

<i>OFFICE USE ONLY</i>
License No.

Trust and Loan Companies Act

APPLICATION FOR LICENCE, CHANGE OF LICENCE, AMENDMENT OF TERMS, CONDITIONS AND RESTRICTIONS OF LICENCE AND THE ISSUE OF SUPPLEMENTARY LETTERS PATENT

PART I

General Information

1. Name of the company:

2. Additional business name or style, if any, under which the company is, or is to be, registered:

3. Address of the head office:

4. Address of the principal place of business in Nova Scotia

5. Name and address of the chief agent or officer of the company in Nova Scotia:

(a) Name in full: _____

(b) Business address: _____

(c) Residence address: _____

6. Indicate the type of application being made by checking the applicable items from paragraphs 7 to 11.

7. Application for a licence as a loan company.

8. Application for a licence as a trust company.

The company applies to act in a fiduciary capacity in respect of the following classes of services:

9. Application for a change of licence
 from a licensed loan company to a trust company; or
 from a licensed trust company to a loan company.

10. Application to amend the terms, conditions and restrictions of the company's existing licence as follows:

11. Application for the issuance of supplementary letters patent for the company.

PART II

12. Do not complete Part II if you are filing this application at the same time as an application to incorporate a loan or trust company.
13. The applicant shall prepare and attach a brief containing the information specified in this Part.

Information About the Applicant Company

14. The brief shall include,
 - a) details of the jurisdiction, date and method of incorporation of the company, and where applicable, the date of any amalgamation involving the company and the name of any amalgamated body corporate,
 - b) a description of the authorized capital, if any, of the company, the stated value thereof, the issued capital and shall include a list of the shareholders of the company,
 - c) details of the corporate structure and financial operations of the company in the five years preceding the date of this application,
 - d) a description of the proposed plan of operations for the company, including a detailed financial projection for the first five year's operations, showing pro forma balance sheets and income statements for the respective years and assumptions, and
 - e) a description of the geographical area to be served by the company, the services to be provided and the perceived public benefits and advantages to be offered.
15. Where the applicant is an extra-provincial company, the brief shall include,
 - a) where the company was incorporated within the year preceding this application, a copy of the application by the company for incorporation and any application for licensing as a loan or trust company including supporting materials, in the jurisdiction of its incorporation;
 - b) a certified copy of the incorporating instruments, including amending instruments of the company, the by-laws and the most recent annual report that the company has filed with the government authority regulating loan and trust companies in the jurisdiction of its incorporation;
 - c) proof that the company is licensed as a loan or trust company in the jurisdiction of its incorporation;
 - d) the proposed plan of operations described in subparagraph (d) of paragraph 14 both for the company as a whole and for the operations of the company in Nova Scotia;
 - e) a power of attorney in Form 3 to the Regulations under the *Trust and Loan Companies Act*.

Information About the Major Shareholders, Directors and Officers

16. The brief shall include:
 - a) a personal questionnaire in Form 4 to the Regulations under the *Trust and Loan Companies Act* completed by each individual who is,
 - i) a director of the company,
 - ii) an officer of the company, or
 - iii) a beneficial owner of ten per cent or more of any class of shares of the company,
 - b) where a body corporate is the beneficial owner of ten per cent or more of any class of shares of the company,
 - i) details of the name, address, date of birth, country of permanent residence, educational qualifications, occupation and business experience of each individual who beneficially owns ten per cent or more of any class of shares of the body corporate, and a list of each individual's shareholdings by class of share, and
 - ii) the most recent audited financial statements of the body corporate;

- c) for each director of the company and each shareholder that beneficially owns ten per cent or more of any class of shares of the company, a list of every regulated financial institution of which the director or shareholder is or has been in the past five years a director or a beneficial owner of ten per cent or more of any class of shares with voting rights;
- d) details of the name, address, date of birth, educational and professional qualifications and business experience of each officer and senior manager of the company; and
- e) a statement of consent by each director of the company stating that the Superintendent may make, at the Superintendent's discretion, any enquiries or obtain any information that the Superintendent deems necessary to evaluate this brief or verify the accuracy of the information in this application.

PART III

Checklist of Enclosures to this Application

17. The applicant shall enclose with this application,
- a) the prescribed application fee;
 - b) evidence that the company is or will be a member institution within the meaning of the Canada Deposit Insurance Corporation Act, or that its deposits are or will be insured by some other public agency approved by the superintendent unless the licence to be issued will prohibit the company from receiving money as deposits;
 - c) a certified copy of the resolution of the board of directors authorizing this application;
 - d) where the applicant is an extra-provincial company, copies of the most recent filing required in the companies jurisdiction of incorporation; and
 - e) a power of attorney in a form satisfactory to the Superintendent from the company to the individual so appointed as required under subsection (9) of Section 212 of the Act.

