

January 26, 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
AL VENTURE, LLC (“AngelList”) and
ANGELLIST ADVISORS, LLC
 (“ALA,” collectively with AngelList, the “Filers”)**

DECISION

Background

The Filers operate an online platform that offers a number of services to start-up businesses that operate primarily in the technology sector (**Start-ups**), including services to facilitate venture capital and angel investing in Start-ups that meet certain criteria. Each investor on the platform must qualify as an accredited investor (as defined in Canadian securities legislation) (**Accredited Investor**) and must also have prior experience in venture capital and angel investing such that they have an understanding of the risks of investing in Start-ups through the platform.

ALA is currently registered in all Canadian provinces as a restricted dealer. The Filers previously applied for and received exemptive relief from the prospectus requirement in decisions of the Ontario Securities Commission (**OSC**) as principal regulator (the **Prior Prospectus Decisions**) and from certain registrant obligations in decisions of the Director (the **Prior Registration Decisions**) dated March 27, 2017, June 14, 2018, March 26, 2019, March 25, 2021 and September 23, 2021 (together, the **Prior CSA Decisions**) under the securities legislation of the jurisdiction of the principal regulator (the **Legislation**). The Prior CSA Decisions were granted in the context of the CSA Regulatory Sandbox initiative (as defined in paragraph 3(d)) and were made on a time-limited, test case basis, based on the unique facts and circumstances of the Filers. ALA first became registered in Ontario as a restricted dealer on October 24, 2016 and at the same time obtained exemptive relief in Ontario from certain registration obligations.

The Prior CSA Decision dated September 23, 2021 expired on September 30, 2022. Prior to the expiry of the Prior CSA Decision, the Filers applied for exemptive relief in order to enable the continued availability of certain services on their online platform to Canadian investors and to address requirements related to the Client Focused Reforms of the CSA, subject to certain conditions. This decision (the **Decision**) has

also been considered in the context of the CSA Regulatory Sandbox initiative and is made on a time-limited, test case basis. This Decision is based on the unique facts and circumstances of the Filers.

Relief from registrant obligations

1. The Filers have applied for exemptive relief pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) for ALA from the following:
 - (a) the requirement in subparagraph 13.2(2)(c)(i) and (iii) [Know your client] of NI 31-103 that a registrant must take reasonable steps to ensure that it has sufficient information regarding the client's personal circumstances and the client's investment needs and objectives;
 - (b) the requirement in section 13.2.1 [Know your product] of NI 31-103 that a registered firm must not make securities available to clients unless the firm has taken reasonable steps to assess the relevant aspects of the securities, including the securities' structure, features, risks, initial and ongoing costs and the impact of those costs, approve the securities to be made available to clients, and monitor the securities for significant changes;
 - (c) the requirement in section 13.3 [Suitability Determination] of NI 31-103 that a registrant, before it opens an account for a client, purchases, sells, deposits, exchanges or transfers securities for a client's account, takes any other investment action for a client, makes a recommendation or exercises discretion to take any such action, determine, on a reasonable basis, that the action is suitable for the client, and the action puts the client's interest first;
 - (d) the requirement in section 13.16 of NI 31-103 [dispute resolution service] that a registered firm have a certain dispute resolution service provider; and
 - (e) the requirement to deliver the disclosure and reporting requirements in paragraphs 14.2(2)(i), (j), and (k) [Relationship Disclosure Information] and Division 5 [Reporting to clients] of Part 14 of NI 31-103 (together with the preceding paragraphs, referred to as the **Registrant Obligations Relief Sought**),

provided that ALA ensures only Quality Investors (as defined in paragraph 3(i)) access the Restricted Services (as described in paragraph 0).

Prospectus Relief

2. ALA has applied for an exemption from the prospectus requirement in connection with distributions by an SPE (as defined in paragraph 33) or microfunds (as defined in paragraph 3(h)) to Quality Investors who acquire securities of SPEs or microfunds through the platform (as described in this Decision) (the **Prospectus Relief Sought**).

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the Legislation for the Registrant Obligations Relief Sought and the Prospectus Relief Sought.

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

- (a) the OSC (Principal Regulator) is the principal regulator for this application; and

(b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in each of the other provinces of Canada.

