

Roadmap to Navigating a CEDC Offering

This is a general overview. Groups looking to form a CEDC should obtain professional advice from a securities lawyer, and/or a tax specialist.

START

CEDC

A CEDC is a pool of money raised by selling shares (or other eligible securities) to individuals in a defined community.

It provides an opportunity for New Brunswickers to channel their investment dollars into their local economy.

TRAVEL CHECKLIST

- ✓ *Must be a for-profit.*
- ✓ *Must be incorporated or registered to do business in NB.*

★ Apply for a certificate of registration from the Department of Finance.

★ Submit a community development plan that outlines proposed use of capital.



Welcome to Our Town

Identify at least 6 directors from the defined community.

Define the NB community that will benefit from the offering.

Submit to FCNB:

- an offering document
- financial statements
- a consent form to share information with the Department of Finance
 - \$350 fee
 - police record checks

★ Don't make offers to potential investors yet.

★ You CAN solicit expressions of interest.

Investors must:

- be at least 19 years old
- be NB residents
- invest a minimum of \$1,000, maximum of \$250,000
- sign a risk acknowledgement form

CAUTION

- there are limitations on who can sell CEDC shares
- the CEDC cannot make specific promises related to financial returns



Deliver the offering document to potential investors to help them make investment decision. It must disclose investment risks.

Provide FCNB with a copy of any ads or promo materials within 2 days of being used.

You can advertise (with some limitations).

GO FORWARD

Receive a non-objection letter from FCNB and a certificate of registration from the Department of Finance.

SPEED 90
days to close offering

File a report of exempt distribution with FCNB within 30 days of each closing.

File for individual tax credit certificate with the Department of Finance within 30 days of each closing.

ROADBLOCK

Within 3 months, you must raise the minimum amount stated in your offering document or funds must be returned to the investors.

CONSTRUCTION ZONE

File a notice of specified events with FCNB if there is:

- a change to the CEDC's capital structure
- a major reorganization, amalgamation or merger
- other events

ONGOING REPORTING TO FCNB

- annual financial statements
- notice of specified events

FINISH

You've arrived at your destination!