PART IV

Certification

The applicant or applicants certify that the information given in this application and any additional information that may be provided as requested by the Superintendent in connection with this application is true and complete in every respect.

Dated this _____ day of _____, A.D., _____

Signature(s) of Witnesses

Signature(s) of applicant(s)
(including description of the office
of the signatories and the
corporate seal where appropriate)

Trust and Loan Companies Act

POWER OF ATTORNEY FOR A CHIEF AGENT

Name of the company giving the power of attorney: _____

("the company")

Jurisdiction and instrument of incorporation of the company:

Name of the person receiving the power of attorney:

("the chief agent")

Address in Nova Scotia of the chief agent (full business address including street number and municipality).

("the chief agency")

The company appoints _____
(name of chief agent in full)

as its chief agent and attorney under subsection (9) of Section 212 of the Trust and Loan Companies Act (the "Act").

The company authorizes the chief agent to receive service of process on its behalf in all civil, criminal or administrative proceedings against the company in Nova Scotia and to receive from the Superintendent of Trust and Loans Companies any notices or documents given to the company under the Act and regulations. Receipt by the chief agent personally or at the chief agency of service of process and of notices and documents is binding on the company.

(Insert additional powers being given to the chief agent, if any.)

Dated the _____ day of _____, A.D., _____.

Name of the Company

Witnesses:

President or Managing Director

Secretary

Corporate Seal

Trust and Loan Companies Act

PERSONAL QUESTIONNAIRE FOR MAJOR SHAREHOLDERS, DIRECTORS AND OFFICERS

PART I

General Information

1. Name of the company or proposed company in connection with which this questionnaire is being completed:

(the company)

2. This questionnaire is being completed by:

Name _____
(surname) (given names)

Date of birth _____ Citizenship _____
(day / month/ year)

3. This questionnaire is being completed by:

- a) _____ a shareholder or proposed shareholder with beneficial ownership of ten per cent or more of any class of shares of the company,

Indicate the class of shares and the percentage of shares owned beneficially:

- b) _____ a director or proposed director of the company; or

- c) _____ an officer or proposed officer of the company.

Indicate position: _____

4. Indicate the date of appointment as a

- a) shareholder _____
b) director _____
c) officer _____

5. Residence address and telephone number in Canada:

6. Residence address and telephone number outside Canada, where applicable:

7. Business address and telephone number:

Every person shall complete the questionnaire by answering the questions indicated and providing or attaching the information specified in the Parts below.

PART II

Personal History

8. List residence addresses during the ten years preceding the date of this questionnaire, leaving no period unaccounted for:

9. Give details of education and professional qualifications and affiliations, if any, including relevant dates:

10. Give details of employment history during the ten years preceding the date of this questionnaire, leaving no period unaccounted for, and including for each employment:

- a) the title of your position:
- b) the dates of employment:
- c) the name and address of your employer; and
- d) the name, position and telephone number of a reference.

11. Have you,

a) been convicted of a criminal offence or an offence under the *Trust and Loan Companies Act* or the *Securities Act*?

_____ Yes _____ No

If yes, attach particulars including the court or tribunal by which you were convicted, if any, the date of conviction, the offence and the penalty imposed.

b) failed to comply with any provisions of the *Trust and Loan Companies Act* or the regulations, the *Securities Act* or the regulations, or any comparable legislation of another jurisdiction or any undertaking given to the Superintendent?

_____ Yes _____ No

12. To the best of our knowledge, have you been the subject of an investigation by or at the instigation of a government department, agency, a regulatory body or a professional association?

_____ Yes _____ No

If yes, attach particulars.

13. Are you a discharged or undischarged bankrupt or subject to bankruptcy proceedings?

_____ Yes _____ No

14. Are you the holder, or have you ever applied for, either as an individual, officer, director, shareholder or promoter, a licence, registration or equivalent authorization to carry on business in Nova Scotia or elsewhere as a financial institution?

(“Financial institutions” includes a bank, loan or trust company, savings and loan company, credit union, insurance company, securities dealer, mortgage broker and a finance company.)

_____ Yes _____ No

If yes, attach particulars including the details of a refusal or withdrawal of an application or the revocation of an authorization.