Interpretation

3. For the purposes of this Decision:

(a) **Approved Incubator Program** means an incubator, accelerator, Technology Transfer Office or similar organization that meets all of the following criteria:

- a. has a program for Start-ups and the program has been delivered for at least two years;
- b. receives funding from (A) a federal, state, provincial/territorial, or municipal government or a crown corporation or a government-owned corporation or authority, or (B) an accredited university or college;
- c. has a competitive application process with clear criteria to select Start-ups for the program;
- d. reviews the founders and other key individuals involved in the Start-up to ensure they meet the criteria for admission into the program;
- e. provides entrepreneurial advice and mentorship support over a reasonable period of time; and
- f. in respect of which ALA has received the approval from staff of the securities regulatory authority in the local jurisdiction in which the incubator program is based that the organization qualifies as an "Approved Incubator Program".

(b) **Credible Investor** means an investor that meets one of the following criteria:

- a. a Venture Capital Fund that has at least \$10 million in assets under management; or
- b. an individual investor who has led or participated in at least five investments in a Start-up, of which at least two of those Start-ups have completed a Successful Liquidity or Financing Event; or
- c. is an Experienced Founder.

(c) **Crypto-assets** mean cryptocurrencies, digital coins or tokens, and operations to mine the foregoing.

(d) **CSA Regulatory Sandbox** means an initiative of the Canadian Securities Administrators (CSA) to review new and innovative technology-focused or digital business models. The objective of this initiative is to facilitate the ability of those businesses to use innovative products, services and applications, while ensuring appropriate investor protection.

(e) **Eligible Canadian Start-up** means a Start-up that is operating from or doing business in Canada where either a. or b. applies:

- a. (i) the start-up is incorporated or organized under the laws of Canada or any jurisdiction of Canada, and (ii) the head office of the start-up is located in Canada; or
- b. at least 25% of the consolidated payroll of the Start-up and its subsidiaries is for employees and consultants who reside in Canada.

(f) **Executive Officer** means an individual who is:

- a. a chair, vice-chair, or president,
- b. a vice-president in charge of a principal business unit, division or function including sales, finance, production, technology or engineering, or
- c. performing a policy-making function in respect of the issuer.

(g) **Experienced Founder** means a founder of a Start-up who has:

- a. management, product or engineering experience, typically with the title of “director” or equivalent, at a large technology company (500+ plus employees), or
- b. co-founded, or served at the vice-president level or above of (in either case, with executive responsibilities), a Start-up that has achieved a Successful Liquidity or Financing Event.

(h) **Microfund** means a fund that invests in a variety of Start-ups identified in each case by the Microfund Lead Investor.

(i) **Quality Investor** means an Accredited Investor who has been determined by ALA’s procedures, as described in paragraphs 72 to 75, to have sufficient experience in venture capital and angel investing. For the avoidance of doubt, Quality Investors include Direct Investors who satisfy the requirements described in paragraph 74, subject to the conditions and limitations on access to the Restricted Services described therein.

(j) **Successful Liquidity or Financing Event** means:

- a. an initial public offering;
- b. an acquisition of all or substantially all the securities or assets of the Start-up; or
- c. the completion of a follow-on round or “up round” of venture capital or angel financing for the Start-up involving external investors to the Start-up at that time, at a valuation in excess of the Start-up’s previous round of financing or that triggered the automatic conversion of previously issued debt or equity securities. (For example, a Series Seed round to a Series A round.)

(k) **Technology Transfer Office** means an office at a university with an academic research program or at a research institute that is established to handle the intellectual property and licensing rights for faculty and student investors.

(l) **Venture Capital Fund** means:

- a. In the United States (**U.S.**), a “venture capital fund” as defined in Rule 203(l)-1 under the Investment Advisers Act of 1940; and
- b. In Canada, a venture capital fund that focuses primarily on venture capital or angel investing, and that is a non-individual permitted client.

4. Terms used in this Decision that are defined in the *Securities Act* (Ontario) (the **Act**), National Instrument 14-101 *Definitions* (**NI 14-101**), NI 31-103 and MI 11-102 and not otherwise defined in the Decision, shall have the same meaning as in the Act, NI 14-101, NI 31-103 or MI 11-102 as applicable, unless the context otherwise requires.

