

**IN THE MATTER OF THE SECURITIES ACT  
R.S.N.S. 1989, C. 418, S. 135, AS AMENDED**

**- and -**

**IN THE MATTER OF  
BAIE CHEDABUCTO BAY INVESTMENT FUND LIMITED  
STATEMENT OF ALLEGATIONS  
OF  
STAFF OF THE NOVA SCOTIA SECURITIES COMMISSION**

Staff of the Nova Scotia Securities Commission (“Staff”) make the following allegations:

1. Baie Chedabucto Bay Investment Fund Limited (“Chedabucto”) is not a reporting issuer in the Province of Nova Scotia;
2. Chedabucto was incorporated and registered on the 18<sup>st</sup> day of July, 2001 under the laws of the Province of Nova Scotia;
3. Chedabucto issued an offering documents dated 19<sup>th</sup> day of December , 2001 under the provisions of the Community Economic-Development Corporations Regulations offering:
  - “1. The shares being offered are:  
  
“ Fully paid, newly issued voting common shares that are non redeemable, non convertible and not restricted in profit sharing or participation on dissolution. The price per share is \$ 1,000. The minimum number of shares an investor must purchase is one share.”
4. The closing date for the offering document was set by Chedabucto for the 1<sup>st</sup> day of March 2002;
5. Chedabucto did not provide to the security holders an information circular which adequately described the specified investments to be made in Mouse Island Marine

Centre Association ( “Mouse Island” ) and Green Island Distribution Limited ( “Green Island” ) as required by the Community Economic- Development Corporation Regulations, s. 20(b)(i), nor did Chedabucto obtain the approval of 50% plus one vote cast by security holders called to consider the making of such specified investments as required by Community Economic- Development Corporation Regulations, s. 20(b)(ii), thereby contravening the Securities Act, R.S.N.S. 1989, c.418 as amended, s. 135(a)(i); and

6. It is therefore in the public interest for the Commission to order that Chedabucto pay an administrative penalty and costs in accordance with sections 135(b) and 135A of the Act respectively.

DATED this 12<sup>th</sup> day of March, 2003.

“ R. Scott Peacock”

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R. Scott Peacock  
Deputy Director, Compliance and Enforcement  
Nova Scotia Securities Commission.