***General Instructions:* DO NOT INCLUDE THIS PAGE WHEN PROVIDING TO THE PURCHASER**

*1. This fillable form is optional to assist in the creation of the offering document. This form does not reproduce the instructions contained in Form 45-509F1. Please note that you may need to reference the instructions contained in Form 45-509F1 to properly complete this form.*

*2. All tables in this fillable form allow for the addition of extra rows. To add additional rows, right click on the last row of the table and select “insert row below”.*

*3. You can access a copy of our sample offering document.*

*4. You can access a copy of our Common Issues and Deficiencies document and instructional video.*

*5. The documents mentioned above are available on our website page:*

[*https://fcnb.ca/en/securities/capital-raising/cedc-program*](https://fcnb.ca/en/securities/capital-raising/cedc-program)

*6. Please note that when you submit the completed offering document you must also include a criminal record check for each individual listed in item 3.1. You can obtain a criminal record check from your local RCMP detachment, municipal police force or through one of the vendors that has been approved by FCNB. You can access the list of FCNB approved criminal record check providers by clicking here:*

[*https://fcnb.ca/en/online-services/fcnb-self-serve-portal/where-can-i-get-a-background-check*](https://fcnb.ca/en/online-services/fcnb-self-serve-portal/where-can-i-get-a-background-check%20)

**FORM 45-509F1**

***OFFERING DOCUMENT FOR COMMUNITY ECONOMIC DEVELOPMENT CORPORATIONS AND COOPERATIVES***

**Date:**

**The CEDC:**

|  |  |
| --- | --- |
| Name |  |
| Registered office address |  |
| Address of principal business |  |
| Phone # |  |
| Contact person/position |  |
| E-mail address |  |
| Website URL |  |
| Fax # |  |
| Financial year end (month/day) |  |

 **The Offering:**

|  |  |
| --- | --- |
| Securities offered |  |
| Price per security |  |
| Minimum subscription amount per investor |  |
| Minimum # of shares offered | *If there is no minimum, state in bold type: “****There is no minimum*.**” |
| Total proceeds if minimum sold |  |
| Maximum # of shares offered |  |
| Total proceeds if maximum sold |  |
| Minimum # of investors required |  |
| Payment terms |  |
| Proposed closing date(s) |  |

**Cautions**

**Tax Consequences**

There are important tax consequences to these securities. **See item 6.**

**Resale Restrictions**

You are restricted from selling your securities. **See item 10.**

**Purchasers’ Rights**

You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering document, you have the right to sue either for damages or to cancel the agreement. **See item 11.**

**Neither the Financial and Consumer Services Commission (the Commission) nor the Government of New Brunswick has assessed, reviewed or approved the merits of these shares or reviewed this offering document. This is a risky investment.**

**The following statement only applies to a CEDC that is an investment fund. Check the checkbox if the CEDC is an investment fund.**

[ ]  **WARNING: Unlike most investment funds, this fund will not be required to comply with the investment fund manager registration requirement provided that the fund complies with Local Rule 45-509 *Community Economic Development Corporations and Cooperatives*. Other investment funds are required to have registered investment fund managers to afford investors a level of protection that is not present in this investment. When investors purchase or own shares in this fund they should be aware that they will not have the protections of the requirements and standards imposed on investment fund managers under New Brunswick securities law, which include:**

* **meeting experience and education requirements,**
* **complying with investment fund reporting requirements,**
* **employing a chief compliance officer,**
* **maintaining minimum levels of working capital,**
* **maintaining specified levels of insurance or bonding, and**
* **undergoing Commission compliance reviews.**

**If the WARNING checkbox is unchecked, the above statement does not apply to the CEDC.**

**Item 1: Use of Available Funds**

**1.1 *Funds***

The funds available from the offering are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **If minimum sold** | **If maximum sold** |
| A. | Amount to be raised by this offering | $ | $ |
| B. | Legal and accounting expenses | $ | $ |
| C. | Administrative and other expenses | $ | $ |
| D. | Available funds: D = A - (B+C) | $ | $ |
| E. | Additional sources of funding required 1 | $ | $ |
| F. | Total: F = D+E  | $ | $ |

 **1** *Description of additional sources of funding, if applicable.*

**1.2 *Use of Available Funds***

The funds raised in the offering will be used as follows:

|  |  |  |
| --- | --- | --- |
| **Description of intended use of available funds listed****in order of priority** | **Assuming min.****offering** | **Assuming max.****offering** |
|  | $ | $ |
|  | $ | $ |
|  | $ | $ |
|  | $ | $ |
| **Total: Equal to F in the Funds table above** | $ | $ |

The proceeds from the offering *will/will not* satisfy the CEDC’s cash requirements for the next
12 months, and it *will/will not* be necessary to raise additional funds.

