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April 28, 2004

Fred J. Joseph  
Securities Commissioner  
Colorado Division of Securities  
1580 Lincoln, Suite 420  
Denver, CO 80203

Re: Request for Discretionary Exemption Pursuant to section 11-51-309, C.R.S. (1996)

Dear Mr. Joseph:

On behalf of Coughlin & Company Inc. ("Coughlin") and the Sisters of the Presentation of the Blessed Virgin Mary, Inc. (the "Corporation"), we hereby request that the Securities Commissioner of the State of Colorado (the "Commissioner"), pursuant to the exemption provided by section 11-51-309, C.R.S. (1996), by order exempt from the securities registration requirements of the Colorado Securities Act (the "Act") the transaction in the securities of the Corporation described below.

The Corporation currently meets the requirements of Securities Division Rule 51-3.15 except for the "ten years in existence" condition set forth at Rule subsection C.1 (the Corporation was formed on July 10, 1997). As such, because the Corporation complies with all the other requirements of Securities Division Rule 51-3.15, we believe that the application of sections 11-51-301 and 305, C.R.S. (1996), is not necessary in the public interest and for the protection of investors in relation to the Corporation's Series 2004 Secured Bonds in the aggregate principal amount of \$2,500,000 (the "Bonds"), and that pursuant to section 11-51-704, C.R.S. (1996), the issuance of an exemption order pursuant to section 11-51-309, C.R.S. (1996) is appropriate in the public interest and is consistent with the purposes and provisions of the Act.

The Corporation intends to sell its Bonds to investors residing in numerous states, including individuals in the State of Colorado. All sales to investors in the State of Colorado will be made through Coughlin which is a broker-dealer registered in the State of Colorado. The proceeds derived from the issuance of the Bonds will be used by the Corporation to pay the initial annual premiums on life insurance policies for certain of its Members (as defined below), to fund an interest reserve initial deposit, to fund a premium reserve initial deposit, to pay the cost of issuance of the Bonds and for the Corporation to fund retirement benefits and other

## KUTAK ROCK LLP

Fred J. Joseph  
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similar activities. The "Members" are religious sisters of the Presentation of the Blessed Virgin Mary who have professed temporary or perpetual vows (Cannon 654) and who are currently in the Congregation of the Presentation of the Sisters of the Blessed Virgin Mary. The Members will range in age from 69 through 85 as of the closing date of the Bond offering.

Each solicitation of investors in the Bonds will be made pursuant to a written placement memorandum (the "Placement Memorandum"), a preliminary copy of which is attached hereto, which contains, among other items: a description of the Corporation and the Insurance Policies; a summary of the terms and conditions of the Bonds; an extensive discussion of the risks associated with the purchase of the Bonds; an explanation of the likely tax consequences associated with the purchase of the Bonds; and financial statements for the Corporation. There will be no minimum amount of Bonds that must be sold in the offering; however, it is expected that all of the Bonds will be sold or none will be sold. The Bonds will represent the right to receive repayment of their principal amount plus accrued interest at a fixed rate.

The following description addresses both the not-for-profit nature of the Corporation and provides further support for the Corporation's qualification for the exemption pursuant to section 11-51-309, C.R.S. (1996). The Corporation is a New York not-for-profit corporation, formed on July 10, 1997. Pursuant to the Corporation's Articles of Incorporation, the Corporation was organized and is required to be operated exclusively for charitable and religious purposes within the meaning of Section 501(c)(3) of the Code, including making distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation's Articles of Incorporation prohibit the Corporation from conducting or carrying on any activities not permitted to be conducted or carried on by: (i) the Code of Canon Law of the Roman Catholic Church; (ii) an organization that qualifies as exempt organizations under Section 501(c)(3) of the Code; or (iii) an organization, contributions to which are deductible under Section 170(c)(2) of the Code. The Corporation has been approved for inclusion in *The Official Catholic Directory*. By virtue of being approved for listing in *The Official Catholic Directory*, the Corporation is deemed to be a Section 501(c)(3) organization and therefore exempt from federal income taxes. Furthermore, the Corporation's Articles of Incorporation prohibit the assets or the net earnings of the Corporation, current or accumulated, from inuring to the benefit or being distributable as dividends or otherwise to the directors, officers or employees of the Corporation or other private persons, except for the payment of reasonable compensation for services actually rendered or payments and distributions to further the purposes and objectives set forth above. The Corporation was organized on a non-stock basis. The Corporation's Articles of Incorporation provide that the Corporation is to be financed through fund-raising campaigns, grants, contributions and income from activities related to the Corporation's purposes as set forth above.

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Based on the foregoing and as noted above, we believe that the application of sections 11-51-301 and 305, C.R.S. (1996), is not necessary in the public interest and for the protection of investors in relation to the Bonds, and that pursuant to section 11-51-704, C.R.S. (1996), the issuance of an exemption order pursuant to section 11-51-309, C.R.S. (1996) is appropriate in the public interest and is consistent with the purposes and provisions of the Act.

Please contact the undersigned at (303) 297-2400 if this exemption request is incomplete in any manner or if you would like to discuss any of the foregoing. We would appreciate your response to this request as soon as practicable since Coughlin intends to begin offering of the Bonds in the State of Colorado on or about May 18, 2004. Thank you in advance for your time and consideration.