Representations

This Decision is based on the following facts represented by the Filers:

The Filers

5. ALA is registered as a restricted dealer in each of the provinces of Canada.
6. ALA is a limited liability company formed under the laws of the state of Delaware. ALA is a subsidiary of AngelList, a limited liability company formed under the laws of the state of Delaware. A minority interest in ALA is held by AngelList EI, LLC (which is wholly-owned by employees of ALA or ALA’s affiliates). The head offices of the Filers are in San Francisco, California, United States of America.
7. ALA is an “exempt reporting adviser” in the U.S. ALA relies on an exemption from SEC investment adviser registration requirements under sections 203(l) [venture capital fund adviser exemption] of the Investment Advisers Act of 1940 and related rules. As an exempt reporting adviser, ALA is subject to oversight by the SEC, including the requirement to pay fees to the SEC, to report annually certain information to the SEC and to have policies regarding the dissemination of material, non-public information and anti-fraud measures. ALA is also subject to review by the SEC.
8. The Filers are not registered as broker-dealers with the SEC under U.S. federal securities laws. The Filers rely on a no action letter issued to AngelList LLC and ALA by the SEC dated March 28, 2013 regarding the scope of their permitted activities in the U.S. without registering as broker-dealers in accordance with section 15(b) of the Securities Exchange Act of 1934. The Filers also rely on the no action letter issued to FundersClub Inc. and FundersClub Management LLC by the SEC dated March 26, 2013 with respect to their activities as an exempt reporting adviser. The Filers also rely on section 201(c) of the JOBS Act.
9. EC Securities, LLC, an affiliate of the Filers and doing business as AngelList Securities LLC, is registered as a broker-dealer with the SEC under U.S. federal securities laws.

10. The Filers offer certain of the services (as described below) to issuers and investors in Canada. As these services involve the facilitation of trades in securities of issuers to Quality Investors for the purposes of venture capital and angel investing, ALA is registered as a restricted dealer in each of the provinces of Canada.
11. The Filers are seeking the Prospectus Relief Sought and the Registrant Obligations Relief Sought to allow Quality Investors and issuers resident in the Canadian provinces to access the Restricted Services.
12. Other than with respect to the subject of this Decision, the Filers are not in default of securities legislation in any jurisdiction of Canada. The Filers are in compliance in all material respects with U.S. securities laws. The Filers were in compliance with all of the terms and conditions of the Prior CSA Decision dated September 23, 2021. The Filers understand that the Registrant Obligations Relief Sought and the Prospectus Relief Sought are only in effect from the date of this Decision.

Services

Public Services

13. AngelList operates an online networking website (the **Platform**) that allows start-ups, accelerators, incubators, angel investors and other individuals in the start-up sector (together, the **Participants**) to connect with each other and to raise their profile in the start-up community. The Platform is primarily aimed at technology or technology-enabled Start-ups.
14. Any Participant can post a profile on the Platform that contains general information about itself, including, as applicable, its products or services, and its management team (a **Profile**). A Profile is publicly available to anyone accessing the Platform. A Start-up may also post confidential information and grant access only to certain Participants.
15. After setting up a Profile, a Participant may request a connection by visiting another Participant's profile (the **Connection Services**). AngelList will confirm the relationship between the Participants. A verified connection is required in order for a Participant to send other Participants a message or request an introduction to other Participant's connections.

Restricted Area and Restricted Services

16. The Platform includes a password protected area (the **restricted area**). Participants must apply to enter the restricted area, and ALA only permits Accredited Investors to enter the restricted area.
17. Once Participants have been approved for access to the restricted area, they may further apply to access certain services, which are referred to below as **Restricted Services**. ALA only permits Quality Investors to access the Restricted Services, subject to the limitations applicable to Direct Investors as described in paragraph 74. Based on the Filers' experience in the United States, approximately 30% of U.S. accredited investors that apply to access the Restricted Services meet ALA's Quality Investor standard and are approved to use the Restricted Services.

18. The Restricted Services consist of the following:
- a. ALA allows both Start-ups and Syndicate Lead Investors (as defined in paragraph 25) the ability to raise money for a specific Start-up by forming a syndicate of investors through the Platform (the **Syndicate Services**).
 - b. ALA allows Microfund Lead Investors (as defined in paragraph 37) the ability to raise money through the Platform for specific funds that invest in a variety of Start-ups identified in each case by the Microfund Lead Investor (the **Microfund Services**).
 - c. ALA provides a transaction update email to Quality Investors. ALA has an algorithm that uses objective criteria to identify Start-ups seeking to raise capital from a syndicate of investors and provides a list of these Start-ups to Quality Investors who request this information.
 - d. ALA offers a program for Quality Investors who, in the case of Canadian investors plan to invest a substantial amount (which is at least USD\$600,000) through the Platform, and satisfy such other conditions as ALA may implement from time to time (the **Angellist Private Capital Network**). Under this program, ALA introduces these Quality Investors to Start-ups that do not wish to make it known publicly that they are raising capital through a syndicate.
19. In the U.S., accredited investors who are not Quality Investors may invest in diversified funds created by ALA (referred to as **Platform Funds**) that invest in a wide variety of syndicates on the Platform. ALA does not currently offer Platform Funds or similar funds to investors in Canada.
20. ALA also provides administrative services in respect of certain syndicates and microfunds managed by general partner entities or LLC managers affiliated with the Syndicate Lead Investors and Microfund Lead Investors rather than the Filers.