PART III

Affiliations With Other Bodies Corporate

15. Are you a director or officer of another body corporate?

_____ **Yes** _____ **No**

If yes, attach particulars of the name of each body corporate and position held by you with the relevant dates.

16. In the ten years preceding the date of this questionnaire, have you been a director or officer of any other body corporate?

_____ **Yes** _____ **No**

If yes, attach particulars of the name of each body corporate and position held by you with the relevant dates.

17. Has a body incorporate of which you have been a director or officer in the ten years preceding the date of this questionnaire, during the period

a) been convicted of a criminal offence or an offence under the Trust and Loan Companies Act or the Securities Act?

_____ **Yes** _____ **No**

If yes, attach particulars including the court or tribunal by which the body corporate was convicted, the date of conviction, the offence and the penalty imposed.

b) failed to comply with the provisions of the Trust and Loan Companies Act or the regulations, the Securities Act or the regulations, or any comparable legislation of another jurisdiction, or any undertaking given to the Superintendent?

_____ **Yes** _____ **No**

c) been or is it subject to a cease trading under the Securities Act?

_____ **Yes** _____ **No**

18. To the best of your knowledge, has a body corporate, partnership or unincorporated organization of which you have been a partner, member, director or officer in the ten years preceding the date of this questionnaire, been the subject of an investigation by or at the instigation of a government department, agency, a regulatory body or a professional association?

_____ **Yes** _____ **No**

If yes, attach particulars.

19. Has any body corporate, partnership or unincorporated organization of which you were a partner, member, director or officer in the ten years preceding the date of this questionnaire been wound up or made any compromise or arrangement with its creditors or ceased to carry on business during that period?

_____ **Yes** _____ **No**

20. Does any body corporate of which you have been a director or officer in the ten years preceding the date of this questionnaire, hold or has it held or applied for in that period a licence, registration or equivalent authorization to carry on business in Nova Scotia or elsewhere as a financial institution?

(“Financial institution” includes a bank, loan or trust company, savings and loan company, credit union, insurance company, securities dealer, mortgage broker and a finance company.)

_____ **Yes** _____ **No**

If yes, attach particulars including the details of a refusal or withdrawal of any application or the revocation of an authorization.

PART IV

Relationship to the Trust or Loan Company

21. Are any shares of the company registered in your name or the name of a related person?

_____ **Yes** _____ **No**

If yes, provide each name in which the shares are registered, the relationship to you or any related person and the class and number of shares held by each person.

22. Do you have a beneficial interest in any shares of the company that are not registered in your name or in the name of a related person?

_____ **Yes** _____ **No**

23. Do you or a related person hold any shares in the company as trustee or nominee?

_____ **Yes** _____ **No**

If yes, attach particulars.

24. Are any of the shares of the company mentioned in the answers to paragraphs 21 to 23 legally charged or pledged to any person?

_____ **Yes** _____ **No**

If yes, attach particulars.

25. Indicate, by class of share, the percentage of votes that you or a related person are entitled to exercise or control at any general meeting of the company, or any subsidiary thereof.

26. Do any of the bodies corporate of which you have been a director or officer in the past ten years maintain a business relationship directly or indirectly with the company?

_____ **Yes** _____ **No**

If yes, attach particulars.

27. Do you or does any person with whom you are associated transact business directly or indirectly with the company?

(You are associated with a person, if

- a) it is a body corporate and you beneficially own, directly or indirectly, voting securities carrying more than ten per cent of the voting rights attached to all outstanding voting securities;**
- b) you are a partner of the person;**
- c) it is a trust or estate in which you have a substantial beneficial interest, or for which you serve as trustee or in a similar capacity;**
- d) you are a relative of the person and share the same home as the person; or**
- e) you are a relative of the spouse of the person and share the same home as the person.)**

_____ **Yes** _____ **No**

If yes, attach particulars.

PART V

Certificate

I CERTIFY THAT the information given in this questionnaire is true and complete to the best of my knowledge and belief and that there are no other facts material to the application in connection with which this questionnaire is completed of which the Superintendent should be aware.

I have read and understand Section 255 of the Trust and Loan Companies Act.

Dated the _____ day of _____, A.D., _____.

Witness:

Signature:

REQUIREMENTS FOR THE OPERATION OF EXTRA-PROVINCIAL TRUST AND LOAN COMPANIES IN NOVA SCOTIA

1. Licensing under the Trust and Loan Companies Act

Required for all trust and deposit-taking loan companies doing business in the Province.

