

IN THE MATTER OF THE SECURITIES ACT  
RSNS 1989, CHAPTER 418, AS AMENDED (the "Act")

- AND -

IN THE MATTER OF NEXLIVING COMMUNITIES INC. (the "Respondent")

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The parties to this Settlement Agreement ("**Agreement**") are the Respondent, NexLiving Communities Inc. (the "**Respondent**" or "**NexLiving**") and the Director of Enforcement for the Nova Scotia Securities Commission (the "**Director of Enforcement**").
2. The parties agree that the Nova Scotia Securities Commission (the "**Commission**") has jurisdiction over this matter.
3. The parties agree to recommend to the Commission approval of this Agreement in accordance with the terms and process set out herein.

**PART II – PROCEDURE FOR APPROVAL OF THE AGREEMENT**

4. The Director of Enforcement agrees to request that a Notice of Hearing be issued setting down a hearing ("**Settlement Hearing**") wherein the Commission will consider whether it is in the public interest to approve this Agreement and to issue an Order in the form attached hereto as Schedule "A".
5. The parties agree that this Agreement constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.
6. The Director of Enforcement agrees to recommend that the allegations acknowledged and admitted by the Respondent be resolved and disposed of in accordance with this Agreement.
7. The Parties acknowledge that this Agreement will become a public document upon its approval by the Commission at the Settlement Hearing.

**PART III – STATEMENT OF AGREED FACTS**

**Acknowledgment**

8. The Director of Enforcement and the Respondent agree with the facts and conclusions set out in this Part of the Agreement.

### The Respondent

9. NexLiving is registered in Nova Scotia as an extra-provincial corporation, incorporated pursuant to the *Canada Business Corporations Act*. NexLiving's head office is located at 45 Alderney Drive, Suite 1805, Dartmouth, Nova Scotia.
10. NexLiving is a reporting issuer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, and Saskatchewan. NexLiving's principal regulator is this Commission.
11. NexLiving's assets are in the range of \$150 million to under \$500 million, and its shares are traded on the TSX Venture Exchange (**TSX-V**) under the stock symbol "NXLV".

### Normal Course Issuer Bid and Unreported Insider Trades

12. In or about May of 2023, the Respondent submitted a Notice of Intention to make a Normal Course Issuer Bid ("**NCIB**") to the TSX-V.
13. On or about May 25, 2023, the TSX-V issued a bulletin announcing that pursuant to the Respondent's Notice of Intention to make an NCIB, the Respondent may repurchase for cancellation up to up to 26,000,000 common shares in its own capital stock during the period commencing May 30, 2023, and ending May 30, 2024.
14. In each month during the six-month period between July and December of 2023, the Respondent executed numerous transactions pursuant to which it acquired its own stock under the NCIB. The Respondent executed a total of approximately 29 transactions under the NCIB during that six-month period.
15. On November 28, 2023, the Respondent issued a press release disclosing that NexLiving had purchased 64,650 shares for cancellation at a cost of \$151,461.00 during periods ending September 30, 2023.
16. On April 23, 2024, the Respondent issued a press release disclosing that NexLiving had purchased for cancellation 10,000 shares at a cost of \$16,462.00 during the three month period ending December 31, 2023, and had purchased a total of 74,650 shares for cancellation at a cost of \$167,924.00 during the 12 month period ending December 31, 2023.
17. As of May 24, 2024, the Respondent had not created an insider profile on the System for Electronic Disclosure by Insiders ("**SEDI**"), nor had it filed any reports disclosing any of the NCIB acquisitions on SEDI.
18. On or about May 24, 2024, Enforcement Staff of the Commission contacted the Respondent, notifying the Respondent that it had failed to report its NCIB acquisitions in violation of Nova Scotia securities laws.



19. On or about June 11, 2024, the Respondent responded to Enforcement Staff, acknowledging that it had failed to report the trades on SEDI and advising that it would create an insider profile and report the trades on SEDI.
20. On or about June 15, 2024, the Respondent created an initial insider profile and reported the NCIB acquisitions on SEDI.

#### **Violations of Nova Scotia Securities Laws**

21. By failing to report each acquisition made under the Normal Course Issuer Bid within 10 days of the end of the month in which each acquisition occurred, the Respondent violated Section 113 of the Act and Part 7 of National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*.

#### **PART IV – STATEMENT OF ALLEGATIONS ACKNOWLEDGED AND ADMITTED BY THE RESPONDENT**

22. The Respondent admits the facts set forth in Part III herein and acknowledges that it violated Nova Scotia securities laws.
23. The Respondent acknowledges and admits that it violated Section 113 of the Act, and Part 7 of National Instrument 55-104.
24. The Respondent acknowledges and admits that its actions were contrary to the public interest.

#### **PART V - MITIGATING FACTORS**

25. The Respondent requests that the settlement Hearing Panel consider the following mitigating circumstances:
  - a) The Respondent acknowledges and accepts responsibility for its conduct, which is the subject matter of this Agreement.
  - b) The Respondent cooperated fully with the investigation of this matter.
  - c) The Respondent has no past record of violations of Nova Scotia securities laws.
  - d) The Respondent states that its breaches were not deliberate and were the result of an inadvertent oversight.
  - e) The Respondent issued press releases on November 28, 2023, and April 23, 2024, disclosing its NCIB transactions.



- f) After the violations were brought to the Respondent's attention, the Respondent acted promptly to ensure that an insider profile was created, and the insider trades were reported.

