

B.3.2 Frontenac Mortgage Investment Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief granted to non-investment fund reporting issuer for extension of times provided for refiling of a prospectus as if the lapse date was extended to October 16, 2023 – extension of times will not affect the current status or accuracy of the information contained in the prospectus – the issuer will not distribute securities under the prospectus until a receipt is issued for the renewal prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

August 24, 2023

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
FRONTENAC MORTGAGE INVESTMENT CORPORATION
(the Filer)**

DECISION

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the time limits pertaining to filing a renewal prospectus in respect of the Filer's long form prospectus dated June 16, 2022 (the **Current Prospectus**) be further extended as if the lapse date was October 16, 2023 (the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this application, and
- (b) The Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan and Manitoba (together with the Jurisdiction, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

The decision is based on the following facts as represented by the Filer:

1. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of securities legislation in any of the Jurisdictions.
2. Common shares of the Filer are qualified for distribution in each of the Jurisdictions on a continuous monthly basis under the Current Prospectus. The Filer distributes its securities on a continuous basis pursuant to a long-form prospectus in the form of Form 41-101F1 which is renewed annually.
3. The Filer filed an amendment, dated June 6, 2023 to the Current Prospectus (**Amendment No. 5**). The Filer is engaged with OSC Staff in the comment process in connection with Amendment No. 5 and discussions remain ongoing as at the date hereof. A receipt has not yet been issued for Amendment No. 5.

B.3: Reasons and Decisions

4. The lapse date of the Current Prospectus was June 16, 2023.
5. Pursuant to the continuous distribution of the Filer's securities, the Filer filed a pro forma prospectus in the form of Form 41-101F1 on May 17, 2023 (the **Pro Forma Prospectus**). The Filer is engaged with OSC Staff in the comment process in connection with the Pro Forma Prospectus and discussions remain ongoing as at the date hereof.
6. The Filer obtained exemptive relief pursuant to a decision granted by the OSC *In the Matter of Frontenac Mortgage Investment Corporation* dated June 26, 2023 that the time limits pertaining to filing a renewal prospectus in respect of the Current Prospectus be extended as if the lapse date was August 15, 2023.
7. Absent the Requested Relief, pursuant to the Legislation, the Filer must file a prospectus on or before August 25, 2023, being 10 days after the extended lapse date, for which a receipt is issued by the Jurisdiction on or before September 4, 2023, being 20 days after the extended lapse date, in order for the distribution of the Filer's common shares in the Jurisdictions to continue without interruption.
8. The Filer and OSC Staff continue to be engaged in the comment process in connection with Amendment No. 5 and the Pro Forma Prospectus and believe that such discussions will not be concluded within such time as to permit the Filer to file its prospectus by August 25, 2023.
9. The Filer has ceased distribution of its common shares on a continuous monthly basis under the Current Prospectus and will not distribute its common shares under the Current Prospectus until the comment process in respect of Amendment No. 5 and the Pro Forma Prospectus have been completed and a receipt has been issued, respectively.
10. The Filer is seeking the Requested Relief to allow it an opportunity to obtain a receipt for Amendment No. 5 and to file a final prospectus and obtain a receipt therefor such that it can continue to offer its common shares on a continuous monthly basis, uninterrupted, in the Jurisdictions pursuant to a final prospectus in the form of Form 41-101F1.
11. There have been no undisclosed material changes in the affairs of the Filer since the date of the receipt issued September 30, 2022 for the last amendment to the Current Prospectus.
12. In the event that any material changes occur, the Filer will file an amendment to the Current Prospectus as required under the Legislation.
13. Given that the Filer has ceased distributing any securities under the Current Prospectus, the Requested Relief will not be prejudicial to the public interest.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted.

"Erin O'Donovan"
Manager, Corporate Finance
Ontario Securities Commission

OSC File #: 2023/0382