*List source of additional funds, if any.*

**1.3 *Reallocation***

**The following statement only applies if the available funds are to be reallocated. Check the checkbox if the statement applies.**

[ ] We intend to spend the available funds as stated in the offering document. We will reallocate funds only for sound business reasons and in compliance with the *Small Business Investor Tax Credit Act*.

**Item 2: Business of CEDC**

**2.1 *Structure***

**2.2 *Our Business***

**2.3 *Development of Business***

**2.4 *Short-Term Objectives and How We Intend to Achieve Them***

(a)

(b)

|  |  |  |
| --- | --- | --- |
| **What we must do and how we will do it** | **Target completion date or, if not known, number of months to complete** | **Our cost to complete** |
|  |  | $ |
|  |  | $ |

**2.5 *Long-Term Objectives***

**2.6 *Insufficient Funds***

**2.7 *Dividends and Distributions***

**2.8 *Material Agreements***

**Item 3: Interests of Directors, Management, Promoters and Principal Holders**

**3.1 *Compensation and Securities Held***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name of security holder and principal residence** | **Positions held by security holder and date of obtaining position** | **Compensation paid by CEDC in last financial year and anticipated to be paid in current financial year** | **Securities (*#, % and type*)****held after completion of min. offering** | **Securities *(#, % and type*) held after completion of max. offering** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

**3.2 *Management Experience***

|  |  |
| --- | --- |
| **Name** | **Principal occupation and related education and experience** |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

**3.3 *Conflicts of Interest***

**Provide a description of any personal relationships (such as related family members, marriage between individuals, etc.) that exist between the officers, directors, key personnel, promoters and principal security holders. If there are no such personal relationships, so indicate.**

**State whether the CEDC has adopted a conflict of interest policy, who it applies to, and describe how potential conflicts are managed.**

**3.4 *Litigation, Penalties or Sanctions, Cease Trade Orders and Bankruptcy* - Disclose if a person listed in item 3.1, or the CEDC, as the case may be:**

(a) has ever, pled guilty to or been found guilty of:

(i) a summary conviction or indictable offence under the Criminal Code (R.S.C., 1985, c. C-46) of Canada,

(ii) a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction,

(iii) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein, or

(iv) an offence under the criminal legislation of any other foreign jurisdiction,

(b) is or has been the subject of an order (cease trade or otherwise), judgment, decree, sanction, or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court, or administrative court or tribunal of Canada or a foreign jurisdiction in the last ten years related to his or her involvement in any type of professional activity, such as securities, insurance, banking or other type of financial or consumer services activity,

(c) is or has been the subject of a bankruptcy or insolvency proceeding,

(d) is a director or officer of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above.

**Item 4: Capital Structure**

**4.1 *Capital Structure***

The following table describes the outstanding securities of the CEDC:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** **of security** | **Number authorized to be issued as per CEDC’s by-laws and constating documents** | **Total dollar value and number issued and outstanding as at *date***  | **Total dollar value and number outstanding after minimum offering** | **Total dollar value and number outstanding after maximum offering** |
| *(Preferred Shares*) |  |  |  |  |
| *(Common Shares*) |  |  |  |  |
| *(Other)* |  |  |  |  |

**4.2 *Prior Sales***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date of issuance** | **Type of security issued** | **Number of securities issued** | **Price per security** | **Total funds received** |
|  |  |  |  |  |
|  |  |  |  |  |

**Item 5: Securities Offered**

**5.1 *Terms of Securities***

|  |  |
| --- | --- |
| *(a)* *voting rights or restrictions on voting,*  |  |
| *(b) rights of redemption,*  |  |
| *(c)* *dividend rates,*  |  |
| *(d)* *rights on dissolution, and,*  |  |
| *(e)* *Other*.  |  |

**5.2 *Subscription Procedure***

(a)

(b) The consideration will be held in trust for the purchaser and will become available to the

CEDC only after the conditions of closing described below have been met and the offering has closed.

(c) The following are conditions of the initial closing of the offering:

1. the CEDC has received the minimum offering amount of $*amount;*
2. all material contracts have been signed, and all material consents of third parties have been obtained;
3. all necessary and required certificates under the *Small Business Investor Tax Credit Act* and its regulations and other applicable laws have been obtained and are current, including:
	1. a letter of non-objection issued by the Executive Director that has not been subsequently revoked; and
	2. a certificate of registration that has not lapsed or been revoked by the Minister of Finance; and

 (iv) at least 3 shareholders have subscribed.