Services Offered in Canada

21. Angellist makes the Connection Services available to Participants.
22. ALA makes the Syndicate Services available to:
- a. Start-ups and Syndicate Lead Investors, and
 - b. Quality Investors,
- subject to certain restrictions set out below.
23. ALA makes the Microfund Services available to:
- a. Microfund Lead Investors, and
 - b. Quality Investors,

subject to certain restrictions set out below.

24. ALA makes the Private Capital Network program available to Quality Investors who qualify as a “permitted client” as defined in section 1.1 of NI 31-103 and excluding Direct Investors.

Syndicate Services

25. Syndicates can be formed by the founder or management of a Start-up itself or by an investor who is investing in a single Start-up, who wishes to make this investment opportunity available to other investors (co-investors) on the same terms and conditions, and who has been reviewed and approved by ALA as described in paragraphs 77 to 86 (a **Syndicate Lead Investor**). Each syndicate only invests in securities of a single Start-up (a **syndicate**).
26. A Start-up or Syndicate Lead Investor requests approval from ALA to establish the syndicate.
27. ALA reviews the request from the Start-up or Syndicate Lead Investor and determines whether to allow the Start-up or Syndicate Lead Investor to form a syndicate. In reviewing a request to form a syndicate, ALA reviews the Start-up for the following features:
 - a. Whether the Start-up is a growth-oriented technology or technology-enabled company that has the potential to develop into a large stand-alone business;
 - b. Whether the Start-up is focused on a product or service that will provide social, economic or environmental benefits or that is likely to meet a strong market demand; and
 - c. Whether, in ALA’s opinion, the Start-up is likely to appeal to Quality Investors.
28. ALA will not permit reporting issuers or any public company in any other jurisdiction to form a syndicate on the Platform.
29. If ALA grants approval to form a syndicate, the Start-up or the Syndicate Lead Investor, as applicable, completes and posts an investor note (the **syndicate investor note**) about the syndicate on the restricted area of the Platform. The syndicate investor note contains factual information about the proposed capital raise, the Start-up to be invested in, any co-investors, the risks associated with investing in the Start-up, past financing of the Start-up, and other key investment terms and conditions. In respect of any existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, that the Syndicate Lead Investor might have, ALA will ensure that investors are provided with disclosure of each such conflict including a description of (i) the nature and extent of the conflict of interest, (ii) the potential impact on and risk that the conflict of interest could pose to the investor and (iii) how the conflict of interest has been, or will be addressed.
30. Interested Quality Investors may conduct due diligence on the Syndicate Lead Investor and/or the Start-up. Quality Investors use their own judgment whether to invest in a syndicate.
31. Neither ALA nor the Syndicate Lead Investor nor the Start-up:
 - a. provide specific recommendations or advice to particular Quality Investors about the suitability of an investment in a Start-up through an SPE; or

