



Securities Commission

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Settlement approved for Fractional Finance, Inc.

Halifax – The Nova Scotia Securities Commission has approved a settlement agreement with Fractional Finance, Inc. (FFI). FFI is in the business of open source software development. It is not a reporting issuer in any Canadian jurisdiction.

Between September 2021 and August 2022 FFI raised capital from 18 investors in Nova Scotia and elsewhere by distributing simple agreements for future equity and other forms of equity securities. FFI did not file a prospectus prior to making the distributions, 3 of which did not qualify for an exemption to the prospectus requirements in Nova Scotia securities laws. FFI also did not file reports of exempt distribution as required for 9 of the distributions.

FFI fully cooperated with the Commission’s investigation and accepted responsibility for the misconduct. FFI has no history of securities laws violations.

“The requirement to file a prospectus or rely on an appropriate exemption prior to distributing securities is a cornerstone of Nova Scotia securities law and investor protection,” said Jennie Pick, enforcement counsel for the Commission. “Issuers of securities must be diligent in meeting this requirement so that investors are protected by full, true, and plain disclosure about investment opportunities.”

The Commission approved the settlement agreement and ordered that FFI:

- pay an administrative penalty of \$15,000,
- be prohibited from relying on exemptions in Nova Scotia securities laws for a period of 2 years, and
- pay costs in connection with the investigation and conduct of the proceeding before the Commission in the amount of \$1,000.

For the complete [settlement agreement](#) and [order](#), please visit the [Commission website](#).

The Nova Scotia Securities Commission is the provincial government agency responsible for regulating trading in securities and derivatives in the province.

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