

INFORMATION FOR POTENTIAL INVESTMENT BENEFICIARIES

Overview

The Black Business Community Investment Fund Limited (BBCIFL or the fund) has been created to provide an investment opportunity within Nova Scotia as well as to manage the invested funds. The goal of the fund is to increase the level of economic activity and prosperity within the Nova Scotia Black owned business community.

For purposes of the fund's investments, a Black-owned business is defined as a business located and incorporated in Nova Scotia with at least 30% Black ownership residing in Nova Scotia.

How the Fund Works

The BBCIFL is a pool of capital raised in the community through the sale of shares. The money would be invested as equity in new or existing Black-owned business in the province. This is a blind-pool fund, where qualifying investments are not predetermined.

Note: For the Fund's initial investments however, only existing businesses will be eligible for consideration.

Uses of CEDIF Funds

According to the Community Economic Development Investment Fund (CEDIF)'s operating guidelines, the capital raised through a CEDIF should be invested into community enterprises that will normally share most, if not all, of the following characteristics:

- Employee ownership (full or partial)
- Local ownership and control
- Membership/ ownership open to all persons within the defined community
- A mission that includes community improvement as a central theme
- A commitment to being a good employer regarding wages, opportunities, etc
- Not movable and not subject to being bought out
- The board of directors serves pro bono publico (for the public good)

Prohibited Uses of CEDIF Funds

The funds raised by the CEDIF can generally be used for any purpose not specifically excluded by regulation. These exclusions include:

- Lending, except subordinated debt
- Purchasing shares in companies that are not eligible
- Paying dividends or repaying shareholder debt
- Redemption of share
- Contribution to Pension or Retirement plans.

General Application Procedure

Request for Proposals for investments by the Fund will be an ongoing process; however the BBCIFL's ability to make an investments will be based on the merit of the business plan, and limited by how much money the Fund has available to invest.

Once a complete application is received and passes an initial quick-test review (see below), it is submitted to the investment subcommittee for detailed review. The applicant will be informed at this time of the status of the application. A **NO** response will be sent out in respect to applications that do not meet the requirements and an **OK** response for those that meet the requirements.

If the response is **OK**, then the subsequent steps in the approval process will be communicated in the same letter. Applicants are advised that it will take at least one (1) month for the BBCIFL to communicate its initial response to them regarding the status of their applications.

After the foregoing communications, the investment sub-committee will conduct its due diligence, which will include face-to face meeting(s) with the prospective investment beneficiaries. Once this is complete, the committee shall submit its recommendations to the full board for a decision. If the board accepts the application, then a **YES** response will be issued, after which a final agreement will be signed and the funds disbursed.



Note that an application will be deemed incomplete and therefore will not be considered for review if all required information (as per application form) is not provided.

Application Quick Test

- At least 30% Black ownership
- Incorporated entity
- Nova Scotia based
- At least 3 years in business
- 3 years financial information provided

Inquiries and Submission of Application

All inquiries and completed applications must be submitted to Gordon Doe:

Mailing Address:

Black Business Initiative

1575 Brunswick Street

Halifax, NS B3J 2G1

Phone: (902) 426-6985

Fax: (902) 426-6530

E-mail: doe.gordon@bbi.ns.ca