- b. recommend or solicit any particular purchase or sale by a Quality Investor of an SPE's securities.
32. Interested Quality Investors may submit non-binding requests for additional information through the Platform to either the Start-up or Syndicate Lead Investor about the Start-up that is being syndicated.
33. If there is sufficient interest to proceed with closing a syndicate investment, ALA establishes a special purpose entity (**SPE**) to accept the funds from committed investors and to acquire the Start-up's securities. The SPE formed to invest in the Start-up is required under U.S. securities law to have 99 or fewer investors (which may be increased to 250 in certain circumstances). For tax or other reasons certain investors may be aggregated into a parallel SPE. If used, a parallel SPE will otherwise invest on identical terms and conditions to the main SPE.
34. ALA conducts a review of each Start-up's constating documents and Closing Documents (as defined in paragraph 52) to ensure they are consistent with the information in the Profile and the syndicate investor note, the results of any background reviews and any accompanying materials or information provided to it by an investor, the Syndicate Lead Investor and/or the Start-up and determines if the Closing Documents are complete, consistent and not misleading. If it appears to ALA that the Closing Documents are incomplete, inconsistent or misleading, ALA will require the Closing Documents to be corrected, made complete, or clarified.
35. For their role in a syndicate, ALA and the Syndicate Lead Investor will only receive as compensation a portion of the increase in value, if any, of the investment as calculated at the termination of the investment in the SPE (the **Syndicate Carried Interest**), and will not receive any transaction-based compensation. None of the Filers, the Syndicate Lead Investor, nor any of their officers or directors receive any other form of commission or transaction-based compensation related to the Restricted Services, including the Syndicate Services.
36. In general, each syndicate has a common general partner or LLC manager that is supported in carrying out its duties by the Syndicate Lead Investor. In certain cases, the general partner or LLC manager is affiliated with the Syndicate Lead Investor rather than the Filers. The Syndicate Lead Investor contributes to the Start-up in a similar manner to that of early-stage Canadian venture capital funds. This generally includes direct involvement in the appointment of managers by using the Syndicate Lead Investor's network of contacts to source, recruit, vet and provide references for members of senior management of the Start-up, as well as key members of the Start-up's product development, business development or technology teams. The Syndicate Lead Investor also represents the syndicate in material management decisions affecting the Start-up that require the input of the Start-up's principal investors. At the early stage material decisions of this nature generally include whether to support financings, uses of capital and any material business decisions, and in later stages decisions requiring investor consent are usually formalized in protective contractual provisions.

Microfund Services

37. Microfunds can be formed by an investor who intends to invest in a portfolio of Start-ups over a specified period and who wishes to make those investment opportunities available to other investors (co-investors) on the same terms and conditions, and who has been reviewed and approved by ALA as described in paragraphs 77 to 86 (a **Microfund Lead Investor**).

38. A Microfund Lead Investor requests approval from ALA to establish the microfund.
39. ALA reviews the request from the Microfund Lead Investor and determines whether to allow the Microfund Lead Investor to form a microfund. In reviewing a request to form a microfund, ALA reviews the Microfund Lead Investor and the proposed microfund for all of the following features:
 - a. The Microfund Lead Investor has been reviewed and approved by ALA as described in paragraphs 77 to 86;
 - b. The Microfund Lead Investor is a Credible Investor;
 - c. The Microfund Lead Investor is investing his or her own money in or alongside the microfund;
 - d. That any existing material conflicts of interest and material conflicts of interest that are reasonably foreseeable that the Microfund Lead Investor might have in relation to the microfund are addressed in the best interest of the Quality Investor and that the disclosure of each such conflict to be provided to Quality Investors describe (i) the nature and extent of the conflict of interest, (ii) the potential impact on and risk that the conflict of interest could pose to the Quality Investor and (iii) how the conflict of interest has been, or will be addressed;
 - e. The investment thesis for the microfund; and
 - f. Whether, in ALA's opinion, the microfund is likely to appeal to Quality Investors.
40. Microfunds can invest in any technology Start-up identified by the Microfund Lead Investor that in the opinion of ALA is consistent with the microfund's investment thesis. The Filers have other policies and operational limitations that result in restrictions on certain types of investments being made by microfunds.
41. If ALA grants approval to form a microfund, the Microfund Lead Investor completes and posts an investor note (the **microfund investor note**) about the microfund on the restricted area of the Platform. The microfund investor note contains factual information about the Microfund Lead Investor's background, the microfund's investment thesis, the expected investment period and average deal size to be made in a start-up by the microfund. In respect of any existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, that the Microfund Lead Investor might have in relation to the microfund, ALA will ensure that investors are provided with disclosure of each such conflict including a description of (i) the nature and extent of the conflict of interest, (ii) the potential impact on and risk that the conflict of interest could pose to the investor and (iii) how the conflict of interest has been, or will be addressed.
42. Interested Quality Investors may conduct due diligence on the Microfund Lead Investor. Quality Investors use their own judgment as to whether to invest in a microfund.
43. Neither ALA nor the Microfund Lead Investor nor any Start-up:
 - a. recommends to, or advises Quality Investors about the suitability of, an investment in a microfund; or

