

# **BCA INVESTMENT CO-OPERATIVE LTD.**

## **Form 1**

### **OFFERING DOCUMENT**

(Pursuant to the *Community Economic-Development Corporations Regulations*)

**[This document is to be used only by Associations and Corporations as defined herein that are community economic-development corporations.]**

#### **Glossary**

In this offering document:

1. “Act” means the *Securities Act*;
2. “Association” means an association as defined in the *Co-operative Associations Act*;
3. “CEDC” means a Community Economic-Development Corporation, as defined herein;
4. “Community Economic-Development Corporation” means a Corporation or Association that meets the criteria prescribed by the regulations made pursuant to the *Equity Tax Credit Act* and is registered as a Community Economic-Development Corporation by the Minister of Finance pursuant to Section 11 of the *Equity Tax Credit Act*;
5. “Community Economic-Development Plan” means the community economic-development plan proposed by the Issuer which contains the information prescribed by the regulations made pursuant to the *Equity Tax Credit Act*;
6. “Corporation” means a corporation incorporated pursuant to the laws of the Province of Nova Scotia, another province of Canada or Canada that has its head office located in the Province of Nova Scotia;
7. “Finders” means persons who, for compensation or without compensation, act as intermediaries in obtaining selling agents or otherwise make introductions in furtherance of this Offering;
8. “Issuer” means BCA Investment Co-Operative Limited;
9. “Investee Corporation” means a corporation in which the Issuer proposes to invest all or substantially all of the proceeds of the offering and where all or substantially all of the fair market value of the corporation’s property is attributable to property used in an active business;
10. “Offering” means this offering of Shares of the Issuer;

11. “Promoter” has the same meaning as in the Act, except that pursuant to subsection 3(3) of the *Community Economic-Development Corporations Regulations* no individual shall be considered as a promoter unless a promoter at the time the offering document is filed with the Director of Securities;
12. “Securities Rules” means the rules of the Nova Scotia Securities Commission made pursuant to the Act;
13. “Security holder” means a person or company who purchases Shares under this Offering;
14. “Shares” means common shares of the Issuer that may attract a 30% tax credit against provincial tax payable and potentially a provincial government guarantee on the last 20% of the investment for the first 4 years after purchase (see 10 (I) );
15. “Sponsor” means BCA Holdings Limited, the company responsible for the initial organization of the Issuer;
16. “BCA Complex” means the following three companies: the Sponsor, B.C.A. Venture Capital Limited and the Issuer.
17. New Dawn Enterprises Ltd. (NDEL), a community development corporation, established in 1976 and an associated company of New Dawn Holdings Ltd. (New Dawn Holdings). New Dawn Holdings Ltd. (New Dawn Holdings) is an associated company of NDEL (see above). New Dawn Holdings has applied to become a CEDIF.

## TABLE OF CONTENTS

	<u>Page</u>
Cautions .....	4
The Offering.....	5
Risk Factors .....	6
Plan of Distribution .....	8
The Issuer .....	10
Business and Properties of a CEDC that is a Corporation .....	11
Specified Investments in Eligible Local Business Entities by a CEDC that is a Corporation...	12
Business and Properties of a CEDC that is an Association .....	13
Capital Structure .....	18
Use of Proceeds .....	18
Financial Forecasts or Projections .....	19
Dividends, Distributions and Redemptions .....	20
Promoters of the Issuer .....	20
Officers of the Issuer .....	22
Directors of the Issuer .....	24
Key Personnel of the Issuer .....	28
Principal Security Holders .....	29
Management Relationships, Transactions and Remuneration .....	29
Litigation .....	31
Canadian Income Tax Considerations .....	31
Material Contracts .....	33
Financial Statements .....	34
Continuous Reporting Obligations .....	34
Restrictions on Resale of Securities .....	34
Rights of Action .....	35
Certificate .....	36
Appendices .....	39
Audited Financial Statements March 31 <sup>st</sup> 2003	
Interim Financial Statements October 31st 2003	
Contracts and Agreements	

## CAUTIONS

The Nova Scotia Securities Commission has not assessed:

- (a) the reasonableness or merit of the Issuer or the Offering;
- (b) whether the Issuer has sufficient financing and managerial expertise to accomplish its stated objectives;
- (c) whether management of the Issuer has the reputation and commitment to conduct the Issuer's business with integrity and in the best interest of the Security holders;
- (d) whether the Promoters and management of the Issuer are receiving unconscionable benefits at the expense of the Security holders; or
- (e) whether any financial forecast or projection contained in this offering document has a reasonable basis;

Investment in small business involves a high degree of risk, and investors should not invest any funds in this Offering unless they can afford to lose a substantial portion of their investment. Potential investors should read all of this offering document, particularly the risk factors on pages 5 & 6.

Potential investors should review the information concerning the background of the Issuer's officers, directors and other key personnel and consider whether or not these persons have adequate background and experience to develop and operate the Issuer and to make it successful. In this respect, the experience and ability to manage are often considered among the most significant factors in the success of a business.

After reviewing the "Use of Proceeds" on page 16 potential investors should consider whether the amounts available for future development of the Issuer's business and operations will be adequate.

A Security holder may have rights of rescission or an action for damages in circumstances which are described in this offering document beginning on pages 27 & 28.

THERE IS NO ORGANIZED MARKET THROUGH WHICH THE SHARES MAY BE SOLD. IT MAY BE DIFFICULT OR EVEN IMPOSSIBLE FOR THE INVESTOR TO SELL THEM.

Potential investors should also consult their professional advisors before investing.

This offering document, together with the documents incorporated herein by reference and forming part of this offering document, and the attachments thereto contain all of the representations by the Issuer concerning this Offering and no person shall make different or broader statements than those contained herein. Investors are cautioned not to rely on any information not expressly set forth in or attached to this offering document.

This offering document, together with financial statements and other attachments, consists of a total of 30 pages.

## **The Offering**

- 1) The Shares being offered are:  
Fully paid, newly issued voting common shares of the Issuer. The price per share is \$1,000. Individuals must purchase a minimum of 1 share, therefore, the minimum investment is \$1,000.
- 2) The offering price was established by the following method:  
 negotiation with the investor  
 arbitrarily by the Issuer  
 otherwise (explain)
- 3) Maximum number of Shares offered: 2000 (two thousand)
- 4) Total proceeds if maximum sold: \$2,000,000 (two million dollars)
- 5) Minimum number of Shares offered: 100 (one hundred)
- 6) If minimum sold: \$100,000 (one hundred thousand)
- 7) Reasons for the selection of the minimum number of Shares offered:  
The minimum amount will enable BCA Investment Cooperative to participate in at least one additional investment project within the defined community. The existing pool is sufficient to cover the administration costs of the for the next twelve months.
- 8) Minimum number of investors required: 25 (twenty-five persons)
- 9) Total estimated costs of the Offering: at minimum \$17,500 (see s.27 for detail)  
at maximum \$50,000 (see s.27 for detail)

## Risk Factors

- 10) Taking into consideration the factors noted below, list in the order of importance the factors which the Issuer considers to be the most substantial risks to an investor in this Offering in view of all known facts and circumstances (i.e., those factors which constitute the greatest threat that the investment will be lost in whole or in part, or not provide an adequate return).
- (a) There is little historical information upon which to assess the likelihood of the Issuer achieving an acceptable rate of return for the Security holders.
  - (b) The investments made by the Fund will have returns which are directly attributable to the performance of the investments in the companies. Therefore, the risk associated with an economic downturn in the local community is real and must be factored into the decision. Therefore, investments which were prudent at the time of investment may not prove profitable over the term they are maintained.
  - (c) There are limited opportunities available for exiting the Fund- liquidity risk. The reader is instructed to refer to s.57 for a full disclosure of the limited options for the resale of these securities.
  - (d) Another risk factor considered to be potentially material to an investor is the opportunity cost of capital should the offer not close. Depending upon the dates involved in the offering, an investor who chooses this investment may lose the opportunity to invest in another tax assisted investment (i.e. Labour – Sponsored Venture Capital Corporation's- LSVCC's ) due to the limitation on investment (60 days ).
  - (e) The Shares are speculative in nature. An investment is appropriate only for investors who are prepared to have their money invested for a long period of time, and who have the capacity to absorb a loss of some or all of their investment.
  - (f) 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.
  - (g) There are restrictions on the resale of the Shares. See item 57 for details.
  - (h) The Issuer may not achieve a level of profitability to permit dividends to be paid. Investors should not count on any return from these Shares.
  - (i) Investors who deposit the Shares in a self-directed RRSP should not depend on selling the Shares or income from the Shares to fund their retirement.
  - (j) Tax laws frequently change.
  - (k) Provincial Guarantee: (i) Investments made in eligible business entities located within the geographical areas comprising the former cities of Halifax and Dartmouth, the

former town of Bedford, and the area commonly known as Sackville will not be eligible for the 20% provincial guarantee of eligible investments of a community economic development fund as provided by the Equity Tax Credit Act (“ETC”) and Regulations. The Fund may still make an investment that is not covered by the provincial guarantee.