#### **PART VI – TERMS OF SETTLEMENT**

26. The terms of settlement are set forth in the Order contained in Schedule "A" to this Agreement which is expressly incorporated herein.
27. The Respondent consents to the Order contained in Schedule "A".
28. The terms of the settlement as set out in the Order contained in Schedule "A" are as follows:
- i. the settlement agreement dated \_\_\_\_\_, 2024, a copy of which is attached, is approved;
  - ii. pursuant to Section 134(h) of the Act, the Respondent is reprimanded;
  - iii. pursuant to Section 134(1)(a) of the Act, the Respondents shall comply with, and cease contravening Nova Scotia securities laws;
  - iv. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Fifteen Thousand Dollars (\$15,000.00) forthwith; and
  - v. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of One Thousand dollars (\$1,000.00) forthwith.

#### **PART VII – COMMITMENTS**

29. If this Agreement is approved and the Order as set out in Schedule "A" is granted, the parties agree to waive any right to a full hearing and judicial review and appeal of this matter.
30. If this Agreement is approved by the Commission, the parties will not in any way make any statement, public or otherwise, that is inconsistent with the terms of this Agreement.
31. If this Agreement is approved by the Commission, the Respondent agrees to abide by all terms of this Agreement.
32. If, for any reason whatsoever, this Agreement is not approved, or the Order set forth in Schedule "A" is not granted by the Commission:



- a. The Director of Enforcement and the Respondent will be entitled to proceed to a hearing of the allegations which are the subject matter of this Agreement unaffected by the Agreement or the settlement negotiations;
  - b. The negotiations, the terms of this Agreement, and this Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of the Director of Enforcement and the Respondent or as may otherwise be required by law; and
  - c. The Respondent agrees that it will not raise in any proceeding the Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.
33. The Respondent acknowledges that the Director of Enforcement has the discretion to withdraw from this Agreement if, prior to the approval of this Agreement by the Commission in the view of the Director of Enforcement, additional facts or issues are discovered that cause her to conclude that it would not be in the public interest to request approval of this Agreement. In the event of such withdrawal, notice will be provided to Respondent in writing. In the event of such notice being given, the provisions of paragraph 32 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

#### **PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

34. The Director of Enforcement or the Respondent may refer to any or all parts of this Agreement as required by Rule 15-501 General Rules of Practice and Procedure and in the course of the Settlement Hearing. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

#### **PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

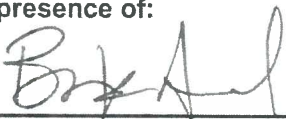
35. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile or electronic copy of any signature shall be as effective as an original signature.
36. The Respondent acknowledges that Orders made by the Commission may form the basis for parallel Orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow Orders made in this matter to take effect in those other jurisdictions automatically without notice to the Respondent.

[signature page follows]

A handwritten signature in black ink, consisting of a stylized 'S' followed by a series of loops and a long horizontal stroke.

DATED at Halifax, Nova Scotia this 13th day of November, 2024

SIGNED, SEALED AND DELIVERED in )  
the presence of: )

  
\_\_\_\_\_ )

Witness: Brian K. Awad, K.C. )  
)

NexLiving Communities Inc.

  
\_\_\_\_\_ )

Per: Glenn Holmes, Chief Financial Officer

DATED at Halifax, Nova Scotia, this 13 day of NOVEMBER , 2024

SIGNED, SEALED AND DELIVERED in )  
the presence of: )

  
\_\_\_\_\_ )

Witness: )  
)

**Marlene E. Bucci**  
A Commissioner of the  
Supreme Court of Nova Scotia

  
\_\_\_\_\_ )

Stephanie Atkinson  
Director of Enforcement  
Nova Scotia Securities Commission

**SCHEDULE "A"**

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

- AND -

IN THE MATTER OF NEXLIVING COMMUNITIES INC. (the "Respondent")

**ORDER**

(Sections 134, 135, 135A)

**WHEREAS** on \_\_\_\_\_, 2024 the Nova Scotia Securities Commission (the "Commission") issued a Notice of Hearing to the Respondent pursuant to Sections 134, 135 and 135A of the Act;

**AND WHEREAS** the Respondent entered into a settlement agreement with the Director of Enforcement for the Commission, whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

**AND WHEREAS** the Director of Enforcement and the Respondent recommended approval of the settlement agreement;

**AND WHEREAS** the Commission is of the opinion that the Respondent has contravened Nova Scotia securities laws and it is in the public interest to make this Order;

**AND UPON** reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for the Director of Enforcement and the Respondent;

**IT IS HEREBY ORDERED**, pursuant to Sections 134, 135 and 135A of the Act, that:

1. the settlement agreement dated \_\_\_\_\_, 2024, a copy of which is attached, is approved;
2. pursuant to Section 134(h) of the Act, the Respondent is reprimanded;
3. pursuant to Section 134(1)(a) of the Act, the Respondents shall comply with, and cease contravening Nova Scotia securities laws;
4. pursuant to Section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of Fifteen Thousand Dollars (\$15,000.00) forthwith; and
5. pursuant to Section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings before the Commission in the amount of One Thousand dollars (\$1,000.00) forthwith.



DATED at Halifax, Nova Scotia, this \_\_\_\_ day of \_\_\_\_\_, 2024.

NOVA SCOTIA SECURITIES COMMISSION

\_\_\_\_\_  
(Chair)

A handwritten signature in black ink, consisting of a stylized 'G' followed by a series of loops and a horizontal stroke.