Sincerely,

  
Matthew B. Grazier

/mbg

Enclosures

A-004-007

# STATE OF COLORADO

## Division of Securities

Department of Regulatory Agencies

1580 Lincoln, Suite 420  
Denver, Colorado 80203  
Phone: (303) 894-2320  
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Fred J. Joseph  
Securities Commissioner



Bill Owens  
Governor  
Richard F. O'Donnell  
Executive Director

May 7, 2004

Matthew Grazier  
Kutak Rock LLP  
Suite 3100  
1801 California Street  
Denver, CO 80202-2626

Dear Mr. Grazier:

Enclosed is a copy of an Order of Exemption from Registration of Issuance of Bonds. This is in the Matter of Sisters of the Presentation of the Blessed Virgin Mary, Inc.

If you have any questions, do not hesitate to call me.

Sincerely,

Fred J. Joseph  
Securities Commissioner

BEFORE THE SECURITIES COMMISSIONER  
STATE OF COLORADO

Order No. 04-RX-002

Division File No. EX-2004-27-008

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**ORDER OF EXEMPTION FROM REGISTRATION OF ISSUANCE OF BONDS**

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IN THE MATTER OF SISTERS OF THE PRESENTATION OF THE BLESSED VIRGIN  
MARY, INC., A NEW YORK NOT-FOR-PROFIT CORPORATION

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WHEREAS, on April 28, 2004, the Sisters of the Presentation of the Blessed Virgin Mary, Inc. (the "Corporation") caused to be filed with the Securities Commissioner ("Commissioner") a request that the Commissioner by order exempt from the registration requirements of the Colorado Securities Act (the "Act") found at § 11-51-307(1)(g), C.R.S., issuance of its Series 2004 Secured Bonds by the Corporation pursuant to the Placement Memorandum (hereinafter the "Bonds"); and

WHEREAS, in connection with the request, the Corporation has represented as follows:

1. The Corporation is a New York not-for-profit corporation, formed on July 10, 1997. The Corporation is deemed exempt from federal income taxes by virtue of Section 501(c)(3) of the Internal Revenue Service of 1986, as amended;
2. The Corporation intends to sell the Bonds, which are general obligation bonds of the Corporation, in the aggregate amount of \$2,500,000 to individuals residing in numerous states, including Colorado, for the purpose of paying the initial annual premiums on life insurance policies for certain of its Members (as defined below), to fund an interest reserve initial deposit, to fund a premium reserve initial deposit, to pay the cost of issuance of the Bonds and for the Corporation to fund retirement benefits and other similar activities. The "Members" are religious sisters of the Presentation of the Blessed Virgin Mary who have professed temporary or perpetual vows (Cannon 654) and who are currently in the Congregation of the Presentation of the Sisters of the Blessed Virgin Mary;
3. A broker-dealer licensed with the Commissioner will make all offers and sales of the Bonds to investors in Colorado. In connection with such offers and sales, each offer and sale will be made pursuant to the Placement Memorandum, which contains, among other things, a description of the Corporation and the life insurance policies; a summary of the terms and conditions of the Bonds; an extensive discussion of the risks associated with the purchase of the Bonds; an explanation of the likely tax consequences associated with the purchase of the Bonds; and financial statements for the Corporation;

4. The Bonds will be issued under and secured by an Indenture dated as of May 1, 2004, by and among the Corporation and American National Bank, with the security including all the Corporation's right, title, and interest in and to the Insurance Policies, the Life Insurance Account, the Interest Reserve Account, the Premium Reserve Account, the Payment Account, and the Bond Proceeds Account created under the Indenture and all the collections, distributions and proceeds from the foregoing;
5. There is no minimum amount of Bonds that must be sold in the offering. As a result, proceeds from investors will be deposited into the Bond Proceeds Account and made available to pay costs associated with the issuance of the Bonds and for the purposes of the offering as described above; and

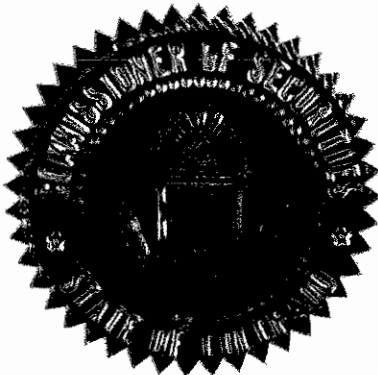
WHEREAS, as of the date of this Order, the Corporation meets all the conditions set forth in Securities Division Rule 51-3.15, a self-executing transactional securities registration exemption regarding such issues, except for the "ten years in existence" condition found at Rule 51-3.15.C.1; and


WHEREAS, the Securities Commissioner finds that the issuance of this Order is appropriate in the public interest, and is consistent with the purposes fairly intended by the policy and provisions of the Act, pursuant to § 11-51-704(2), C.R.S.,

NOW, THEREFORE, IT IS HEREBY ORDERED, that pursuant to Section 11-51-307(1)(g), C.R.S., and Rule 51-3.15 promulgated thereunder, the Series 2004 Secured Bonds proposed to be issued by the Corporation shall be exempt from the registration requirement of the Act, subject to the following:

1. The condition set forth in Rule 51-3.15.C.1 is waived.
2. This Order shall remain in effect until amended or rescinded by subsequent order, or superseded by subsequent rule or statute, whichever shall first occur.

ENTERED at Denver, Colorado this 7th day of May, 2004.



  
Fred J. Joseph  
Securities Commissioner