(ii) Investments made in eligible business entities located **OUTSIDE** the geographical areas comprising the former cities of Halifax and Dartmouth, the former town of Bedford, and the area commonly known as Sackville will be eligible for the 20% provincial guarantee of eligible investments of a community economic development fund as provided by the ETC and Regulations conditional upon the Fund being in compliance with the ETC and Regulations.

(l) IF THE OFFERING FAILS TO MEET THE MINIMUM INITIAL CLOSING CONDITIONS AS PER ITEM #16 AND CLOSE BY MARCH 1, 2004, AS STATED IN ITEM #17, INVESTORS WILL NOT HAVE TIME TO ARRANGE ALTERNATE RRSP ELIGIBLE CONTRIBUTIONS FOR THE 2002 TAXATION YEAR.

(m) IF THE OFFERING DOES NOT CLOSE BY MARCH 1, 2004, THE 30% PROVINCIAL EQUITY TAX CREDIT WILL BE APPLICABLE TO THE 2003 TAXATION YEAR.

## PLAN OF DISTRIBUTION

11) The following people (the “selling agents”) are authorized to sell Shares under the Offering:

Name	Address	Business Phone #	Fax #
John Eyking	289 Millville Highway, Millville, N.S. B1Y 2E1	902 674 2825	902 674 2858
James Kehoe	Box 26, Sydney, NS B1P 6G9	902 567 2400	(902) 567-2401
Joseph MacLean	132 Patric Avenue, Sydney, NS B1P 3G5	(902) 539-7931	(902) 539-1614
Rankin MacSween	P.O. Box 1055, Sydney, N.S., B1P 6J7	(902) 539-9560	(902) 539-7210
Greg MacLeod	37 Esplanade, Sydney NS B1P 1A2	(902) 562-2420	(902) 567-0153
Pam Seville	UCCB Sydney, Sydney N.S. B1P 6L2	(902) 563-1432	(902) 562-0119
John Barron	188 Charlotte Street Sydney, N.S., B1P 6J9	(902) 562-5464	(902) 564-4472
Sean Burke	468 Portsway Ave., Edwardsville, N.S. B2A 4Z8	(902) 562-8889	(902) 562-8887
George Karaphillis	UCCB Sydney N.S. B1P 6L2	(902) 562-6600	(902) 562 6723
Norma Boyd	188 Charlotte Street Sydney, N.S. B1P 6J9	(902) 539-1903	(902) 539-1904
Mary Aucoin	2366 Kings Road Sydney, NS B1L 1C1	(902) 562-7268	(902) 562-3589
Charles MacDonald	222 O’Neil Road North West Arm NS B2A 4W6	(902) 567-0000	(902) 539-5107
Darcy MacDonald	300 Esplanade Sydney, NS B1P 1A7	(902) 562-7500	(902) 562-3023
Amanda Sawlor	P.O. Box 1201, Sydney NS B1P 6J9	(902) 567-0000	(902) 539-5107

The Directors of the Issuer will sell Shares under terms of this Offering. The Directors will promote, market, communicate the availability of the shares for sale as well as sell the shares.

Rankin MacSween, Norma Boyd, John Eyking and Joe MacLean will have similar roles with BCA Investment Co-operative and New Dawn Holdings Ltd. Many discussions have been held with both groups to avoid potential confusion. All potential investors will be told the main difference between the two funds is that New Dawn Holdings Ltd. will invest in only New Dawn identified and initiated projects, while BCA will invest in projects not related to any one group or activity as in their offering. It will be made clear to the investors that it will be their choice as to which fund to invest in.

12) Describe any compensation to selling agents or Finders, including cash, securities, contracts or other consideration of any kind direct or indirect. Also indicate whether the Issuer will indemnify the selling agents or Finders against liabilities, if any, under the securities laws.

The Issuer will not pay any compensation, commissions or fees to the selling agents to transact the offering. Board members receive no compensation. The issuer does hold the normal director’s insurance but the issuer will not indemnify any selling agents or Finders

against liabilities beyond the terms of the normal director's insurance. Only directors are agents.

13) Describe any material relationship between any of the selling agents or Finders and the Issuer or its management.

All Directors listed in item #38, as well as the Officers of the Company (#36), are promoters, and are listed as such in item #35. No additional selling agents or Finders have been identified.

**Note on selling agents and Finders:**

Potential investors should carefully consider the following points when evaluating any recommendation by the selling agents or Finders to buy the Shares:

1. Amount of compensation received by the selling agents or Finders to sell the shares;  
2. The nature of the relationship between the selling agents or Finders and the Issuer; and  
3. Unlike most securities offerings, the selling agents and Finders are not required to be registered under the Act to trade securities and therefore, when investors purchase the Shares through unregistered selling agents or Finders, they should be aware that:

- a. They will not have the protections afforded by certain requirements and standards imposed on registrants under the Act, including proficiency standards, reporting requirements, know your client requirements and suitability requirements; and
- b. Unregistered selling agents and Finders are generally prohibited by the Act from giving investment advice to potential investors unless permitted to do so by an exemption expressly set out in the Act or granted by the Securities Commission under the Act.

14) Describe the procedure by which investors subscribe for Shares under the Offering.

There will be an Initial public meeting and/or private meeting followed by provision of this offering document to prospective investors. Investors will forward payment by means of a cheque or money order (cash is not acceptable) to the Issuer, or their lawyer, payable to "the Sydney Credit Union (In Trust)", to be held in trust until the closing.

15) The subscription funds will be held in trust by SYDNEY CREDIT UNION LIMITED and will only become available to the Issuer when the conditions of closing described below have been met and the Offering has closed. Only cheques or money orders made payable to the Sydney Credit Union Limited (in trust) shall be accepted; cash is not acceptable.

16) The following are conditions of the initial closing of this Offering:

- (a) the Issuer has received the minimum offering amount of \$ 100,000;

- (b) all material contracts have been signed, and all material consents of third parties have been obtained;
- (c) all necessary and required certificates under the *Equity Tax Credit Act* and regulations and other applicable laws have been obtained;
- (d) additional conditions of the initial closing are:
  - (i) That the minimum number of subscribers (25) have been met as outlined in section 8 of this document.

17) The minimum offering amount and all other conditions of the initial closing must be achieved on or before March 1<sup>st</sup> 2004 [Unless the Director has granted an extension, this date must be not more than 90 days from the date of issuance of a letter of non-objection in respect of the offering document by the Director of Securities pursuant to the *Community Economic-Development Corporation Regulations*.]

18) If the minimum offering amount and all other conditions of the initial closing are not achieved on or before the time specified in item 17, and no extension has been granted by the Director, the Offering will be withdrawn and all of the proceeds of subscription, without interest, will be returned to the subscriber within 30 days of the date that the Offering was to close.

19) The following are conditions of each subsequent closing of this Offering:

- i. There has been no material change in material contracts referred to in item 16(b).
- ii. All necessary and required certificates under the *Equity Tax Credit Act* and Regulations and other applicable laws have been obtained and are current.

## THE ISSUER

20) Issuer's exact name as it appears in the incorporating document:

BCA Investment Co-Operative Limited

Jurisdiction and date of incorporation: January 23, 1998. Incorporated under the provisions of the *Co-operative Associations Act, R.S.N.S., 1989, c. 98.*

Address of registered office: 188 Charlotte Street, Sydney, NS, B1P 6J9.

Address of principal business address: 188 Charlotte St., Sydney, NS, B1P 6J9.

The Issuer's Telephone Number: (902) 567-0000

The Issuer's Fax Number: (902) 539-5107

The Fiscal Year End of the Issuer: March 31

Month      Day

Contact person at Issuer with respect to the Offering: Charles MacDonald

Telephone number of contact person (if different number from above): N/A

## **BUSINESS AND PROPERTIES OF A CEDC THAT IS A CORPORATION**

When the Issuer is a Corporation and now operates or proposes to operate an active business or to invest all or substantially all of the proceeds of the offering in shares of a corporation where all or substantially all of the fair market value of that corporation is attributable to property used in an active business (the “Investee Corporation”) please complete item 21.

