

## ALBERTA SECURITIES COMMISSION

### CEASE TRADE ORDER: REVOCATION

**Citation: Re Crossroads - DMD Mortgage Investment Corporation, 2015 ABASC 659**

**Date: 20150428**

#### Crossroads-DMD Mortgage Investment Corporation

#### Background

1. Crossroads-DMD Mortgage Investment Corporation (the **Issuer**) is subject to a cease trade order (the **CTO**) issued by the Executive Director of the Alberta Securities Commission (the **Commission**) dated 13 September 2013 *Crossroads-DMD Mortgage Investment Corporation, Re*, 2013 ABASC 424.
2. The CTO was issued in response to:
  - (a) the distribution by the Issuer of its class B preferred shares (the **Preferred Shares**) purportedly relying on section 2.9 of National Instrument 45-106 *Prospectus and Registration Exemptions (NI 45-106)* using an offering memorandum dated 30 May 2013 that was not prepared in accordance with Alberta securities laws; and
  - (b) the filing by the Issuer of certain reports of exempt distribution in Form 45-106F1-*Report of Exempt Distribution (F1 Reports)* that were not completed in accordance with Alberta securities laws.
3. The Issuer has now filed both a revised offering memorandum (the **Revised OM**) and amended F1 Reports addressing the issues identified by Commission staff that resulted in the issuance of the CTO.
4. Subsequent to the issuance of the CTO, the Issuer also filed various offering memoranda that had not previously been filed and reported various distributions that had not previously been reported.
5. The Issuer has applied for an order under section 214(1.1) of the *Securities Act* (Alberta) (the **Act**) revoking the CTO.

#### Representations

6. The decision is based on the following facts represented by the Issuer:
  - (a) The Issuer has filed all offering memoranda required to be filed under section 2.9 of NI 45-106.
  - (b) The Issuer has reported all distributions required to be reported under section 6.1 of NI 45-106.

- (c) The Issuer has provided to all holders of its Preferred Shares both a notice that identifies the main issues raised by Commission staff during the compliance review and a copy of the Revised OM.
- (d) The Issuer undertakes to the Executive Director not to distribute securities under the Revised OM.
- (e) The Issuer has paid all outstanding fees owed to the Commission.

**Decision**

7. The undersigned, considering that it would not be prejudicial to the public interest to do so, orders under section 214(1.1) of the Act that the CTO is revoked.

28 April 2015

*“original signed by”*

David Linder  
Executive Director