- b. recommends or solicits any particular purchase or sale by a Quality Investor of a microfund's securities.
44. Interested Quality Investors may submit requests for additional information through the Platform to the Microfund Lead Investor about the microfund.
45. If there is sufficient interest to proceed with closing a microfund, ALA establishes a limited partnership or limited liability company (**LLC**) to accept the subscription funds from committed investors, and investors are issued limited partnership or LLC interests of the microfund in exchange for those funds. Subscription funds are deposited with one or more U.S. banks referenced in paragraphs 55 and 56. For tax or other reasons, certain investors may be aggregated into a parallel limited partnership or LLC. If used, a parallel limited partnership or LLC will otherwise invest on identical terms and conditions to the main limited partnership or LLC.
46. When the Microfund Lead Investor wants to make an investment from the microfund into a specific Start-up, the Microfund Lead Investor informs ALA. ALA will verify that the investment conforms with the investment thesis. ALA will also (i) take reasonable steps to identify existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, between the Microfund Lead Investor and the investors. ALA will address all material conflicts of interest between (i) an investor and itself and (ii) an investor and the Microfund Lead Investor in the best interest of the investor. ALA will ensure that all required documents, including conflicts of interest disclosure, relating to the investment are provided to investors. Once ALA approves the investment, the U.S. banks referred to in paragraphs 55 and 56 will wire the required funds to the Start-up.
47. For their role in a microfund, ALA and the Microfund Lead Investor will only receive as compensation (i) a portion of the increase in value, if any, of the investment as calculated at the termination of the investment in the microfund (the **Microfund Carried Interest**) and (ii) in the case of certain Microfunds, a management fee (from 1 – 3%), payable to ALA and/or the Microfund Lead Investor. None of the Filers, the Microfund Lead Investor, nor any of their officers or directors receive any other form of commission or transaction-based compensation related to the Microfund Services.
48. In general, each microfund has a common general partner or LLC manager that is supported in carrying out its duties by the Microfund Lead Investor. In certain cases, the general partner or LLC manager is affiliated with the Microfund Lead Investor rather than the Filers. The Microfund Lead Investor contributes to the Start-ups that receive microfund investments in a similar manner to that of early-stage Canadian venture capital funds. This generally includes direct involvement in the appointment of managers by using the Microfund Lead Investor's network of contacts to source, recruit, vet and provide references for members of senior management of the Start-up, as well as key members of the Start-up's product development, business development or technology teams. The Microfund Lead Investor also represents the microfund in material management decisions affecting the Start-up that require the input of the Start-up's principal investors. At the early stage material decisions of this nature generally include whether to support financings, uses of capital and any material business decisions, and in later stages decisions requiring investor consent are usually formalized in protective contractual provisions.

Procedures Common to Syndicates and Microfunds

49. ALA has engaged an affiliated consulting and fund administration firm (the **SPE/Microfund Manager**) to provide administrative services in relation to the SPEs and microfunds on terms no less favorable than those available from an arms' length firm. On behalf of ALA, the SPE/Microfund Manager handles the formation and organization of each SPE and microfund, certain closing procedures for the investments, securities filings, ongoing administration, and winding up the SPE or microfund where applicable.
50. The first time a Quality Investor invests with a syndicate or microfund, prior to closing of that syndicate or microfund, the Quality Investor is asked to confirm his or her interest in investing in Start-ups generally, and to acknowledge a series of risk warnings including warnings as to risk of total loss of the investment, illiquidity of the securities and dilution risk, and the need for the Quality Investor to conduct his or her own due diligence on the Start-up or microfund, as applicable. Detailed risk warning acknowledgements are not obtained from Quality Investors on subsequent investments; however, certain risks are acknowledged upon each Quality Investor's acceptance of the provisions of the Closing Documents.
51. For each syndicate or microfund, prior to closing that syndicate or microfund, the Quality Investor is also asked to reconfirm his or her accredited investor status. If a Quality Investor indicates that his or her status has changed such that he or she is no longer an accredited investor, the investor is not permitted to invest with the syndicate or microfund and is not permitted to access the restricted area of the Platform. Quality Investors electronically agree to and sign the SPE or microfund Closing Documents on the Platform and are provided with wire instructions for their investment amounts.
52. After a Quality Investor commits to making an investment with a syndicate or microfund, the Quality Investor receives the following:
 - a. in the case of a syndicate, the SPE's operating or limited partnership agreement, the SPE's private placement memorandum, the subscription or purchase agreement for the purchase of securities of the SPE, an investor statement (which is a screen confirming how much the Quality Investor invested in the SPE and the corresponding investment by the SPE in the Start-up as of the specific date), a signature certificate (which is a screen showing the investor that documents have been digitally signed and a digital fingerprint provided for security reasons) and the syndicate investor note; or
 - b. in the case of a microfund, the microfund's operating, limited partnership or LLC agreement (as applicable), the microfund's private placement memorandum, the subscription or purchase agreement for the purchase of securities of the microfund, an investor statement (which is a screen confirming how much the Quality Investor invested in the microfund), a signature certificate (which is a screen showing the investor that documents have been digitally signed and a digital fingerprint provided for security reasons) and the microfund investor note.