21) With respect to the business of the Issuer and its properties:

- (a) Describe in detail what business(es) the Issuer or Investee Corporation now operates and proposes to operate, including what products are or will be produced or services that are or will be rendered.  
N/A
- (b) Describe how these products or services are to be produced or rendered and how and when the Issuer intends to carry out its activities. If the Issuer or Investee Corporation plans to offer a new product(s), state the present stage of development including whether a working prototype(s) is in existence. Indicate if completion of development of the product will require a material amount of the resources of the Issuer, and the estimated amount. Describe any major existing supply contracts.  
N/A
- (c) Describe the industry in which the Issuer or Investee Corporation is selling or expects to sell its products or services and, where applicable, any recognized trends within the industry. Describe that part of the industry and the geographic area in which the business competes or will compete. Indicate whether competition is or is expected to be by price, service or other basis.  
N/A
- (d) If the Issuer’s or Investee Corporation’s business, products or properties are subject to material regulation by federal, provincial or municipal governmental agencies, indicate the nature and extent of regulation and its effects or potential effects upon the Issuer.  
N/A

- (e) State the number and types of employees the Issuer or Investee Corporation has and the number and type of employees it anticipates it will have within the next twelve months.  
N/A
- (n) Describe generally the principal properties (such as real estate, plant and equipment, patents, etc.) that the Issuer or Investee Corporation owns, indicating also what properties it leases and a summary of the terms of those leases, including the amounts of payments, expiration dates and the terms of any renewal options. Indicate what properties the Issuer or Investee Corporation intends to acquire in the next twelve months, the costs of such acquisitions and the sources of financing it expects to use in obtaining those properties, whether by purchase, lease or otherwise.  
N/A
- (o) State the name of any subsidiaries of the Issuer or Investee Corporation, their business purpose and ownership. If none, so indicate. N/A
- (h) Summarize the material events in the development of the Issuer or Investee Corporation during the last 5 years or for whatever lesser period the Issuer has been in existence. Include both positive and negative facts. Also include details on profits and losses, including the causes of any losses. Include as well any material acquisitions or arrangements. [A “material event” or “material acquisition or arrangement” is one that is fundamental to the business and day-to-day operations of the Issuer or Investee Corporation.]  
N/A

## **SPECIFIED INVESTMENTS IN ELIGIBLE LOCAL BUSINESS ENTITIES BY A CEDC THAT IS A CORPORATION**

22) With respect to the business of the Issuer and its properties:

- (a) Set out restrictions as described in the Issuer’s constitution.  
N/A
- (b) Describe the Issuer’s investment strategy and objectives as set forth in the Issuer’s Community Economic-Development Plan.  
N/A
- (c) Describe any intended specified investments in eligible local business entities which the Issuer plans to make with the proceeds of the Offering and how they fall within the Issuer’s Community Economic-Development Plan. If no such specified investments are planned at the time of the Offering or if further specific investments are contemplated please indicate that fact.  
N/A

[Potential investors should note that where specified investments in eligible local business entities are not described in this offering document the Issuer must make

such investments in compliance with Section 20 of the *Community Economic-Development Corporations Regulations*.]

## **BUSINESS AND PROPERTIES OF A CEDC THAT IS AN ASSOCIATION**

23) With respect to the business of the Issuer and its properties:

- (a) Describe in detail what business(es) the Issuer now operates and proposes to operate, including what products are or will be produced or services that are or will be rendered.

N/A

- (b) Describe how these products or services are to be produced or rendered and how and when the Issuer intends to carry out its activities. If the Issuer plans to offer a new product(s), state the present stage of development including whether or not a working prototype(s) is in existence. Indicate if completion of development of the product will require a material amount of the resources of the Issuer, and the estimated amount. Describe any major existing supply contracts.

N/A

- (c) Describe the industry in which the Issuer is selling or expects to sell its products or services and, where applicable, any recognized trends within the industry. Describe that part of the industry and the geographic area in which the business competes or will compete. Indicate whether competition is or is expected to be by price, service or other basis.

N/A

- (d) If the Issuer's business, products or properties are subject to material regulation by federal, provincial or municipal governmental agencies, indicate the nature and extent of regulation and its effects or potential effects upon the Issuer.

N/A

24) Item 24 must be completed by a CEDC that is an Association that has a constitution that restricts it to investing in eligible investments in accordance with the regulations made pursuant to the *Equity Tax Credit Act*.

- (a) Set out restrictions on investments as described in the Issuer's constitution:

1. The business must be located within the boundaries of the six eastern counties of Nova Scotia (i.e., pays business occupancy tax to a county or a municipal unit therein and/or has an established physical presence), that is, Cape Breton (CBRM), Inverness, Victoria, Richmond, Guysborough and Antigonish Counties.

2. The business must operate in accordance with applicable laws and bylaws.

3. All investments chosen must meet criteria for eligibility under Section 4 of the Equity Tax Credit Act:

- at least 25% of salaries and wages are paid in Nova Scotia

- assets (including affiliates) less than \$25 million

- 90% or more of the fair market value of the property used in active business or shares of the association that would be an eligible business if it made an application under the Act

-the association undertakes or carries on business or operations in any activity prescribed by regulation

-the business is not the professional practice of an accountant, dentist, lawyer, medical doctor, veterinarian or chiropractor.

(b) Describe the Issuer's investment strategy and objectives as set forth in the Issuer's Community Economic-Development Plan.

The Issuer is a co-operative established with the objectives of promoting, supporting and operating job creation and economic development initiatives and providing equity funding for viable business enterprises in Cape Breton Island. The Issuer is a community economic development corporation within the meaning of the *Equity Tax Credit Act* (Nova Scotia) and is registered by the Minister of Finance pursuant to the *Equity Tax Credit Act* (Nova Scotia).

The Issuer has been created for the purpose of raising capital to invest in the Nova Scotia economy in order to assist businesses to create jobs and to provide a return to Security holders. The Issuer will invest in the equity of and make loans (subordinated debt) to various types of businesses that employ people or intend to employ people within Cape Breton.

The Issuer intends to pursue investments in viable businesses based on the following criteria:

(i) the business must be commercially viable (based on business plan, analysis of local and economic context and quality of managers and directors;

(ii) the investment must be seen as improving the community good; and

(iii) Each business must be controlled by more than one owner and at least 50% of the owners must be Cape Breton residents. This is the case for the investments listed in 24 (C).

The Issuer intends to place a great deal of emphasis on the quality of management and directors and the history of success of that business as criteria for investment. The quality of management and directors as well as the history of the success of the business will be determined by the Board of Directors of BCA Investment Co-operative. The Board includes a good cross-section of the community with extensive experience. We would not invest in a company if none of the Board members knew the applicant company.

The Issuer will examine proposals for equity investments ranging from start-up businesses to existing businesses that require additional capital to finance growth and expansion. The Issuer may have its funds invested in industrial, agricultural, resource-based, knowledge-based businesses and service businesses which possess and demonstrate good management and the potential for growth and profitability. In particular, the Issuer intends to concentrate its investments on companies involved in forestry and the offshore.

Because of the Laurentian petroleum discoveries off the coast and because of our proximity to Sable Island, organizers consider that there will be good opportunities in the offshore also and will seek proposals in this sector. This does not exclude consideration of especially promising proposals in other sectors but it does indicate a preference.

However the following industries or businesses will not be excluded:

- (i) suppliers of goods and services to large local corporate enterprises;
- (ii) value-added natural resource goods and services;
- (iii) information technology;
- (iv) tourism; and
- (v) cultural and entertainment industries including the media.

The Issuer may also consider joint venture proposals with Nova Scotia businesses in which it supplies equity financing and technical expertise to local businesses.

The fund will be managed by BCA Investment Co-operative's Investment Committee made up of George Karaphillis, Steve Farrell, Jim Kehoe, Sean Burke, John Eyking, and Darcy MacDonald. This structure will be the basis for a comprehensive review process to assure a high level of prudence in investment decisions. While B.C.A. Investment Co-operative Investment Committee will function as fund manager and have total authority on business investment decisions, responsibility for adherence to policy and ethical guidelines lies with the board members, the Sponsor and the Issuer.

[Potential investors should note that where specific eligible investments are not described in this offering document the Issuer must comply with the Section 21 of the *Community Economic-Development Corporations Regulations*.]

- (c) Describe any intended specified eligible investments, which the Issuer plans to make with the proceeds of the offering. If no such specific eligible investments are planned at the time of the Offering or if further specific eligible investments are contemplated, please indicate that fact. BCA Investment Co-Operative has invested:

The Fund currently has financings placed with the following companies:

Highland Technical: \$75,000 of Class "A" preferred shares purchased on June 12, 2000, to mature on June 12, 2003. The maturation date has been extended to January 3, 2004. A dividend of \$9,000.00 was declared and paid effective July 3, 2003. In addition dividends equaling an effective interest rate of prime plus 2% will be paid upon maturity for the period of July 3, 2003 to January 3, 2004. Highland Technical specializes in training workers such as welders for the offshore

Breton Care Givers: \$30,000 Loan Guarantee granted on January 3, 2000. Breton Care Givers is a small business which caters to home nursing for the elderly. BCA Investment Co-operative signed a guarantee for a line of credit for the organization for initial working capital. As of October 2003, the loan guarantee was converted to an interest bearing loan in the amount of \$10,000.00 at an interest rate of 7.5%, payable over three years in monthly installments of \$311.06.

Feb. 15, 2001- JP Cormier: \$ 20,000 Subordinated debt, 15% per annum, paid quarterly - Maturation Feb, 2002. Mr.Cormier is a prominent folk musician. This loan first came into arrears May 15<sup>th</sup> 2001. A payment of \$4,800.00 was made in August of 2002. A schedule of payments has been negotiated. The balance as of October 2003 is \$13,562.00. Mr. Cormier has committed to pay the amount in full.

