



THE MANITOBA
SECURITIES
COMMISSION

THE SECURITIES ACT)
)
Section 20(1))

Order No. 7618

April 26, 2023

WOMEN'S EQUITY LAB (MANITOBA 1) LP

WHEREAS:

(A) Women's Equity Lab (Manitoba) GP Inc. (the "Applicant") has made an application to The Manitoba Securities Commission (the "Commission") for an order under Section 20(1) of *The Securities Act*, C.C.S.M. c. S50 (the "Act") exempting Women's Equity Lab (Manitoba 1) LP (the "Fund"), the Applicant and the directors of the Applicant, being Joelle Foster, Sandra Foster, Rosalie Harms, and Priti Mehta-Shah, from the registration and prospectus requirements of sections 6 and 37 of the Act in connection with the issuance (the "Offering") of limited partnership units ("Units") of the Fund;

(B) The Applicant has represented to the Commission as follows:

- 1) The Fund is a limited partnership formed under the laws of the Province of Ontario;
- 2) The Applicant, being a corporation incorporated under the laws of Canada, is the general partner of the Fund;
- 3) The primary purpose of the Offering is to facilitate the education, collaboration and empowerment of investors who are women ordinarily resident in the Province of Manitoba ("Eligible Investors") to engage in early-stage venture capital investments;
- 4) Each Unit will represent a contribution of \$5,500 which will be allocated with \$5,000 applied towards the investment and \$500 towards expenses;
- 5) Each Eligible Investor can purchase a maximum of one (1) Unit;
- 6) A maximum of \$165,000 in investment proceeds will be raised under this Offering;
- 7) Each Eligible Investor is entitled to be a member of an Investment Committee that will be established to review, discuss and consider potential investments ("Investments") for the Fund to make and then make recommendations to the Applicant for Investments to consider;
- 8) Any returns received by the Fund as a result of the Investments will, at the discretion of the Applicant, be either:
 - a) retained for future investment; or
 - b) distributed on the following basis:

Securities Division

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A DIVISION OF THE MANITOBA FINANCIAL SERVICES AGENCY

- i) firstly to the Eligible Investors in proportion to their respective capital contributions until each Eligible Investor has received an amount equal to her aggregate capital contributions; and
 - ii) thereafter, 80% to the Eligible Investors in proportion to their respective capital contributions and 20% to the Applicant;
- 9) Eligible Investors may not sell, assign or transfer Units except under limited circumstances, being:
 - a) estate situations; and
 - b) financial hardship which falls under the specific criteria delineated by the Applicant.

Withdrawal of capital is not permitted;

- 10) Each Eligible Investor must, at the time of subscribing for a Unit, complete a declaration (the "Declaration") acceptable to Commission staff which states:
 - a) Type and amount of securities purchased;
 - b) The purchaser is an Eligible Investor;
 - c) The Eligible Investor has received all documents, including the term sheet describing the Offering (the "Term Sheet"), they are required to receive pursuant to the Order;
 - d) The Eligible Investor has received information concerning the risk factors associated with purchasing Units including:
 - i) The purchase of Units involves a high degree of risk;
 - ii) The Units are highly illiquid, have no public market and are only transferable under certain limited circumstances;
 - iii) Investments in early- and mid-stage entities are typically more volatile than investments in later-stage entities; and
 - iv) The Eligible Investor may lose the entire amount from the purchase of the Units.

In addition, the Eligible Investor will be required to complete a risk acknowledgement adapted for the Fund which risk acknowledgement will be based on the risk acknowledgement in National Instrument No. 45-106F4 ("NI 45-106F4");

e) The Eligible Investor has received independent expert advice or has declined to receive independent expert advice concerning the Offering;

f) The purchase of Units has been made for investment purposes and not for resale;

g) The Eligible Investor is aware that the effect of this Order is that the purchaser will not have all of the rights and remedies established by the Act, which the purchaser may otherwise have;

11) There will be no sales commission paid directly or indirectly with respect to the sale of the Units;

12) In addition to Eligible Investors, the Offering is open to women who qualify as "accredited investors" ("Accredited Investors") under the exemption provisions in National Instrument No. 45-106 ("NI 45-106");

13) The Applicant also seeks designation of the Fund by the Commission as an "exempt purchaser" pursuant to section 19(1)(b) of the Act;

14) The Applicant will not use the CSA Passport system to apply for recognition of this Offering in other jurisdictions; and

15) The Applicant will establish a trust account at Canadian Imperial Bank of Commerce for the purpose of collecting and holding Fund contributions from Eligible Investors in escrow prior to determining what Investments to make. The form of escrow agreement used for the Fund will be based on the escrow agreement set out in National Instrument No. 46-201F1 ("NI 46-106F1").

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. **THAT**, pursuant to Section 20(1) of the Act, trades made by the Fund, the Applicant and the directors of the Applicant, being Joelle Foster, Sandra Foster, Rosalie Harms, and Priti Mehta-Shah, in connection with the Offering are exempt from sections 6 and 37 of the Act provided that:

a) The Offering may only be made to Eligible Investors and to Accredited Investors;

b) The minimum and maximum amount that an Eligible Investor may subscribe for is one (1) Unit;

c) Each Eligible Investor must sign a Declaration that has been approved by staff of the Commission;

d) Prior to any sale of Units, a potential purchaser shall be provided with the Term Sheet;

e) Any and all forms of advertisement in connection with the Offering will be filed with Commission staff at least five (5) days prior to the publication of the advertisement;

f) The Offering shall be completed within one (1) year from the date of this Order;

g) Within fourteen (14) days of completion of the Offering, the Applicant shall file a report of the details of the Offering with the Commission along with copies of the Declarations for each Eligible Investor.

2. **THAT**, pursuant to section 19(1)(b) of the Act, the Applicant and the Fund are each designated by the Commission as exempt purchasers.

BY ORDER OF THE COMMISSION



Director