The documents referred to above are the Closing Documents. The SPE/Microfund Manager will retain the Closing Documents for eight years.

53. Either the Filers or SPE/Microfund Manager will deliver electronically to the securities regulatory authority of each jurisdiction of Canada where a distribution occurs, any of the documents that constitute an offering memorandum (as defined under the Legislation). In the case of a syndicate, the Filers will inform the Start-up that the Start-up must deliver electronically to the securities regulatory authority of each jurisdiction of Canada where a distribution occurs a copy of any document that constitutes an offering memorandum (as defined under the Legislation) that has not already been delivered.
54. Prior to closing a syndicate or microfund, ALA uses a third-party service (such as Persona) to verify the identity of each Quality Investor. ALA also runs anti-money laundering and terrorist financing checks. The verification process and anti-money laundering and terrorist financing checks are performed on both individual and non-individual Quality Investors (entities). For non-individual Quality Investors, the Filers contact the investor by email to determine the identity of the individual principal(s) of the Quality Investor. AML and terrorist financing checks are performed through a politically exposed person (PEP) list and/or Office of Foreign Assets Control (OFAC) list search. Similar verification processes and checks will be performed for Canadian investors.
55. Neither the Filers nor the SPE nor the microfund holds, handles or controls any investor or Start-up funds. The funds are held by and deposited in one or more trust accounts established by one or more FDIC-member U.S. banks in the name of the bank for the benefit of investors investing through the Platform or, depending on the size of the syndicate or microfund and other considerations, a separate account in the name of the bank for the benefit of investors in the particular fund. The Filers do not intermingle their own monies in these accounts.
56. Once all expected funds have been received by the bank, the bank notifies ALA. ALA then issues advice to the bank to initiate funds transfer to the Start-up or, in the case of microfunds, ALA issues advice to the bank to initiate funds transfer to a Start-up when the applicable investment has been approved.
57. All Quality Investors in a syndicate are notified electronically that the investment by the SPE in the Start-up is finalized and to provide them with a copy of the final Closing Documents. Investors in microfunds are notified electronically from time to time that investments have been made by the microfund.
58. The Filers will utilize the same banks and procedures for investments in Eligible Canadian Start-ups completed on the Platform. Although the Platform will largely support only transactions denominated in U.S. dollars, the Filers plan to support transactions in Canadian dollars and utilize Canadian banking services as required for transactions in Canadian dollars.
59. Quality Investors have access to an individual account on the Platform where they may view information about the transaction and access copies of the Closing Documents. The Closing Documents will be retained and made available to Quality Investors through the Platform for at least eight years.
60. ALA requires that each investor in a syndicate or microfund pay a portion of the costs associated with the closing of the syndicate or microfund investment (such as legal fees) in proportion to the investor's investment.

61. Neither the syndicate nor the SPE or microfund, as applicable, borrows funds from investors or the public for any reason. The syndicate, the SPE or microfund, as applicable, and the Filers do not loan money or extend margin to investors that wish to invest in a Start-up as part of a syndicate or microfund.
62. The Filers do not facilitate any secondary trading of previously issued securities, whether originally issued to the members of a syndicate, the investors in a microfund or otherwise.

