

THE SECURITIES ACT

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Order No. 4123

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Section 20

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May 14, 2003

SIMON FRASER UNIVERSITY

WHEREAS:

(A) Simon Fraser University (the "Issuer") 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 from the registration and prospectus requirements in sections 6 and 37 of the Act, respectively, certain trades in connection with an offering (the "Offering") by the Issuer and by the Agents (as defined below), of senior unsecured debentures (the "Debentures") of the Issuer to Portfolio Managers (as defined below) acting as agent for Managed Accounts (as defined below);

(B) The Issuer has represented to the Commission that:

1. The Issuer was established under the *Universities Act* (British Columbia) in 1963, and was continued under the *University Act* (British Columbia). The Issuer offers a comprehensive range of degree, diploma and certificate offerings, with teaching and research conducted through five faculties offering in excess of 100 programs.
2. The Debentures will be direct obligations of the Issuer and will be issued pursuant to a trust indenture between the Issuer and a trustee.
3. The Issuer will not be subject to the continuous disclosure requirements of the Act.
4. The Debentures are expected to be offered for sale in all of the provinces of Canada in reliance upon statutory or other available exemptions from the prospectus requirements of applicable securities legislation. The Offering will be made by way of offering memorandum.
5. The minimum aggregate purchase price of the Debentures by each purchaser in Manitoba under the Offering is \$500,000.
6. The Debentures will not be offered to individuals in Manitoba.
7. Trades in the Debentures are trades in the course of a primary distribution to the public. Trades pursuant to the Offering are subject to the registration and prospectus requirements of sections 6 and 37, respectively, of the Act, and to

corresponding requirements in the securities legislation of the other provinces of Canada.

8. Scotia Capital Inc., CIBC World Markets Inc. and RBC Dominion Securities Inc. (the "Agents") will act as agents on behalf of the Issuer in the sale of the Debentures pursuant to the Offering.

9. The Issuer proposes to offer the Debentures in Manitoba to certain persons or companies ("Portfolio Managers") who are (i) registered under the Act as broker-dealers or investment counsel restricted to portfolio managers, or (ii) registered for trading in securities under the Act and exempt from registration as securities advisors pursuant to subsection 18(c) of the Act, purchasing as agent for certain third persons or companies ("Managed Accounts"). Each Portfolio Manager will be solely responsible for the management of its Managed Accounts, with full power, authority and discretion to buy, sell or otherwise effect transactions as agent for the Managed Accounts.

10. The aggregate acquisition cost of the Debentures purchased by a Portfolio Manager on behalf of its Managed Accounts will not be less than \$500,000.

11. Contractual rights of action for rescission and damages to the same effect as those being offered in Ontario will be conferred in Manitoba upon the Portfolio Managers.

(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, trades in Debentures in connection with the Offering to Portfolio Managers acting as agent for Managed Accounts shall be exempt from sections 6 and 37 of the Act, provided that:

(a) Each Portfolio Manager, at the time of purchase of the Debentures has full power, authority and discretion to buy, sell or otherwise effect transactions in securities as agent for the Managed Accounts managed by it;

(b) Each such Managed Account will, at the time of purchase of the Debentures, hold assets having an aggregate net value or an aggregate acquisition cost of not less than \$97,000;

(c) On or before the closing of the Offering, the Portfolio Managers who purchase the Debentures shall have been provided with a copy of this Order and the Issuer shall have received written confirmation from the Portfolio Managers, on behalf of their respective Managed Accounts, that they are aware of the limitations imposed by this Order;

(d) Each Portfolio Manager, on behalf of each beneficial purchaser of the Debentures for whom it is acting, shall receive the contractual rights of action for rescission and damages that are being conferred upon purchasers of the Debentures that are resident in Ontario, as set out in the Offering Memorandum; and

(e) Within ten (10) days of the closing of the Offering, the Issuer or the Agents shall file, or shall cause to be filed with the Commission a report prepared in accordance with Form 8 of the Regulations, in duplicate, in respect of each such Managed Account, and in conjunction therewith the Issuer or the Agents shall pay the fee which would be payable on the filing of such report.

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

BY ORDER OF THE COMMISSION

Deputy Director - Legal