General Requirements

- a) Completed application for licensing;
- b) The information set out in Parts II and III of the application form;
- c) * Application fee of \$1,137.42.

Application is to be made to the Financial Institutions Division of the Department of Finance (forms attached). Annual licence fees based on the assets of the company are payable in June upon renewal of licence.

** This is an application fee for licensing only. For letters patent of incorporation there is a filing fee of \$568.71 and a fee of \$5,687.10 for letters patent.*

2. Registration under the Corporations Registration Act

Required for all corporations doing business in the Province.

General Requirements

- a) Statement showing name, incorporation information, head office, kind of business and names of directors and officers.
- b) Appointment of a recognized agent resident in Nova Scotia.
- c) Annual statement in January showing recognized agent, directors and officers.
- d) Annual fee of \$430.

Application is to be made to the Registrar of Joint Stock Companies, Service Nova Scotia and Municipal Relations. A form is available from that office.

3. Registration under the Mortgage Brokers and Lenders Registration Act

Required for all residential mortgage lenders. Not required for commercial mortgage lenders where all loans exceed \$25,000.

General Requirements

- a) Completed application form.
- b) A permanent office in the province.
- c) Payment of registration fees of \$213 plus \$26.50 for each additional branch office.
- d) Copy of the mortgage documents to be used.
- e) Copy of the form to be used to disclose the cost of borrowing to the borrower.
- f) Sample of the annual statement required to be given to the borrower.

Application is to be made to the Service Delivery and Operations Division of Service Nova Scotia and Municipal Relations (form attached). The registration under this Act must be renewed annually and the fees set out in c) above are payable annually.

4. Registration under the Consumer Protection Act

Required for all lenders who extend credit to consumer purchasers including the advancement of money other than by way of mortgage.

General Requirements

- a) Completed application form.
- b) A permanent office in the province.
- c) Payment of registration fees of \$107.
- d) Copy of the contract forms used in credit granting which must include a sample of the manner in which the cost of borrowing will be disclosed.

Application is to be made to the Service Delivery and Operations Division of Service Nova Scotia and Municipal Relations (form attached). Registration is not required to be renewed and the fees are payable only on initial registration.

Fiduciary Powers

In addition to the matters set out above, the Trustee Act requires Nova Scotia and Federal trust companies to be approved by the Governor in Council in order to be appointed as executor, administrator, trustee, receiver, assignee or guardian of an infant or lunatic by any competent court.

This is no provision for similar approval of trust companies incorporated in other provinces and any wanting such approval have had to have the Trustee Act amended to include their specific company.

General

Application forms relating to the Mortgage Brokers and Lenders Registration Act and the Consumer Protection Act are the same. Duplicate copies may be used as long as each of the items for which application is made is indicated in the space provided on the first page of the form and original affidavits are executed for each application. A copy of the application is enclosed for your use.

For the sake of convenience in dealing with the Nova Scotia government, all applications and material set out above may be directed to which office will co-ordinate involvement with other divisions and departments.

Department of Finance
Financial Institutions
1723 Hollis Street, 7th. Flr.
PO Box 2271
Halifax, NS B3J 3C8
Phone: (902) 424-6331
Fax (902) 424-1298
Email: fininst@gov.ns.ca

SERVICE NOVA SCOTIA AND MUNICIPAL RELATIONS

Licensing Guide for

Lenders Under the Consumer Protection Act

The **Consumer Protection Act** (the Act) requires that all credit grantors who are considered lenders within the definition of the Consumer Protection Act, be registered under this Statute. Credit includes the advancement of money, the extension of credit card or line-of-credit arrangements and agreements to purchase goods or services where all or part of the purchase price is payable after the agreement is entered into, and includes transactions where an interest charge is levied on overdue accounts.

The Act requires that all lenders who fall within this definition as noted above disclose to their customers, the cost of borrowing, as an annual rate and in dollars and cents. Section 17 of the Act outlines the method of disclosure to be used in various types of credit transactions.

Businesses who only charge a service or interest charge on overdue accounts are not required to register under this Act. They must, however, disclose their interest charge on their invoice/statement; the following format is suggested:

"Accounts _____ days or more past due are subject to a service charge of _____ % per month, _____ % per annum."

Businesses in this category should submit their invoice to the nearest local department office, as listed on the back of this form for review and comment. A formal response will be provide in each case.

