

THE SECURITIES ACT

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Order No. 4122

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Section 20

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May 7, 2003

WOODBIDGE FINANCE CORPORATION

WHEREAS:

(A) Woodbridge Finance Corporation (the "Corporation") and The Woodbridge Company Limited ("Woodbridge") (collectively, the "Applicants") have 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") in connection with an offering of medium term notes of the Corporation (the "Notes") to be issued pursuant to the provisions of a trust indenture (the "Trust Deed") between the Corporation, Woodbridge and ComputerShare Trust Company of Canada as trustee (the "Trustee"):

(a) exempting from the prospectus requirements of Section 37 of the Act various trades by RBC Dominion Securities Inc., CIBC World Markets Inc. and TD Securities Inc. (collectively, the "Dealers") to Portfolio Managers (as defined below) acting as agents for Managed Accounts (as defined below); and

(b) exempting the Corporation from compliance with the requirements of Parts VIII and IX of the Securities Regulation made under the Act (the "Securities Regulation").

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

1. the Corporation is a special purpose corporation incorporated under the laws of the Province of Ontario ("Ontario") as a wholly-owned subsidiary of Woodbridge, the object of which is to accommodate a medium term note program (the "MTN Program"), as well as a commercial paper program, of the Corporation and Woodbridge;

2. Woodbridge is a private holding company existing under the laws of Ontario, the principal asset of which is its shareholdings in The Thomson Corporation ("Thomson");

3. Thomson is a publicly traded corporation, incorporated under the laws of the Province of Ontario, the common shares of which are listed on the Toronto Stock Exchange and the New York Stock Exchange and the preference shares of which are listed on the Toronto Stock Exchange;

4. Kenneth R. Thomson, of the City of Toronto, controls Woodbridge and certain other private holding companies which collectively own common shares of and control Thomson;

5. the Corporation is proposing to offer and sell up to \$375 million in principal amount of Notes under the MTN Program pursuant to exemptions from prospectus requirements of applicable securities laws of Ontario and elsewhere in Canada (the "Offering"). The Notes will be issuable in denominations in multiples of \$200,000 in Canadian currency or \$200,000 in United States currency or the appropriate denomination in other currencies not less than the equivalent of \$200,000 in Canadian currency. The Notes will be direct obligations of the Corporation and will be unconditionally and irrevocably guaranteed by Woodbridge as to payment of principal, premium (if any), interest, certain fees and out-of-pocket expenses as specified in the Trust Deed (the "Guarantee"). The Guarantee will be secured by a pledge by Woodbridge of a sufficient number of common shares of The Thomson Corporation (the "Thomson Shares"), such that the aggregate market value of the Thomson Shares so pledged on any date, as determined in accordance with the provisions of the Trust Deed, will be not less than an amount equal to 200% of the aggregate principal amount of Notes outstanding on such date.

6. the Dealers will act as the Corporation's private placement dealers for the offering and sale of Notes in connection with the Offering;

7. the net proceeds of the Offering will be advanced by the Corporation to Woodbridge or its affiliates to be used by them for their general corporate purposes;

8. trades in the Notes pursuant to the Offering would be primary distributions to the public under Subsection 1(1) of the Act and the Offering would therefore be subject to the registration and prospectus requirements of Sections 6 and 37 of the Act, but would be entitled to the benefit of exemptions from such requirements contained in Subsection 19(3) and Clause 58 (1) (a) of the Act;

9. it is proposed that the Dealers, as well as to other prospective purchasers, will sell the Notes to certain persons or companies ("Portfolio Managers") who are:

(i) registered under the Act as broker-dealers restricted to investment counsel or portfolio manager; or

(ii) registered to trade in securities under the Act and exempted from registration as securities advisors pursuant to Subsection 18(c) of the Act,

and who, in each case, will purchase as agents for certain third persons or companies ("Managed Accounts");

10. each Portfolio Manager will, at the time of purchase of the Notes, be solely responsible for the management of its Managed Accounts, with full power, authority and discretion to buy, sell or otherwise effect transactions in securities as agents for its Managed Accounts;

11. each Managed Account will, at the time of each purchase of the Notes, hold assets having an aggregate net asset value or an aggregate acquisition cost of not less than \$200,000;

12. a distribution of the Notes to a Managed Account would not be exempt from the requirements of Section 37 of the Act, as the Portfolio Manager purchasing the Notes would not be acting as principal;

13. no contractual or statutory rights of action, of damages or rescission, will be conferred upon purchasers of the Notes in any of the jurisdictions in which the Offering is being made; and

14. by reason of its intended advance of proceeds of the Offering to Woodbridge and its affiliates, the Corporation may, based on Subclause 1(1)(a)(iii) of the Securities Regulation, seem to be carrying on an activity of a "finance company" as that term is defined in the Securities Regulation and therefore required to comply with the requirements of Parts VIII and IX of the Securities Regulation.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested by the Applicants.

IT IS ORDERED:

1. **THAT**, pursuant to subsection 20(1) of the Act:

(a) trades in the Notes in connection with the Offering to a Portfolio Manager acting as agent for Managed Accounts shall be exempt from Section 37 of the Act, provided that:

(i) each Portfolio Manager, at the time of purchase of the Notes, has full power, authority and discretion to buy, sell or otherwise effect transactions in securities as agent for the Managed Accounts managed by it and the aggregate acquisition cost of the Notes to all Managed Accounts managed by each Portfolio Manager will not be less than \$1,000,000;

(ii) each Managed Account will, at the time of purchase of the Notes, hold assets having an aggregate net asset value or an aggregate acquisition cost of not less than \$200,000;

(iii) at or before the closing of this Offering, the Portfolio Managers who purchase Notes will be provided with a copy of this Order and

the Dealers 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; and

(iv) within ten (10) days after any purchase of Notes by a person or company resident in Manitoba, the Applicants shall cause to be filed with the Commission a report in Form 8 of the Securities Regulation, in duplicate, in respect of each Managed Account, or which includes substantially the same information as is required to be included in a report prepared in accordance with Form 8 of the Securities Regulation, and in conjunction therewith the Applicants shall cause to be paid the fee that would be payable on the filing of a report in Form 8.

(b) the Corporation shall be exempted from compliance with the requirements of Parts VIII and IX of the Securities Regulation.

2. THAT the fee for this order shall be \$1,000.

BY ORDER OF THE COMMISSION.

Deputy Director - Legal