



Community Economic Development Investment Funds

“CEDIFs” October 2014

Warning

- This presentation and discussion is not legal advice or the opinion of the Nova Scotia Securities Commission. This is presented for general information only. Legal counsel should be consulted when required.

What's New

- Report of trade
- Letter upon filing
- Promotional material
- Investment funds
- Crowdfunding, OM, Other

Report of trade

- an updated copy of the shareholder register,
- a copy of the [Investor Data Report Form](#) (xls).
- Both must be submitted, via email, to [Elizabete Dignan](#) and [Donna Gouthro](#) **as soon as possible after the lapse date on the offering**. The email must also declare the name and address of any person acting as an agent in connection with the trades and the compensation paid or to be paid to the agent, if nil please state so. (cont. next slide)

Report of trade – cont.

- By submitting this form electronically the submitter, who must be a director or officer of the CEDIF, is certifying to the Nova Scotia Securities Commission and the Nova Scotia Department of Finance and Treasury Board and Treasury Board that the information contained in the Investor Data Report, Shareholder Register, and the e-mail is true and correct.

Letter upon filing

- The responsibility for the accuracy, clarity, possible misrepresentations and compliance with all securities laws of the contents of the offering document rests with the Issuer. Under section 138 of the Securities Act (Nova Scotia) (the Act), purchasers of shares under the offering document will have rights of action against the Issuer, the directors of the Issuer and all individuals signing the offering document for any misrepresentations in the offering document. Misrepresentation is defined in section 2(1)(y) of the Act.

Promotional Materials

- BO 45-523
- Why?
- All must have
 - the standard disclaimer
 - an endorsement of a director, officer or promoter of the CEDC evidencing approval by the CEDIF of the promotional material;

Prior to non-objection letter

- may include no information other than the following:
 - i. the name of the issuer;
 - ii. the location, date and time of any meeting;
 - iii. the purpose of the meeting, which must be to determine if there is sufficient interest to proceed with an offering of the CEDC ; and
 - iv. the contact information to inquire about the meeting;

After non-objection letter

- Must include the name of the Issuer
- may include no information other than the following:
 - i. the names of and contact information for the selling agents;
 - ii. how to obtain a copy of the offering document;
 - iii. the price per share;
 - iv. the individual minimum purchase amount;

- v. information regarding the equity tax credit under the Equity Tax Credit Act , provided that confirmation the CEDC complies with all applicable legislation for purchasers to benefit from the equity tax credit is also included;
- vi. registered retirement savings plan eligibility and potential income tax implications;
- vii. the location, date and time of any meeting; and
- viii. in whole or in part the information, or the information in summary form, contained in the offering document of the CEDC in items 10, 21(a), 22(a),(b),(c), 23 (a). 24 (a),(b),(c), 34 and 35

Investment Funds

- Notice 45-714, Policy 45-601 and BO 45-521
- Why ? Act 31(3) and NI 31-103
- Not an investment fund = no change
- Investment Fund < \$6,000,000 total and <\$3,000,000 in offering – add warnings

Investment Funds cont.

- \$15,000 per investor, \$30,000 advice, per year - unlimited officers, directors, promoters, accredited investors
- Investment Funds exceeding \$3 /or \$6 million limits - add warnings – above investment limits apply.
- Detailed offering document disclosure of investments and intended investments (“Investee information”)

Investment Funds cont.

- Any change in investments – vote 50% plus 1 excluding ODP and related parties to dispose of any investments and a vote of 50% plus 1 to invest in any proposed entities
- Option use a registered investment fund manager or apply for registration

Other Developments

- Overhaul – Regs, OD, Crowdfunding & OM
- Enforcement – Glooscap Wind Field Inc.
- Future – TSX Private Markets /
– Aequitas Innovations Inc.
- Co-operative Common Markets Regulator

Discussion

Comments

Questions