

August 12, 2015

In the Matter of
the Securities Legislation of
Nova Scotia (the Jurisdiction)
and
In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions
and
In the Matter of
Unique CEDC Ltd. (the Filer)
Decision

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for an exemption from the prospectus requirement (the Prospectus Requirement) of the Legislation (the Exemption Sought) for a distribution by the Filer to its shareholders (the Shareholders) by way of a return of capital (the Return of Capital Distribution) of all of the common shares (each, a Unique Solutions Share) that the Filer holds in Unique Solutions Design Ltd. (Unique Solutions).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Nova Scotia Securities Commission is the principal regulator for this application, and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in British Columbia, Québec and New Brunswick.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a company formed pursuant to the laws of the Province of Nova Scotia and a "community economic-development corporation" as such term is defined in the *Community Economic-Development Corporations Regulations* made under Sections 150 and 150B of the *Securities Act* R.S.N.S. 1989, c. 418 (the "NS Securities Act").
2. Unique Solutions is a company formed pursuant to the laws of the Province of Nova Scotia.
3. Neither the Filer nor Unique Solutions is a reporting issuer in any jurisdiction in Canada.
4. Neither the Filer nor Unique Solutions is in default of securities legislation of any jurisdiction in Canada.
5. The Filer's only assets are Unique Solutions Shares.
6. Other than holding Unique Solutions Shares, the Filer does not carry on any active business.
7. The Filer is not engaged in nor does it hold itself out as engaging in the business of trading in securities as principal or agent.
8. The Filer has 146 shareholders, all of whom are resident in Nova Scotia except for: (i) 2 Shareholders who are resident in British Columbia; (ii) 1 Shareholder who is resident in Québec; and (iii) 1 Shareholder who is resident in New Brunswick.
9. Of the Shareholders, 87 are also shareholders of Unique Solutions.
10. The Shareholders purchased their shares in the Filer during 2005 and 2006 (the "Offering"). Pursuant to the *Community Economic-Development Corporations Regulations*, the Shareholders were each provided with an offering document for the Filer prior to investing (the "Offering Document"). The Offering Document disclosed that the Filer intended to invest all proceeds it received from the Offering in shares of Unique Solutions. Subsequent to the Offering, the net proceeds were used by the Filer to purchase the Unique Solutions Shares.
11. Prospectus-level disclosure regarding Unique Solutions would not provide any material benefit to the Shareholders because (a) the Shareholders already indirectly own the Unique Solutions Shares; (b) the distribution of the Unique Solutions Shares does not require a new investment decision on the part of the Shareholders; and (c) there is no market for the Unique Solutions Shares.
12. Unique Solutions will provide the CEDC Shareholders who receive the Unique Solutions Shares with quarterly financial statements and audited annual financial

statements of Unique Solutions and will include any management reports that accompany the financial statements.

13. The income tax credit to which the Shareholders were entitled as a result of investing in a community economic-development corporation has been exhausted.
14. Continuing to hold shares in the Filer, versus holding shares of Unique Solutions directly, is disadvantageous to the Shareholders due to the administrative costs of maintaining the Filer and the costs of its continuous disclosure obligations as a community economic-development corporation.
15. The Shareholders have approved the dissolution of the Filer by special resolution, subject to the Filer obtaining the Exemption Sought and completing the Return of Capital Distribution. The Unique Solutions Shares will be distributed to the CEDC Shareholders as a return of capital on the basis of 0.278 of a Unique Solutions Share for every share held of the Filer.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that: (a) at the time the Filer delivers the Unique Solutions Shares to the CEDC Shareholders it also provides every CEDC Shareholder with a copy of this decision and a letter advising shareholders that there are resale restrictions attached to the Unique Solutions Shares along with an explanation of the resale restrictions; and (b) the first trade of any Unique Solutions Shares acquired by a CEDC Shareholder in reliance on this decision is a deemed distribution unless the following conditions are satisfied:

(i) Unique Solutions has been a reporting issuer in a jurisdiction in Canada for the four months preceding the trade;

(ii) the trade is not a control distribution (as defined in National Instrument 45-102 *Resale of Securities*);

(iii) no unusual effort is made to prepare the market or to create demand for shares of Unique Solutions;

(iv) no extraordinary commission or consideration is paid to a person or company in respect of such first trade; and

(v) if the selling securityholder is an insider or officer of Unique Solutions, the selling securityholder has no reasonable grounds to believe that Unique Solutions is in default of securities legislation.



Name: PAUL RUTHERFORD, Q.C.

VICE-CHAIR

Title

Nova Scotia Securities Commission