

# DECISION DOCUMENT

October 27, 2008

**IN THE MATTER OF  
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS*  
("NI 41-101")**

**And**

**in the matter of  
the process for exemptive relief applications in multiple jurisdictions**

**And**

**IN THE MATTER OF  
GROWTHWORKS ATLANTIC VENTURE FUND LTD. (THE "FUND")**

**DECISION DOCUMENT**

## **Background**

The local securities regulatory authority or regulator (the "Decision Maker") in each of Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island (the "Jurisdictions") has received an application from the Fund for a decision under Part 17 of NI 41-101 extending to November 15, 2008 the "lapse date" determined under Section 17.2 of NI 41-101 in respect of the distribution of the Class A Shares under the Fund's current prospectus dated October 26, 2007.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (coordinated review application)

- (a) the Nova Scotia Securities Commission is the principal regulator for this application, and
- (b) this decision document evidences the decision of each Decision Maker.

## **Representations**

This decision is based on the following facts represented by the Fund:

1. The Fund is a corporation incorporated under the *Canada Business Corporations Act* by articles of incorporation dated November 16, 2004, having its registered office in Halifax, Nova Scotia.

2. The Fund is registered as a labour-sponsored venture capital corporation under the *Income Tax Act* (Canada), the *Equity Tax Credit Act* (Nova Scotia) and the *Labour-Sponsored Venture Capital Tax Credit Act* (Newfoundland and Labrador) and is a prescribed registered labour-sponsored venture capital corporation under the *New Brunswick Income Tax Act*.
3. GrowthWorks Atlantic Ltd. (the “Manager”) is the manager of the Fund under a management contract. The Manager is part of the GrowthWorks group of companies and is a wholly-owned subsidiary of GrowthWorks Ltd.
4. The authorized capital of the Fund consists of:
  - (a) an unlimited number of Class A shares, issuable in series, which are widely held,
  - (b) an unlimited number of Class B Shares, of which 1,000 are issued and are held by the Canadian Federation of Labour, the Fund’s Sponsor, and
  - (c) an unlimited number of Class C shares, of which 100 are issued and are held by the Manager to provide a “carried” interest in the venture investments of the Fund.
5. The Fund is a mutual fund under applicable securities legislation. The Fund is currently a reporting issuer or equivalent in the Jurisdictions. The Fund’s securities are not listed on any exchange. The Fund is not in default of securities legislation in any jurisdiction.
6. The Class A Shares of the Fund (GIC, Balanced, Growth, Financial Services and Diversified series) are currently offered for sale under a prospectus dated October 26, 2007 (the “Current Prospectus”).
7. Under Section 17.2(2) of NI 41-101, the “lapse date” of the Current Prospectus is October 26, 2008.
8. To fall within Section 17.2(4)(a) of NI 41-101, the Fund must file a pro forma prospectus not less than thirty days prior to the lapse date (being September 26, 2008) (the “Filing Deadline”). On October 10, 2008, the Fund filed a preliminary (in Alberta) and pro forma prospectus in each of the Jurisdictions and Alberta (the “New Prospectus”).
9. To fall within Section 17.2(4)(b) of NI 41-101, the Fund must file a prospectus not later than 10 days after the lapse date and pursuant to Section 17.2(4)(c), a receipt for the prospectus must be obtained from the regulator within 20 days after the lapse date. Accordingly, the Fund is required to file a final prospectus by November 5, 2008 and a receipt must be issued by November 15, 2008.
10. On March 17, 2008, the Jurisdictions introduced a new investment fund prospectus form, NI 41-101F2 *Information Required in an Investment Fund Prospectus* (“NI 41-101F2”) and a requirement for the Fund to file a comprehensive Personal Information Form (“PIF”) for each of the 15 directors of the Fund and each of the directors and officers of the Manager.

11. In previous years, the Fund has filed prospectuses only in the Jurisdictions. The New Prospectus was also filed in Alberta.
12. Despite its diligent efforts, the Fund was not able to implement the new form NI 41-101F2 and PIF requirements under NI 41-101 in time to file the New Prospectus and a PIF for each of the 15 directors of the Fund by the Filing Deadline. The introduction of the new prospectus form extended the period of time required to prepare the New Prospectus and for review of the New Prospectus by Fund management and third parties, including tax counsel and auditors.
13. There have been no material changes in the affairs of the Fund since the filing of the Current Prospectus other than those for which an amendment to the Current Prospectus has been filed, therefore the Prospectus together with such amendments represent current information regarding the Fund.
14. Any material change that occurs prior to the issuance of a receipt for a new final prospectus will be disclosed by way of a further amendment to the Current Prospectus.
15. The most recently filed annual financial statements and management reports of fund performance, and any subsequently filed interim financial statements and management reports of fund performance, are incorporated by reference into the Current Prospectus, therefore the Current Prospectus contains the most up-to-date financial information regarding the Fund as filed on SEDAR.
16. The Fund will not complete sales or otherwise issue Class A shares under the Current Prospectus until the requested extension of the lapse date of the Current Prospectus is granted.

## **Decision**

The Decision Makers are satisfied that the test contained in Part 19 of NI 41-101 that provides the Decision Makers with the jurisdiction to make the decision has been met.

Pursuant to Part 17 of NI 41-101, the Decision Makers hereby extend to November 15, 2008 the lapse date determined under Section 17.2 of NI 41-101 in respect of the distribution of the Class A Shares under the Fund's Current Prospectus.

“J. William Slattery”

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J. William Slattery  
Acting Director of Securities  
Nova Scotia Securities Commission

**Headnote**

Process for exemptive relief applications in multiple jurisdictions – extension under Part 17 of NI 41-101 of the lapse date determined under Section 17.2 of NI 41-101 in respect of the distribution of the Class A Shares under the Fund’s current prospectus.

**Rules Cited**

National Instrument 41-101 *General Prospectus Requirements*, Part 17.