June 14, 2001- Brenda Grant: \$5,000 loan with capital repayments and 1% royalties on CD Sales. Brenda Grant is a local folk musician who tours the Maritime provinces. The balance as of October 2003 is \$660.00.

March 19, 2001 - Forest Insight Ltd.: \$ 100,000 Equity, 7.5% cumulative preferred shares. A company specializing in hardwood flooring for overseas market. To date no dividends have been declared nor paid.

Nov. 13, 2002 - Laurentian Energy Corporation: Originally BCA Investment Co-operative acquired one common share for one dollar and made two shareholder loans in the amounts of \$250,000. and \$16,000 for a total of \$266,000.00. Subsequently through a restructuring of Laurentian Energy Corporation, the shareholder loans of BCA Investment Co-operative were converted into 139 common shares.

The Laurentian Energy Corporation has entered in a purchase agreement with Enterprise Cape Breton Corporation to acquire the substantial land holdings, wharfage facilities and real estate of the Sydport Industrial Park located in Point Edward on the Sydney Harbor. In addition to housing a number of industrial enterprises, the Laurentian group is pursuing opportunities in service and fabrication for the offshore oil and gas industry.

New Dawn Investments Ltd.: \$100,000.00 Subordinated debt prime plus 1%, to be paid annually on the anniversary date (December 6). The principal sum is due in full on December 6, 2007. The plywood factory is still under review. New Dawn Investments Ltd. is owned by New Dawn Enterprises Ltd., the oldest Community Development in Canada, having observed its 25 anniversary in 2001. New Dawn Enterprises has substantial real estate holdings, operates a nursing home and a training school and has substantial involvement in the voluntary sector. Rankin MacSween, Norma Boyd and Joe MacLean are board members of New Dawn Holdings. BCA Investments has provided a loan to New Dawn Investments Ltd. New Dawn Enterprises Ltd. is the sole shareholder of New Dawn Investments Ltd.

Scatarie Seafoods Ltd. produces Atlantic salmon sausages in vacuum-sealed packaging. The product is promoted as “a totally unique and delicious brand of sausage,” and is available “in three gourmet flavors.” The Company is a wholly owned subsidiary of New Dawn Investments Ltd. Mr. Rankin MacSween, Ms. Norma Boyd and Mr. Joe MacLean, who are Board members of BCA Investment Co-operative, also serve on the New Dawn Board of Directors. Norma Boyd is a director of Scatarie Seafoods Ltd. Michael Maroun is the agent for all the New Dawn Enterprises Ltd. subsidiary and associated companies. He is Vice-President and Secretary/Treasurer of New Dawn Holdings Ltd. New Dawn Investments Ltd. is the sole shareholder of common shares in Scatarie Seafoods Ltd. BCA Investment Co-operative holds 90,000 Class A Preferred Shares in Scatarie, and New Dawn Investments holds 90,000 Class B Preferred Shares in Scatarie.

Dynagen Technologies: BCA has approved a fully unsecured debt in the amount of \$150,000.00 at an interest rate of 5% compounded monthly. The interest will be capitalized for an initial period of six months after which it will be payable monthly. In addition to the interest, BCA will earn royalties for the duration of the period that the loan is outstanding. Royalties will be calculated as 0.75% of the sales of Dynagen. Sales are defined as the amount billed or invoiced by Dynagen to its customers less any value-added, sales, use or turnover taxes, excise taxes and customs duties actually paid included in the invoice amount. Royalties will be calculated quarterly and paid as follows: 50% cash (quarterly) and 50% in an equivalent number of common shares (annually) at \$0.20 per share. Repayment of the principal will be on the third, fourth and fifth anniversaries in the amounts of 33%, 33% and 34% respectively. While any portion of the debt is outstanding, BCA will hold one seat on the Dynagen Board of Directors. The maximum period during which BCA will hold one seat on the Board of Directors will be 5 years. BCA will not hold more than one seat at any time. Copies of the Share

Subscription Agreement for the Common Shares and the Debt Agreement are not available at this time. This agreement has been made in principle but has not been processed as of this date.

DynaGen Technologies develops and manufactures products for the Distributed Power market. Distributed power is defined as: Any small-scale power generation installation that provides electric power at a site closer to customers than conventional, centralized generation plants. Distributed power sources are becoming a crucial factor in meeting the growing need for more and cleaner energy in the new millenium. The integrated electronic systems developed by DynaGen to manage distributed power are at the very centre of the current revolution in power generation and will place the company in a position of global leadership. The company's mission is clear: *To provide the supporting technology that drives the evolution of distributed power.*

The Sydney Technologies loan was fully paid out in September 2003.

The Polysteel Atlantic loan was fully repaid in June of 2003.

## CAPITAL STRUCTURE

25) The following table describes the authorized capital of the Issuer:

<i>Name of Security</i>	<i>Description of Attributes</i>
Common Shares	par value of \$1,000, unlimited number, voting, non-redeemable, non-convertible, not restricted in profit sharing or participation upon dissolution

26) The following table describes the capital structure of the Issuer as of the latest of the date of the Issuer's latest financial statements and a date not more than 30 days preceding the date of the offering document and also what the capital structure will be on the conclusion of the Offering:

Name of Security	Number Authorized	\$ Value and # Outstanding at date of Offering Document	\$ Value and # Outstanding @ Minimum @ Maximum
[Loans/ Other Indebtedness]	N/A	N/A	N/A
[Preferred Shares]	0	0	0
[Common Shares]	Unlimited	\$1,638,000 (1,638)	\$1,738,000 (1,738shares) \$3,638,000 (3,638 shares)
[Retained Earnings]	0	\$34,407	\$34,407

## USE OF PROCEEDS

27) The funds raised in the Offering will be used as indicated in the following table:

	If Minimum Sold <u>Amount</u>	%	If Maximum Sold <u>Amount</u>	%
Total Proceeds	\$ 100,000	100.0%	\$ 2,000,000	100.0%
Less:				
Offering Expenses				
Professional fees	4,000	4%	10,000	0.5%
Promotion	9,000	9%	20,000	1.0%
Legal & accounting fees	<u>4,500</u>	4.5%	<u>20,000</u>	1.00%
	82,500	82.5%	<u>1,950,000</u>	97.5%
Use of net proceeds	82,500	100.0%	<u>1,950,000</u>	100.0%
Equity investments	33,000	40.0%	780,000	40.0%
Subordinated loans	33,000	40.0%	780,000	40.0%
Guarantees	<u>16,500</u>	<u>20.0%</u>	<u>390,000</u>	<u>20.0%</u>
Total use of net proceeds	\$ 82,500	100.0%	\$ 1,950,000	100.0%

28) Describe the order of priority in which the proceeds set forth under the column "If Minimum Sold" will be used.

Proceeds will be used first for payment of the costs of the issue. The proceeds will then be used for equity investments and business loans. Operating expenses will be paid from revenues earned.

29) If material amounts of funds from sources other than the Offering are to be used in conjunction with the proceeds from the Offering, state the amounts and sources of such other funds, and whether funds are firm or contingent. If contingent, explain the contingent event(s).

There are no other sources of funds.

30) Indicate whether the Issuer is having or anticipates having within the next 12 months any cash flow or liquidity problems and whether it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the Issuer to make payments. Indicate if a significant amount of the Issuer's trade payables have not been paid within the stated trade term. State whether the Issuer is subject to any unsatisfied judgments, liens or settlement obligations and the amount thereof. Indicate the Issuer's plans to resolve any such problems.

The Issuer does not anticipate any cash flow or liquidity problems.

- 31) Indicate whether proceeds from the Offering will satisfy the Issuer's cash requirements for the next 12 months, and whether it will be necessary to raise additional funds. State the source of additional funds, if known.

The proceeds from this Offering will easily satisfy the cash requirements of the Issuer

## **FINANCIAL FORECASTS OR PROJECTIONS**

- 32) If future-oriented financial information such as forecasts or projections will be provided to potential investors, such information must be attached to the offering document and referred to in this section. The forecast or projection must include all of the assumptions used to calculate the figures shown and be prepared in accordance with the *Community Economic-Development Corporations Regulations*.

No future-oriented financial information will be provided.

## **DIVIDENDS, DISTRIBUTIONS AND REDEMPTIONS**

- 33) Provide particulars of the Issuer's dividend policy, if any.  
In the initial offering made by BCA Investment Co-operative Ltd., the board hoped that a dividend could be declared in the second year. However, with extremely difficult economic factors such as the closing of the steel and coal industries, relatively no profits were realized. Since no significant profits were realized, the board decided not to declare dividends until reasonable profits are realized.
- 34) Give details of dividends and other distributions paid by the Issuer to its security holders during the last 5 years.  
None have been paid out.

## **PROMOTERS OF THE ISSUER**

- 35) The Promoters of the Issuer are:

1) Name: Norma Boyd  
Business Street Address: 336 Kings Road, Sydney, N.S., B1S 1A9  
Business Telephone Number: (902) 539 1903  
Business Fax Number: (902) 539-1904

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Board Member of New Dawn Enterprises, Board member of Cape Breton Transition House, Scaterie Seafoods, New Dawn Holdings, and New Dawn Investments. Ms. Boyd is a shareholder through GCB Holdings Ltd. in Laurentian Energy Corporation.

Nature of projects during the last five years if not described immediately above: None

2) Name: John Eyking  
Business Street Address: 209 Millville Highway, Millville, N.S. B1Y 2E1  
Business Telephone Number: (902) 674-2825  
Business Fax Number: (902) 674-2858  
Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Manager and Owner of Eyking Farms Ltd., one of Atlantic Canada's largest and most diverse agro-food enterprises. Mr. Eyking is on the Board of New Dawn Holdings.  
Nature of projects during the last five years if not described immediately above: None

3) Name: James Kehoe  
Business Street Address: Joneljim Construction, Box 26, Sydney, B1P 6G9  
Business Telephone Number: (902) 567-2400  
Business Fax Number: (902) 567-2401  
Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: President and Manager of Joneljim Construction for the last eight years.

Nature of projects during the last five years if not described immediately above: Mr. Kehoe has diverse business holdings ranging from construction to real estate and manufacturing and has a large business presence throughout Atlantic Canada. Mr. Kehoe is one of Nova Scotia's most prominent entrepreneurs. He is a recipient of the Order of Nova Scotia (2002). Mr. Kehoe is Chairman of the Board of Laurentian Energy Corporation.  
Nature of projects during the last five years if not described immediately above: None.

4) Name: Joseph MacLean  
Business Street Address: 188 George St. Sydney, N.S.  
Business Telephone Number: (902) 539-7931  
Business Fax Number: (902) 539-1614  
Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Manager of Seton Foundation, a social housing corporation in Cape Breton. Joe is also Chairman of the Board of New Dawn Enterprises. He serves on the Boards of New Dawn Investments, New Dawn Holdings and Scaterie Seafoods.  
Nature of projects during the last five years if not described immediately above: None.

5) Name: Greg MacLeod  
Business Street Address: 37 Esplanade, Sydney, N.S. B1P 1A2  
Business Telephone Number: (902) 562-2420  
Business Fax Number: (902) 567-0153  
Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Director of Tompkins Institute, University College of

Cape Breton Founder of New Dawn Enterprises, one of Canada's most prominent community development corporations, employing over 100 people and has gross assets with a value of over \$15 million

Nature of projects during the last five years if not described immediately above: Author of several books and many articles on the topic of economic development . Dr. MacLeod is a member of the Order of Canada

6) Name: Rankin MacSween  
Business Street Address: 282 George St., Sydney, NS B1P 1J7  
Business Telephone Number: (902) 539-9560  
Business Fax Number: (902) 539-7210

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: President of New Dawn Enterprises, one of Canada's most prominent community development corporation employing over 100 people and has gross assets with a value of over \$15 million. Mr. MacSween is on the Boards of New Dawn Holdings, New Dawn Investments and Scaterie Seafoods.

Nature of projects during the last five years if not described immediately above: None.

7) Name: Charles MacDonald  
Business Street Address: 188 Charlotte Street, Sydney, N.S.  
Business Telephone Number: (902) 567-0000  
Business Fax Number: (902) 539-5107

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Until September of 2000 a member of the teaching faculty at UCCB; since then an occasional employee of the University through the Tompkins Institute, doing conference organizing and community economic development projects. Dr. MacDonald also operates, with his family, a farm with a herd of purebred highland beef cattle.

Nature of projects during the last five years if not described immediately above: None.

8) Name: Bill Planetta  
Business Street Address: 325 Prince St., Sydney, N.S.  
Business Telephone Number: (902) 562-5000  
Business Fax Number: (902) 539-5950

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Mr. Planetta is a Financial Planning Consultant with the Investors Financial Group.

Nature of projects during the last five years if not described immediately above: Mr. Planetta has been a Senior Consultant with the Investors Group for many years. He is also very active in the community, taking a leading role in the Kiwanis Club of Sydney.

## **OFFICERS OF THE ISSUER**

36) The officers of the Issuer are:

1) Name: **Vice Chairman – Norma Boyd**  
Business Street Address: 336 Kings Road, Sydney, N.S. B1S 1A9  
Business Telephone Number: (902) 539 1903  
Business Fax Number: (902) 539-1904

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Board Member of New Dawn Enterprises, Board member of Cape Breton Transition House, Scaterie Seafoods, New Dawn Holdings, and New Dawn Investments.

Education (degrees, schools, dates): B.Sc. and B.ED.

Also a director of the Issuer  Yes  No

Amount of time to be spent on Issuer's matters if less than full time: One day per week

2) Name: **Chairman - John Eyking**  
Business Street Address: 289 Millville Highway, Millville, N.S., B1Y 2E1  
Business Telephone Number: (902) 674-2825  
Business Fax Number: (902) 674-2858

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Manager and Owner of Eyking Farms Ltd., one of Atlantic Canada's largest and most diverse agro-food enterprises. Mr. Eyking is on the Board of New Dawn Holdings.

Education (degrees, schools, dates): High School in Holland, Honorary Doctorate-UCCB, 1998

Also a director of the Issuer  Yes  No

Amount of time to be spent on Issuer's matters if less than full time: One day per week

3) Name: **Secretary - Charles MacDonald**  
Business Street Address: 188 Charlotte Street, Sydney, N.S.  
Business Telephone Number: (902) 567-0000  
Business Fax Number: (902) 539-5107

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Until September of 2000 a member of the teaching faculty at UCCB; since then an occasional employee of the University through the Tompkins Institute, doing conference organizing and community economic development projects. Dr. MacDonald also operates, with his family, a farm with a herd of purebred highland beef cattle.

Nature of projects during the last five years if not described immediately above:

Education (degrees, schools, dates): B.A. (St.F.X. '59), M.A. (Univ. Of Ottawa '63); PhD. (Regensburg '81)

Also a director of the Issuer  Yes  No

Amount of time to be spent on Issuer's matters if less than full time: Two Days per month.

4) Name: Treasurer- Bill Planetta  
Business Street Address: 325 Prince St., Sydney, N.S.  
Business Telephone Number: (902) 562-5000  
Business Fax Number: (902) 539-5950

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Mr. Planetta is a Financial Planning Consultant with the Investors Financial Group.

Nature of projects during the last five years if not described immediately above: Mr. Planetta has been a Senior Consultant with the Investors Group for many years. He is also very active in the community, taking a leading role in the Kiwanis Club of Sydney.

Education (degrees, schools, dates): High School , Certified Financial Planner, 1984.

Also a director of the Issuer  Yes  No

Amount of time to be spent on Issuer's matters if less than full time: Two Days per month.

## **DIRECTORS OF THE ISSUER**

37) There are currently 14 directors of the issuer, will a provision for a maximum of 15 directors, of which six must come from the community.

38) There are 14 directors of the Issuer.

1. Name: John Barron  
Business Street Address: Townsend Street Sydney , Nova Scotia B1P 2L9  
Business Telephone Number: (902) 562-5464  
Business Fax Number: (902) 564-4472

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Vice Principal of Sydney Academy (taught for 35 years)

Nature of projects during the last five years if not described immediately above:

2. Name: Norma Boyd  
Business Street Address: 336 Kings Road, Sydney, N.S., B1S 1A9  
Business Telephone Number: (902) 539 1903  
Business Fax Number: (902) 539-1904

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Board Member of New Dawn Enterprises, Board member of Cape Breton Transition House, New Dawn Investments, and Scaterie Seafoods.

Nature of projects during the last five years if not described immediately above: None.

3. Name: Sean Burke

Business Street Address: 468 Portsway Ave., Edwardsville, N.S. B2A 4T8

Business Telephone Number: (902) 562-8889

Business Fax Number: (902) 562-8887

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Chartered Accountant with Doan Raymond up until 1999 when he became general manager of Polysteel Atlantic Ltd (special rope products) Mr. Burke is on the Board of Laurentian Energy Corporation.

Nature of projects during the last five years if not described immediately above: None.

4. Name: John Eyking

Business Street Address: 209 Millville Highway, Millville, N.S. B1Y 2E1

Business Telephone Number: (902) 674-2825

Business Fax Number: (902) 674-2858

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Manager and Owner of Eyking Farms Ltd., one of Atlantic Canada's largest and most diverse agro-food enterprises. Mr. Eyking is on the Board of New Dawn Holdings.

Nature of projects during the last five years if not described immediately above: None.

5. Name: George Karaphillis

Business Street Address: UCCB Sydney Nova Scotia, B1P 2G9

Business Telephone Number: (902) 562-6600

Business Fax Number: (902) 562-6723

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities: Associate Professor in Business at the University College of Cape Breton. Owner operator of Alliance Computers Ltd. in Sydney. Mr. Karaphillis represents BCA on the Laurentian Energy Corporation Board.

Nature of projects during the last five years if not described immediately above: None.

6. Name: James Kehoe

Business Street Address: Joneljim Construction, Box 26, Sydney, B1P 6G9

Business Telephone Number: (902) 567-2400

Business Fax Number: (902) 567-2401

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: President and Manager of Joneljim Construction for the last eight years.

Nature of projects during the last five years if not described immediately above: Mr. Kehoe has diverse business holdings ranging from construction to real estate and

manufacturing and has a large business presence throughout Atlantic Canada. Mr. Kehoe is one of Nova Scotia's most prominent entrepreneurs. He is a recipient of the Order of Nova Scotia (2002). Mr. Kehoe is Chairman of the Board of Laurentian Energy Corporation.

Nature of projects during the last five years if not described immediately above: None.

7. Name: Joseph MacLean

Business Street Address: 188 George St. Sydney, N.S.

Business Telephone Number: (902) 539-7931

Business Fax Number: (902) 539-1614

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Manager of Seton Foundation, a social housing corporation in Cape Breton. Joe is also Chairman of the Board of New Dawn Enterprises. He serves on the Boards of New Dawn Investments, New Dawn Holdings and Scaterie Seafoods.

Nature of projects during the last five years if not described immediately above: None

8. Name: Greg MacLeod

Business Street Address: 37 Esplanade, Sydney, N.S. B1P 1A2

Business Telephone Number: (902) 562-2420

Business Fax Number: (902) 567-0153

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Director of Tompkins Institute, University College of Cape Breton Founder of New Dawn Enterprises, one of Canada's most prominent community development corporations, employing over 100 people and has gross assets with a value of over \$15 million

Nature of projects during the last five years if not described immediately above: Author of several books and many articles on the topic of economic development . Dr. MacLeod is a member of the Order of Canada

10 Name: Rankin MacSween

Business Street Address: 282 George St., Sydney, NS B1P 1J7

Business Telephone Number: (902) 539-9560

Business Fax Number: (902) 539-7210

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: President of New Dawn Enterprises, one of Canada's most prominent community development corporation employing over 100 people and has gross assets with a value of over \$15 million. Mr. MacSween is on the Boards of New Dawn Holdings, New Dawn Investments, and Scaterie Seafoods.

Nature of projects during the last five years if not described immediately above: None.

11 Name: Charles MacDonald

Business Street Address: 188 Charlotte Street, Sydney, N.S.

Business Telephone Number: (902) 567-0000

Business Fax Number: (902) 539-5107

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Until September of 2000 a member of the teaching faculty at UCCB; since then an occasional employee of the University through the

Tompkins Institute, doing conference organizing and community economic development projects. Dr. MacDonald also operates, with his family, a farm with a herd of purebred highland beef cattle.

Nature of projects during the last five years if not described immediately above: None.

12 Name: Bill Planetta

Business Street Address: 325 Prince St., Sydney, N.S.

Business Telephone Number: (902) 562-5000

Business Fax Number: (902) 539-5950

Names of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Mr. Planetta is a Financial Planning Consultant with the Investors Financial Group.

Nature of projects during the last five years if not described immediately above: Mr. Planetta has been a Senior Consultant with the Investors Group for many years. He is also very active in the community, taking a leading role in the Kiwanis Club of Sydney

13 Name: Mary Aucoin

Business Street Address: 2366 Kings Road, Sydney NS, B1L 1C1

Business Telephone Number: 902-562-7268

Business Fax Number: 902-562-3589

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Small business manager and occupational health, Lorne AuCoin Renovations Ltd. Mary Aucoin is an R.N. who has worked in the field of nursing. She has worked more recently in the family business (Lorne Aucoin Renovations Ltd.). The business has recently been sold. Ms. Aucoin is still involved with the new owners on a transitional basis.

Nature of projects during the last five years if not described immediately above: None.

14 Name: Pam Seville

Business Street Address: P.O. Box 5300, UCCB,  
Sydney, N.S. B1P6L2

Business Telephone Number 902 563-1432

Business fax number: 902-562-0119

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities: Ms. Seville has been a long-time member of the Faculty at UCCB. Her community involvements have centered around community economic development and work with young offenders.

Nature of projects during the last five years if not described immediately above: None.

15 Name: Darcy MacDonald

Business Street Address: 300 Esplanade  
Sydney, NS B1P 1A7

Business Telephone Number: 902-562-7500

Business Fax Number: 902-562-3023

Name of employers, titles and dates of positions held during the last five years with an indication of job responsibilities:

Fortis Properties Corporation: At the Delta Sydney, 2000-2002 Sales Manager, 2002-present, Rooms Manager  
1998-1999: Jake's Fine Food, Louisbourg, N.S., Restaurant Manager.  
1991- 1999: Ski Ben Eoin: Various capacities, including Ski School Director.  
1993-1995: Keltic Lodge: Guest Services  
Nature of projects during the last five years if not described immediately above: None.

## KEY PERSONNEL OF THE ISSUER

39) The Key Personnel of the Issuer are:

Name:	Charles MacDonald
Business Street Address:	<u>P.O. Box, 1201, Sydney, N.S., B1P 6J9</u>
Business Telephone Number:	<u>(902) 567-0000</u>
Business Fax Number:	<u>(902) 539-5107</u>
Occupation:	Retired

40) Describe any arrangements to assure that each key person will remain with the Issuer and not compete with the Issuer upon termination of their relationship with the Issuer.

Mr. O'Neill has a contractual obligation to provide services to BCA. (See Schedule 7). No employment agreements with officers, directors, or Promoters exist, nor are any contemplated. All other engagements have been made as verbal contracts. **“Verbal contracts may be difficult if not impossible to enforce.”**

41) Have any of the officers, directors or other key personnel ever worked for or managed a company (including a separate subsidiary or division of a larger enterprise) in the same business as the Issuer? [ X ] Yes [ ] No

If yes, please explain including relevant dates:

Directors Eyking, Farrell, Kehoe and MacLeod have been involved with the sponsoring body (BCA Holdings) of BCA Investment Co-operative Ltd. since 1990.

42) If the Issuer has never conducted business or is otherwise in the development stage, indicate whether any of the officers or directors or other key personnel has ever managed any other business in the start-up or development stage and describe the circumstances, including relevant dates.

While the Issuer itself is a relatively recent legal entity having been established in 1998, the Directors named in #41 carry with them the experience gained from the Sponsor. They also have a great deal of experience in their private companies as well as in the Sponsor. Thus, there is effective continuity and the operation of the Issuer benefits from the collective experiences of the people involved with the Sponsor (please see item #35). Additionally the Board has been able to attract new Board members with extensive business experience, who will provide continuity into the future. (see # 35, especially Burke, Karaphillis, Planetta, Mary Aucoin and Darcy MacDonald).

- 43) If any of the Issuer's key personnel are not employees but are consultants or other independent contractors, state the details of their engagement by the Issuer.

Mr.O'Neill is a chartered accountant and functions as a consultant. He provides accounting services to a wide variety of volunteer organizations. He established this business in 2001. Previously he had been the Chief Financial Officer for a large Church organization. Details of Mr.O'Neill's arrangement with BCA Investment Co-operative are contained in the attached contract, labeled Appendix 7.

- 44) If a petition under the *Bankruptcy and Insolvency Act* has been filed against any officer, director, key personnel or Promoter, or a receiver or receiver-manager has been appointed by a court for the business or estate of any such persons, or any partnership in which any of such persons was general partner, or any corporation or business association of which any such person was an executive officer within the last 5 years, set forth below the name of such persons, and the nature and date of such actions.

No petition under the Bankruptcy and Insolvency Act has been filed against any officer, director, key personnel or Promoter, nor has a receiver or receiver-manager been appointed by a court for the business or estate of any such persons, or any partnership in which any such persons was general partner, or any corporation or business association of which any such person was an executive officer within the last five (5) years.

## **PRINCIPAL SECURITY HOLDERS**

- 45) List below the principal security holders of the Issuer, if any. Principal security holders are those who beneficially own directly or indirectly 10% or more of any securities of the Issuer presently outstanding. Start with the largest common shareholder. If a principal security holder is not an individual, please disclose the ownership of the principal security holder by a footnote to the table. If the Issuer has no principal security holder state: "There are no security holders of the Issuer who own directly or indirectly more than 10% of any securities of the Issuer" and do not complete the remainder of this item.

There are no security holders of the issuer who own directly or indirectly more than 10% of any securities of the issuer.

- 46) Number of shares beneficially owned by officers and directors as a group.

There are 210 shares beneficially owned by officers and directors as a group.

Note: The officers and directors of the Issuer may subscribe for shares during the offering, in which case the number of shares beneficially owned by the officers and directors as a group will increase.

## MANAGEMENT RELATIONSHIPS, TRANSACTIONS AND REMUNERATION

47) If any of the officers, directors, key personnel, Promoters or principal Security holders are related by blood or marriage, please describe:

None of the officers, directors, key personnel, Promoters or principal Security holders are related by blood or marriage.

48) If the Issuer has made loans to, or received loans from, or is doing business with any of its officers, directors, key personnel, Promoters or principal Security holders, or any of their relatives (or any entity controlled directly or indirectly by any such person) within the last two years or is contemplating doing so, explain. (This includes sales or leases of goods, property or services to or from the Issuer, employment contracts, or share, option or other purchase contracts, etc.) State the principal terms of any significant loans, agreements, leases, financing or other arrangements.

**Highland Technical:** New Dawn Enterprise owns 50% of this company. Rankin MacSween is President of New Dawn and Joe MacLean and Norma Boyd are directors of New Dawn. They are directors of BCA Investment Cooperative.

### **Laurentian Energy Corporation:**

The following directors are involved in the Laurentian Energy Corporation:

Mr. Kehoe who owns 10% of the shares

Mr. Eyking is a shareholder through Eyking Farms Ltd which owns 10% of the shares,

New Dawn Investments Ltd which owns 10% of the shares

Mr. Burke and Ms. Boyd are shareholders in Laurentian Energy Corporation through GCB Holdings Ltd.

**Scaterie Seafoods Ltd.:** New Dawn Investments Ltd. is the sole shareholder of common shares in Scaterie Seafoods Ltd. BCA Investment Co-operative holds 90,000 Class A Preferred Shares in Scaterie, and New Dawn Investments holds 90,000 Class B Preferred Shares in Scaterie.

49) Give details of any payments to officers, directors, key personnel and Promoters of the Issuer, including salary, bonuses, director's fees, honoraria and reimbursement of expenses and failure to agree may negatively impact operations of the issuer.

Mr. O'Neill's services have been contracted. Refer to item 40

50) If any employment agreements with officers, directors, key personnel or Promoters exist or are contemplated, please describe:

BCA Co-op is run by a group of volunteers. The only service which is currently remunerated is the professional accounting service provided by CREDO financial services (Mr. James O'Neill). Charles MacDonald has been reimbursed expenses in the amount of \$2,613.78, covering disbursements during preparation of the offering document and the 2003 campaign.

- 51) Give details of any other business or personal interests that the officers, directors, key personnel, Promoters or principal Security holders of the Issuer may have which could conflict with the interests of the Issuer. If there are none state:

The following cases could have potential conflicts:

A. Mr. MacSween, Joe MacLean and Norma Boyd are on the Boards of the following: New Dawn Enterprises, New Dawn Investments, New Dawn Holdings, and Scaterie Seafoods. Mr. Eyking is also on the Board of New Dawn Holdings. Rankin MacSween, Norma Boyd, John Eyking and Joe MacLean will have similar roles with BCA Investment Co-operative and New Dawn Holdings Ltd. Many discussions have been held with both groups to avoid potential confusion. All potential investors will be told the main difference between the two funds is that New Dawn Holdings Ltd. will invest in only New Dawn identified and initiated projects, while BCA will invest in projects not related to any one group or activity as in their offering. It will be made clear to the investors that it will be their choice as to which fund to invest in.

B. Laurentian Energy Corporation: Mr. Kehoe, Mr. Eyking, Mr. Burke and Ms. Boyd as well as New Dawn Investments Ltd. are shareholders in the Laurentian Energy Corporation. Cf. #48. Mr. Kehoe is Chair of Laurentian. Mr. Karaphillis represents BCA on the Laurentian Board.

As per consensus established on September 11<sup>th</sup> 2001 , at the Shareholder's Annual General Meeting, the Board's practice will be that members who have a material interest in potential investment projects must absent themselves from Committees and Board discussions on these projects.

The officers, directors, key personnel, Promoters and principal Security holders of the Issuer do not have any business or personal interests, other than those described above, if any, that could conflict with the interests of the Issuer.

## LITIGATION

- 52) Describe any past, current, pending or threatened litigation or administration action that has had or may have a material effect upon the issuer's business, financial condition or operations. State the name of the court or tribunal, the names of the principal parties, the date any proceedings were stated, the nature and current status of the proceedings and amounts involved.

The Issuer and its Promoters, officers and directors and key personnel are not currently and have not been subject to any litigation or administrative or criminal action which is or has been material to the Issuer. The Issuer and its Promoters, officers and directors are not aware that any such litigation or action is pending.

## CANADIAN INCOME TAX ACT CONSIDERATIONS

- 53) This commentary is of a general nature only and is not intended to be tax advice to any particular investor. Prospective investors are urged to consult with their own professional advisors regarding the tax consequences applicable to them.

The following is applicable to any individual (a Subscriber) who subscribes for and is issued shares of the Issuer pursuant to the Offering and who is:

- (i) an individual over nineteen years of age;
- (ii) resident in Canada for purposes of the Income Tax Act (Canada); and
- (iii) resident in Nova Scotia for purposes of the Equity Tax Credit Act (Nova Scotia).

Subject to the assumptions set out in the paragraph above, a Subscriber will be entitled to a credit against the Subscriber's Nova Scotia provincial income taxes payable pursuant to the *Equity Tax Credit Act*. The amount of the credit is equal to 30% of the amount paid for the Shares, provided that each individual is limited to a maximum credit in any year of \$15,000. Shares subscribed and paid for in the first 60 days of any calendar year will be entitled to a credit in either that year or the immediately prior year. If the credit exceeds the Nova Scotia income tax otherwise payable in that year by the Subscriber, the credit may be carried forward 7 years and back 3 years and applied against Nova Scotia taxes otherwise payable in any of those years by the Subscriber.

These statements are subject to the following assumptions:

- (i) The certificate of registration issued to the Issuer under the Equity Tax Credit Act is not revoked by the Minister of Finance prior to the issue of shares under this Offering;
- (ii) The Issuer applies for a tax credit certificate after the Offering within the time limits established under the Equity Tax Credit Act;
- (iii) The Minister of Finance concludes that the Issuer and its directors, officers and shareholders are conducting the Issuer's business and affairs in a manner that is in accordance with the spirit and intent of the *Equity Tax Credit Act*;
- (iv) The Minister of Finance concludes that the Issuer and the Subscribers are complying with *Equity Tax Credit Act*;

- (v) The Minister of Finance does not form the opinion that the shares are issued as part of a transaction or event or series of transactions or events the main purpose of which is to claim the tax credit pursuant to the Act.

Except as set out herein, if a Subscriber fails to hold the Shares for four years after their issue, then all Credits earned in relation to the subscription for such Shares must be repaid. The requirement to repay the Credits does not apply in cases where the Subscriber has died, or in cases where the Subscriber transfers the shares to a trustee under a registered retirement savings plan.

There may be significant income tax consequences to individuals who are residents of Canada under the *Income Tax Act* and the *Equity Tax Credit Act*.

Transfer of Shares to an RRSP: Provided that the registration of the Issuer is not revoked under the Equity Tax Credit Act, the Shares will be qualified investments under the Income Tax Act for trusts governed by registered retirement savings plans. The transfer of shares to an RRSP will normally be done at the adjusted carrying value of the securities. This may result in a taxable capital gain or a non-deductible loss. Individuals who plan to purchase shares outside their RRSP, but transfer them later to their self-directed plan should consider the possible tax consequences of such transactions prior to finalizing any agreement.

Taxation of dividends or income received by Security holders on the Shares:

Shareholders who hold shares within their RRSP need not be concerned with the manner in which the Fund distributes earnings. However, for individuals who purchase shares outside of the RRSP, consideration must be given to the tax implications of dividends versus interest income versus capital gains. Dividends received or deemed to be received on the Shares will be included in computing the Subscriber's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations.

Treatment of capital gains or losses realized by Security holders on disposition: Persons holding Shares within their RRSP need not concern themselves with the form returns are paid. For individuals who choose to hold these shares outside of their registered holdings, one-half of any capital gain (the "taxable capital gain") realized on a sale or other disposition of the Shares will be included in the Subscriber's income for the year of disposition. One-half of any capital loss so realized (the "allowable capital loss") may be deducted by the holder against taxable capital gains for the year of disposition. Any excess of allowable capital losses over taxable capital gains of the Subscriber for the year of disposition may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains to those other years.

Applicability of alternative minimum tax to Security holders: Investors are advised to seek professional advice from a qualified individual should they be in a position which may expose them to alternative minimum tax treatment. Capital gains realized by the Subscriber may give rise to alternative minimum tax under the *Income Tax Act* (Canada).

Deductibility of interest expense on money borrowed to purchase Shares: Interest incurred to earn income on investments held outside of ones RRSP is deductible against

the income earned thereon; interest incurred on loans to purchase RRSP assets is not deductible.

Availability of Province of Nova Scotia guarantee under Section 13A of the *Equity Tax Credit Act*: Investments made in eligible business entities located within the geographical areas comprising the former cities of Halifax and Dartmouth, the former town of Bedford, and the area commonly known as Sackville may not be eligible for the twenty percent provincial guarantee of eligible investments of a Community Economic-Development Fund as provided by the *Equity Tax Credit Act*. The Fund may still make an investment that is not covered by the provincial guarantee.

[No professional advisors were involved in the preparation of the answer to item 53]

## **MATERIAL CONTRACTS**

- 54) Give particulars of every material contract entered into by the Issuer or, if applicable, any of its significant subsidiaries within two years prior to the date of the offering document. If a material contract is of a confidential nature, provide a summary of it.

A letter of agreement exists whereby Sydney Credit Union maintains a trust account and acts as trustee for BCA Investment Cooperative. Copies thereof may be inspected during the sale of the Shares at the offices of BCA Investments Co-operative Ltd., 188 Charlotte Street, Sydney, Nova Scotia, Telephone: (902) 567-0000, Fax: (902) 539-5107, email: [bca@ns.sympatico.ca](mailto:bca@ns.sympatico.ca).

A contract between Mr. Jim O'Neill and BCA Investment Co-operative covers Mr. O'Neill's accounting services: preparation of quarterly and year-end financial statements, tracing payments and/or dividends on investments, timely payment of invoices, custody of the share register and other associated services.

## **FINANCIAL STATEMENTS**

- 55) Attached as Appendix A and forming part of this document are the interim financial statements for November 30, 2002 and the audited annual financial statements dated March 31<sup>st</sup> 2003.

## **CONTINUOUS REPORTING OBLIGATIONS**

- 56) The Issuer will file with the Nova Scotia Securities Commission and send to Security holders annual financial statements and such interim financial statements as required by the *Community Economic-Development Corporations Regulations*.

The issuer has filed its interim financial report and will file its annual financial statements as they become available in early 2003.

## RESTRICTIONS ON RESALE OF SECURITIES

57) Under the provisions of the *Equity Tax Credit Act*, a person who disposes of a share in respect of which a tax credit has been allowed within four 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 thereon where interest is prescribed by the regulations made pursuant to that Act, or a lesser amount that is determined pursuant to the regulations to that Act.

Under the terms of the *Community Economic-Development Corporations Regulations*, trades by a Security holder of Shares of the Issuer purchased under this Offering will be restricted and, pursuant to subsection 80(5) of the Act, each first trade and each subsequent trade will be a distribution unless such trade is made in accordance with subsection 77(5) of the Act as if the Shares were acquired under clause 77(1)(p) of the Act unless the trade is made:

- (a) to the Issuer;
- (b) to a self-directed registered retirement savings plan of the Security holder or the Security holder's spouse or to the spouse of the Security holder;
- (c) from a self-directed registered retirement savings plan of the Security holder or the Security holder's spouse to the Security holder;
- (d) to a purchaser who owns shares of the Issuer and who is advised in writing by or on behalf of the vendor prior to entering into an agreement of purchase and sale that the purchaser shall not accrue any advantage under the *Equity Tax Credit Act* as a result of such purchase; or
- (e) to a purchaser who purchases pursuant to a trade made in compliance with the Act and any applicable Securities Rules.

**Caution:**      **The Shares are not listed on a stock exchange. There is no organized market through which these Shares may be sold. Therefore, investors may find it difficult or even impossible to sell their Shares.**

## RIGHTS OF ACTION

58.      (a)      The Issuer and the Promoter (each a "seller") grant to each Security holder the rights described in this section and these rights shall be deemed to form part of each contract of purchase and sale of Shares.
- (b)      (1) Where
- (a) an offering memorandum sent or delivered to a purchaser, together with any amendment to the offering memorandum; or

- (b) advertising or sales literature as defined by subsection (2) of Section 56, contains a misrepresentation, a who purchases a security referred to in it is deemed to have relied on that misrepresentation, if it was a misrepresentation at the time of purchase, and
  - (c) has a right of action for damages against
    - (i) the seller,
    - (ii) every director of the seller at the date of the offering memorandum, and
    - (iii) every person who signed the offering memorandum; or
  - (d) may elect to exercise a right of rescission against the seller, in which case the purchaser has no right of action for damages against any person or company under clause (c).
- (2) No person or company is liable under subsection (1) if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.
- (3) No person or company is liable under subsection (1) if the person or company proves that
- (a) the offering memorandum or the amendment to the offering memorandum was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent;
  - (b) after delivery of the offering memorandum or the amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum, or amendment to the offering memorandum, the person or company withdrew the person's or company's consent to the offering memorandum, or amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or
  - (c) with respect to any part of the offering memorandum or amendment to the offering memorandum purporting
    - (i) to be made on the authority of an expert, or
    - (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that
    - (iii) there had been a misrepresentation
    - (iv) the relevant part of the offering memorandum or amendment to the offering memorandum
      - (A) did not fairly represent the report, opinion or statement of the expert, or
      - (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert

- (4) No person or company is liable under subsection (1) with respect to any part of an offering memorandum or amendment to the offering memorandum not purporting
  - (a) to be made on the authority of an expert; or
  - (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company
  - (c) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or
  - (d) believed that there had been a misrepresentation.
- (5) Subsections (3) and (4) do not apply to the seller if the seller is also the issuer.
- (6) In an action for damages under clause (c) of subsection (1), the defendant is not liable for all or for any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.
- (7) The liability of all persons or companies referred to in clause (c) of subsection (1) is joint and several with respect to the same cause of action.
- (8) A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person or company who is jointly and severally liable under this Section to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.
- (9) The amount recoverable by a plaintiff under this Section may not exceed the price at which the securities were offered under the offering memorandum or amendment to the offering memorandum.
- (10) The right of action for rescission or damages conferred by this Section is in addition to and not in derogation from any other right the purchaser may have.
- (11) If a misrepresentation is contained in a record incorporated by reference in, or deemed incorporated into, an offering memorandum or amendment to the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum or amendment to the offering memorandum.
- (12) For the purpose of subsection (1), advertising or sales literature is deemed not to contain misrepresentation unless the advertising or sales literature
  - (a) contains an untrue statement of material fact; or
  - (b) omits to state a material fact that is necessary to prevent a statement contained in the advertising or sales literature from being misleading in light of the circumstances in which the statement was made.
- (13) In this Section, for greater certainty, “seller” includes the issuer where the securities are distributed by the issuer.

59. No action shall be commenced to enforce the rights described in section 58 above more than 120 days after the date on which payment was made for the Shares or after the date on which the initial payment for the Shares was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.
60. The rights described in section 58 above are in addition to and without derogation from any other right or remedy which a Security holder may have at law.

## **CERTIFICATE**

61. This offering document, which has been prepared as prescribed by Form 1 of the *Community Economic-Development Corporations Regulations*, does not:
  - (a) contain an untrue statement of material fact;
  - (b) omit to state a material fact required by Form 1, or
  - (c) omit to state a material fact necessary to make a statement in this offering document not misleading.

DATED AT Sydney, N.S. this \_\_\_\_ day of \_\_\_\_\_, 2003

**PROMOTERS/ OFFICERS/ DIRECTORS**

\_\_\_\_\_  
John Barron Director

\_\_\_\_\_  
Norma Boyd V.P. Director Promoter

\_\_\_\_\_  
Sean Burke Director

\_\_\_\_\_  
John Eyking President Director Promoter

\_\_\_\_\_  
Amanda Sawlor  
Promoter

\_\_\_\_\_  
George Karaphillis Director

\_\_\_\_\_  
James Kehoe  
Director Promoter

\_\_\_\_\_  
Joseph MacLean Director Promoter

\_\_\_\_\_  
Greg MacLeod Director Promoter

\_\_\_\_\_  
Rankin MacSween Director Promoter

\_\_\_\_\_  
William Planetta Director

\_\_\_\_\_  
Pam Seville Director Promoter

\_\_\_\_\_  
Charles MacDonald, Secretary  
Director Promoter

\_\_\_\_\_  
Mary Aucoin, Director, Promoter

\_\_\_\_\_  
Darcy MacDonald, Promoter

This certificate must be signed: by the chief executive officer and chief financial officer; on behalf of the board of directors by any 2 directors of the issuer, other than the foregoing, duly authorized to sign; and by any promoter of the issuer

## SCHEDULES 1-8

1. BCA Audited Financial Statements March 31, 2003
2. BCA Balance Sheet, November 30, 2003
3. BCA Business Plan
4. Scaterie Seafoods Ltd.
5. Laurentian Energy Corporation Inc.  
Certificate of Incorporation  
Share Subscription Agreement (Nov. 15, 2002)  
Common Stock Certificate No. 12  
Grant Thornton: Shareholder information
6. New Dawn Investments Ltd.  
Certificate of Incorporation  
Promissory Note: December 5, 2002
7. James O'Neill C.A.: Contract
8. Dynagen Technologies Inc.