Every agent or agent of a lender who carries on business as a loan broker (one who assists a borrower to obtain a loan or who holds himself out as providing such a service) must be registered under the Consumer Protection Act. The Act prohibits a loan broker from charging any fee to the borrower until the loan has actually been received and makes void any agreement that is in contravention of this provision.

EXEMPTIONS:

The Act does not apply to:

- credit extended on the security of a mortgage on real property;
- credit extended in respect of a sale of goods intended for resale;
- credit extended for the industrial or business purposes of the borrower.

TO OBTAIN A REGISTRATION:

In order to obtain a registration under the Consumer Protection Act, the following requirements must be met:

- 1) Complete the application form available from the Service Delivery and Operations Division, Service Nova Scotia and Municipal Relations, 9th Floor Maritime Centre, 1505 Barrington Street, Halifax (424-5758) or 650 Portland Street, Atlantic SuperStore Mall, Dartmouth (424-5602).
- 2) Pay the registration fee of one hundred dollars (\$107). Cheques should be made payable to the Minister of Finance. This is a one-time fee.
- 3) Applicants who are lenders must provide a sample of the manner in which the cost of borrowing will be disclosed. This may include such items as a cost of borrowing statement, conditional sales contract, promissory note or credit agreement form
- 4) Applicants who are loan brokers must provide a sample of the disclosure containing the information required by Section 2(c) of the Regulations. The information is:
 - a) the name, address and phone number of the agent (company);
 - b) name and address of the borrower
 - c) names and addresses of the lenders from whom the agent will attempt to obtain a loan for the

- borrower
- d) the amount of the loan
 - e) the date by which the loan will be made to the borrower
 - f) the amount the agent will charge for consulting, negotiating or arranging the loan, expressed in dollars and cents and as a percentage of the amount of the loan.

NOTE:

All companies, whether sole proprietorships, partnerships or limited companies must register their business with the Registry of Joint Stock Companies. This registration must be obtained before a Consumer Protection Act registration may be issued. Further information is available from the Registry's Office at 424-7770.

SERVICE NOVA SCOTIA AND MUNICIPAL RELATIONS

Licensing Guide Under The

Mortgage Brokers and Lenders Registration Act

The **Mortgage Brokers and Lenders Registration Act** (the Act) requires that mortgage brokers carrying on business in Nova Scotia be registered under this Statute.

A **mortgage broker** is defined as a person (or company) who:

- directly or indirectly carries on the business of lending money on the security of real estate;
- carries on the business of dealing in mortgages;
- holds himself out as, or indicates that he is a mortgage broker or that he deals in mortgages.

EXEMPTIONS:

This Act does not apply to:

- a person who lends money on the security of less than six mortgages in a consecutive twelve month period;
- a person who lends money on the security of less than five mortgages to an aggregate amount of thirty thousand dollars or more;
- a person who lends money on the security of a mortgage for commercial or industrial purposes, provided such loans are in excess of twenty-five thousand dollars.

NOTE:

For the purposes of this Act, a loan for a commercial or industrial purpose includes a loan made on the security of an apartment or office building.

TO OBTAIN A REGISTRATION:

In order to obtain a registration under this Act, the following requirements must be met:

- 1) Complete the application form available from the Service Delivery and Operations Division, Service Nova Scotia and Municipal Relations / Access Nova Scotia:
1505 Barrington Street, 9th. Flr. North
Halifax, NS B3J 3K5
Phone: (902) 424-5758
- 2) Maintain a permanent office in the province;
- 3) Pay the registration fee of two hundred and thirteen dollars (plus an additional fee of twenty-six dollars and fifty cents for each branch). Cheques should be made payable to the Minister of Finance. This is an annual fee;
- 4) Submit a copy of the mortgage document(s) to be used by the applicant in connection with mortgage transactions regulated by this Act;
- 5) Submit a sample of the form which will be used to disclose that information to borrowers, which is required by Section 4 of the regulations. Disclosure forms are available from Service Nova Scotia and Municipal Relations at a cost of 15 cents per set;

6) Submit a sample of the **borrower's** annual statement as required by Section 6 of the regulations.

NOTE:

In the case of an applicant who acts only as a broker, it is not necessary to submit items 4, 5 and 6. However, the department requires that the applicant submit a list of those mortgage lenders with whom the applicant intends to conduct business.

All companies, whether sole proprietorships, partnerships or limited companies must register their business with the Registry of Joint Stock Companies. This registration must be obtained before a **mortgage broker** registration may be issued. Further information is available from the Registry of Joint Stock Companies at 424-7770.