

IN THE MATTER OF
THE *SECURITIES ACT*, R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")

- and -

IN THE MATTER OF
AD EQUITY INC. ("Respondent")

**STATEMENT OF ALLEGATIONS OF THE DIRECTOR OF ENFORCEMENT
FOR THE NOVA SCOTIA SECURITIES COMMISSION**

The Director of Enforcement for the Nova Scotia Securities Commission ("Commission") makes the following allegations and identifies the following circumstances giving rise to the requested hearing:


1. The Respondent is a body corporate, incorporated under the laws of Nova Scotia, with registered office located at 43 Jubilee Road, Bridgewater, Nova Scotia.
2. The Respondent became a community economic-development corporation in Nova Scotia on August 7, 2001 pursuant to section 2(1)(e) of the *Community Economic-Development Regulations*, O.I.C. 1998-517 (October 15, 1998), N.S. Reg. 79/98 as rep. by O.I.C. 2011-139 (April 12, 2011), N.S. Reg. 168/2011.
3. The Respondent failed to file its requisite continuous disclosure materials, such as interim financial statements, annual financial statements, or material change reports with the Commission since 2004, as required by:
 - a) section 23 of the *Community Economic-Development Corporation Regulations*, O.I.C. 1998-517 (October 15, 1998), N.S. Reg. 79/98 as rep. by O.I.C. 2011-139 (April 12, 2011), N.S. Reg. 168/2011;
 - b) section 22 of the *Community Economic-Development Corporation Regulations*;
 - c) section 81 of the Act, as am. by R.S.N.S. 2006, c. 46, s. 35;
 - d) sections 83 to 85 of the Act, as rep. by R.S.N.S. 2006, c. 46, s. 36;
 - e) section 81 of the Act;
 - f) Parts 4.1, 4.3, 4.6, and 7 of *National Instrument 51-102*, Commission Rule 51-102 (January 14, 2004, effective March 30, 2004) as amended;

- g) Exemption Order issued by the Director of Corporate Finance on July 23, 2004, effective June 30, 2004 (Blanket Order No. 51-503), as rep. by Exemption Order issued by the Director of Corporate Finance on April 13, 2011 (Blanket Order No. 51-504); and
 - h) Exemption Order issued by the Director of Corporate Finance on April 13, 2011 (Blanket Order No. 51-504).
4. The Respondent has been placed on the list of defaulting reporting issuers under Commission Policy 51-601.

The Director of Enforcement for the Commission identifies the following reasons why the order sought should be granted:

- 5. As a result of failing to file its requisite continuous disclosure for a community economic-development corporation since 2004, the Respondent failed to maintain the integrity of continuous disclosure for a public company in violation of the Nova Scotia securities laws set out in paragraph 3, herein.
- 6. The Respondent's conduct was contrary to the public interest and detrimental to a fair and efficient capital market in violation of section (1A)(1) of the Act.

DATED at Halifax, this 22 day of *March*, 2012.


R. Scott Peacock
Director of Enforcement
Nova Scotia Securities Commission