be offered to its members.
4. As at December 31, 2002, the Applicant had 5,749 members and combined assets of \$62,808,590.
5. The Applicant is a full service financial institution offering a broad range of financial services to its members, including, mutual funds which are sold by the Restricted Registrants that are registered with the Commission through Credential Securities Inc., a subsidiary of Credit Union Central of Canada.
6. Sections 19(2)(h) and 58(1)(b) of the Act provide that shares of a Credit Union are exempt from the registration and prospectus requirements of the Act.
7. The Commission has implemented Local Policy 3.06 entitled, "Range of Trading Permitted Registrants Holding Restricted Registrations" which provides that a Restricted Registrant is not entitled to trade in securities, even exempt securities, other than those specifically authorized by their registration.

8. The Offering is being made pursuant to subsection 51.1(3) of the Credit Unions Act which provides that the Securities Act does not apply to an issue of shares or other securities by a credit union unless the issue is made subject to the Securities Act by an order of the Registrar.

9. The Applicant intends to offer up to 500,000 Preference Shares at a price of \$10 per Preference Share.

10. The Applicant intends on using the Restricted Registrants to sell the Preference Shares to its members.

11. The Applicant shall advise the Director of the names of the Restricted Registrants who will be trading in the Preference Shares.

12. The Credit Unions Act provides that before issuing any shares or other securities, a credit union shall file with and obtain a receipt for its offering statement. An offering statement is the form of disclosure document mandated by the Credit Unions Act which is required to contain "full true and plain disclosure of all material facts relating to the shares or other securities proposed to be issued". The Applicant will provide a copy of its offering statement (the "Offering Statement") to each purchaser.

(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 subsection 20(1) of the Act, the Restricted Registrants are exempt from s. 6 of the Act in connection with the trades in Preference Shares to members of the Applicant under the Offering provided that:

(a) the Applicant advise the Director of the names of the individual Restricted Registrants relying on this order;

(b) the Restricted Registrants will comply with the requirements described in Local Policy 3.04 – Mutual Fund Distributors Supporting Staff & "Know Your Purchaser"; and

(c) all purchasers of the Preference Shares shall be provided with a copy of the Offering Statement which shall be provided to the purchasers prior to the trade.

2. THAT the fee for this order shall be \$750.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal