

THE SECURITIES ACT

)

Order No. 5297

)

Section 20(1)

)

January 31, 2007

**AMENDED AND RESTATED
STRIP BONDS**

Whereas

(A) The Manitoba Securities Commission (the "Commission") has received application from several parties in relation to the sale and distribution of Strip Bonds in the Province of Manitoba, Strip Bonds being:

(i) actual individual interest coupons and bond residues arising from the physical separation of bonds issued or guaranteed by the Government of Canada or the government of a jurisdiction of Canada, or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated; and

(ii) deposit receipts or other certificates representing an interest in certain specific instruments of the type referred to in (i) above, ("alter ego receipts"), or an undivided interest in a pool of such instruments ("non-alter ego receipts");

(B) It appears to the Commission that the exemptions in sub-clause 2.34(2) and 2.34(3) of National Instrument 45-106 *Prospectus and Registration Exemptions* do not, or may not, apply to the distribution and trading of alter ego receipts and non-alter ego receipts;

(C) The Commission has determined that it is in the public interest that the sale of Strip Bonds in Manitoba should be effected only where accompanied by adequate disclosure of the investment attributes of such securities as more particularly described in the Commission's Local Policy 3.17;

(D) In the opinion of the Commission it would not be prejudicial to the public interest to make this order.

IT IS ORDERED

1. THAT sections 6 and 37 of *The Securities Act*, R.S.M. 1988, c. S50 shall not apply to the distribution and trading of alter ego receipts and non-alter ego receipts referred to in paragraph (A) above, provided that an information document, satisfactory to the Director of the Commission, describing the investment attributes of Strip Bonds, including, without limitation, the fluctuations in value of Strip Bonds resulting from fluctuations in prevailing interest rates, the income tax consequences of investing and trading in Strip Bonds, the anticipated secondary

market environment, and the custodial arrangements relating to such Strip Bonds, is furnished to, and its receipt is acknowledged by, each first-time purchaser prior to the trade where the vendor is not registered as an investment dealer or broker under the Act, and concurrently with the delivery of confirmation of the trade to first-time purchasers where the vendor is registered as an investment dealer or broker under the Act.

2. THAT the fee payable upon the filing of the information document referred to in paragraph (1) above shall be the equivalent of a prospectus filing fee.

Deputy Director - Legal