**5.3 *Failure to Meeting Conditions of Closing***

If the minimum offering amount and all other conditions of the initial closing are not achieved on or before the closing date, and no extension has been granted by the Executive Director, the offering will be withdrawn and all of the proceeds of subscription, without interest, will be returned to the subscribers no later than 30 days after the closing date.

**5.4 *Concurrent Offering***

**Item 6: Canadian Income Tax Considerations**

**6.1** This commentary is of a general nature only and is not intended to be tax advice to any particular investor. You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

**6.2**

**The following statement only applies if no professional advisers have been used. Check the checkbox if the statement applies.**

[ ] No professional advisers have been used in the preparation of the tax disclosure.

**Item 7: Promoters**

**7.1** The following persons are authorized to sell shares under the offering:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **Address** | **Business Phone #** | **Email Address** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Item 8: Risk Factors**

**8.1** The following, listed in order of importance, are the risk factors that the CEDC considers to be the most substantial risks to an investor in this offering:

*

**8.2** In addition, potential investors should consider the following risk factors before they decide to purchase the shares being offered:

* The shares are speculative in nature. An investment is appropriate only for investors who are prepared to have their money invested for a minimum of 4 years, and who have the capacity to absorb a loss of some or all of their investment and all of their tax credit.
* There is no organized market through which the shares may be sold. Therefore, investors may find it difficult or even impossible to sell their shares.
* There are restrictions on the resale of the Shares. See item 10 for details.
* The CEDC may not achieve a level of profitability to permit dividends to be paid. Investors should not count on any return from these shares.
* Tax laws may change.
* Investors who redeem their securities before the minimum time period of 4 years will lose some or all of their tax credit.

**Item 9: Reporting Obligations**

**9.1** The CEDC will deliver to the Financial and Consumer Services Commission and the Department of Finance and send to security holders, annual financial statements and in certain circumstances, a notice of specified events, the latter of which within 10 days after the date on which the specified event occurs.

**Item 10: Resale Restrictions**

**10.1** These securities will be subject to a number of resale restrictions under National Instrument 45-102 *Resale Restrictions*, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

**The statement below only applies to a CEDC that is a cooperative and the checkbox is checked.**

[ ] Securities issued by a cooperative may be subject to further resale restrictions under cooperatives legislation, and the by-laws of the cooperative.

**10.2** Under the *Small Business Investor Tax Credit Act*, a person who disposes of a share in respect of which a tax credit has been allowed within 4 years from the date of purchase is liable to repay the Minister of Finance an amount equal to the tax credits received in respect of the share purchased, including interest, if interest is prescribed by the regulations made under that Act, or a lesser amount that is determined in accordance with the regulations under that Act.

**Item 11: Purchasers' Rights**

Purchasing this share gives you certain rights, some of which are described below. For information about your rights you should consult a lawyer.

* Two Day Cancellation Right – You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after either of the following:
1. the CEDC received the completed subscription agreement;
2. the day the CEDC has notified you of an amendment to the offering document.
* Statutory Rights of Action in the Event of a Misrepresentation – If there is a misrepresentation in this offering document, you have a statutory right to sue the following:
1. *name of the CEDC* to cancel your agreement to buy these shares;
2. for damages against *name of the CEDC*, every director of the CEDC as of the date of this offering document and every person who signed the offering document.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the right to sue described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date of the transaction which gave rise to the cause of action. You must commence your action for damages within the earlier of one year after you first had knowledge of the facts giving rise to the cause of action, and 6 years after the date of the transaction that gave rise to the cause of action.

**Item 12: Promotional Materials**

All promotional materials relating to each distribution under this offering document, including those prepared after the date of this offering document, are incorporated by reference into the offering document and are deemed to form part of the offering document.

**Item 13: Financial Statements**

**In the offering document, immediately before the certificate page, include all required financial statements.**

**Item 14: Date and Certificate**

**This offering document does not contain a misrepresentation.**

Dated at , on (date)

|  |  |
| --- | --- |
| * the chief executive officer (or a person acting in a similar capacity if the CEDC does not have a CEO), and
 |    |
| * the chief financial officer (or a person acting in a similar capacity if the CEDC does not have a CFO),
 |    |
| * on behalf of the board of directors, any 2 directors of the CEDC who are authorized to sign, other than the foregoing.
 |    |