

THE SECURITIES ACT) Order No. 4264
)
Section 20) August 27, 2003

NATIONAL LEASING GROUP INC.
AMENDED AND RESTATED ORDER

WHEREAS:

(A) National Leasing Group Inc. ("National Leasing") has applied 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 (the "Act") exempting certain trades in connection with the subscription (the "Subscription") by National Leasing for special preference units (the "Special Units") of The True North Entertainment Complex Limited Partnership (the "Partnership") from sections 6 and 37 of the Act;

(B) National Leasing has represented to the Commission that:

1. National Leasing is a corporation incorporated under the laws of Manitoba with its head office located at 1558 Willson Place, Winnipeg, Manitoba R3T 0Y4 and is not subject to the continuous disclosure reporting requirements of the Act.
2. National Leasing is a commercial leasing company providing equipment financing in every business sector, including agriculture, health care, construction, manufacturing, computer technology and office interiors.
3. The Partnership is a limited partnership formed on November 30, 1999 pursuant to the laws of Manitoba. 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 business 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".
4. The initial capitalization of The Partnership was effected by the Partnership issuing units to each of Sardo Entertainment Limited Partnership and Manitoba Moose Limited Partnership in accordance with the terms and conditions of Order No. 3580 of the Commission dated November 23, 2001.
5. Following the initial capitalization referred to in paragraph 4 above, the Partnership raised an additional \$7,100,000 by issuing the Special Units to certain Manitoba purchasers in amounts of not less than \$100,000 per Special Unit

pursuant to Sections 19(3) and 58(1)(a) of the Act (the "Private Placement Exemption"). The purchase and sale of these Special Units closed in escrow on February 7, 2003 (the "Closing Date").

6. Certain of the Manitoba purchasers who were approached by the Partnership to purchase Special Units (the "Proposed Purchasers") were unable to make a binding commitment to purchase Special Units at that time.

7. National Leasing had originally committed to purchase three (3) Special Units for an aggregate subscription price of \$300,000 (the "Original Units"). In order to allow the Proposed Purchasers an opportunity to commit and invest in Special Units after the Closing Date (by way of the resale of Special Units to them by National Leasing following the Closing Date), National Leasing had agreed to purchase an additional five (5) Special Units (the "Additional Units"), again at \$100,000 per Special Unit, for a total aggregate subscription price of \$800,000, on the condition that it be able to resell some or all of the Additional Units to the Proposed Purchasers.

8. Given the fact that National Leasing had expressed a desire to resell some or all of the Additional Units, and that desire was known at the time of the proposed private placement of the Additional Units to it, National Leasing did not have the necessary investment intent required in order for the Partnership to be able to rely upon the Private Placement Exemption for the sale of the Additional Units to it.

9. Manitoba did, pursuant to Commission Notice 2002-38 (the "MSC Notice"), publish proposed amendments to Multilateral Instrument 45-103 – Capital Raising Exemptions ("MI 45-103") for a 60 day comment period ("Proposed MI 45-103"). Proposed MI 45-103, after consideration of the various comments made by industry participants, was adopted as Rule 2003-3 of the Commission effective as of June 16, 2003 ("MI 45-103").

10. National Leasing satisfies the requirements of subparagraph (n) to the definition of "accredited investor" as contained in Section 1.1 of MI 45-103 and, if MI 45-103 had been in effect as at the Closing Date, the sale of the Special Units, including the Additional Units, by the Partnership to National Leasing could have been effected in reliance upon Section 5.1 of MI 45-103 to exempt such purchase from the prospectus and registration requirements of the Act.

11. The Proposed Purchasers will acquire the Additional Units as principal from National Leasing either (i) at an aggregate acquisition cost to such Proposed Purchaser of at least \$97,000 in reliance on s. 19(3) of the Act or s. 90 of *The Securities Regulation under the Act*; or (ii) as an "accredited investor" in reliance upon s. 5.1 of MI 45-103.

(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, trades in the Additional Units by the Partnership to National Leasing are exempt from Sections 6 and 37 of the Act;
2. **THAT**, this order amends and restates Order No. 3951 of the Commission dated November 13, 2002;
3. **THAT**, the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION

Deputy Director - Legal