Private Capital Network Program

63. ALA is involved with a number of syndicates in which the Start-up does not wish to disclose publicly that it is seeking funding (the **Private Syndicates**).
64. These Private Syndicates are only made available to Quality Investors who:
 - a. in the case of Canadian investors, intend to invest a substantial amount, which will be specified by ALA from time to time (but in any event at least USD\$600,000), in syndicates through the Platform;
 - b. in the case of Canadian investors, invest a substantial average amount to be specified by ALA from time to time (but in any event will be, on average, at least USD\$50,000 per month) in syndicates;
 - c. sign a non-disclosure agreement with ALA; and
 - d. are able to make investment decisions in a timely manner.
65. ALA has automated functionality that matches certain Private Syndicates with the Quality Investor's selected objective criteria, based on filters that the Quality Investor selected when the Quality Investor signed up for the Private Capital Network program.
66. ALA provides the list of Private Syndicates to the Quality Investor.
67. The Quality Investor conducts his or her own due diligence on the Start-up or the Private Syndicate.
68. The Quality Investor will make his or her own decision as to which Private Syndicate to invest in. The same investment procedures that are used for a typical syndicate also apply to a Private Syndicate.
69. There are no fees for participating in the Private Capital Network program.

Participants

Investors

70. When opening an account with AngelList to seek ALA's approval for Quality Investor status, each investor provides the Filers with the category of accredited investor the investor meets, which for Canadian investors will correspond to the definition of accredited investor in Canadian securities legislation. In addition, the Filers request that each investor provides the following information when opening an account:
- a. The amount the investor has budgeted for investing in Start-ups on the Platform;
 - b. The investor's net worth band (e.g., > \$1 million, > \$2 million, > \$5 million, with currency being denominated in U.S. dollars). For Canadian investors, bands are denominated in Canadian dollars;
 - c. The proportion of the investor's net worth that the investor's budget for investing in Start-ups represents; and
 - d. The investor's experience in investing in Start-ups or working for or with private equity firms and venture capital firms and the investor's connection to other investors and Start-ups on the Platform.

The above-listed information, to the extent provided by an investor, is retained on the Platform by the Filers for eight years.

71. In addition to providing the information in paragraph 70, each investor acknowledges the following risks associated with investing in Start-ups generally when signing up to access the Connection Services and Restricted Services:
- a. Risk of loss of an investor's entire investment in a Start-up;
 - b. Illiquidity risk;
 - c. No due diligence of a Start-up is conducted by the Filers;
 - d. Dilution risk;
 - e. Risk of change in the Start-up's plans, markets and products; and
 - f. No recommendation or advice is provided by the Filers to the investor.

In addition:

- g. Prior to making an investment, the investor must acknowledge that he or she will receive limited or no initial or ongoing information about the investment; and
- h. In respect of any existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, that the Syndicate Lead Investor or the Microfund Lead Investor (as applicable) might have, ALA will ensure that the

investors are provided with disclosure of each such conflict including a description of (i) the nature and extent of the conflict of interest, (ii) the potential impact on and risk that the conflict of interest could pose to the investor and (iii) how the conflict of interest has been, or will be addressed. Conflicts of interest that must be disclosed to ALA and to potential Quality Investors (including Direct Investors) include whether the Syndicate Lead Investor or Microfund Lead Investor invested in a previous round of financing by the Start-up or a prospective portfolio company of the microfund, is an employee or officer of the Start-up or a prospective portfolio company of the microfund, or has family members working at the Start-up or a prospective portfolio company of the microfund, and any other circumstances judged by ALA to constitute existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable.

The above-listed information is retained on the Platform or by ALA for eight years.

72. To determine if an investor is a Quality Investor, ALA manually conducts an assessment of each investor's experience and knowledge with respect to venture capital and angel investing based upon available information about the investor, which may include the following information:
- a. The investor's previous venture capital and angel investments and the size of those investments (as declared by the investor or otherwise known to ALA);
 - b. The investor's connections to other founders and investors (as reflected on his or her profile on the Platform or other websites), and ALA's assessment of those founders and investors; and
 - c. ALA's judgement about an investor's previous venture capital and angel investing experience with other top investors and the investor's reputation.
73. If, based on ALA's assessment, an investor does not have sufficient experience and knowledge with respect to venture capital and angel investing, ALA will not approve the investor as a Quality Investor. In order to access the Restricted Services an investor (other than a Direct Investor) must first be approved as a Quality Investor.
74. Syndicate Lead Investors and Microfund Lead Investors may allow certain investors (**Direct Investors**) who ALA has not yet approved as Quality Investors to access and invest in such Syndicate Lead Investor's and Microfund Lead Investor's investments provided that:
- a. the Syndicate Lead Investor or Microfund Lead Investor, as applicable, acknowledges that:
 - (1) the Syndicate Lead Investor or Microfund Lead Investor, as applicable, has a substantive pre-existing relationship with such Direct Investor sufficient to understand the Direct Investor's knowledge and experience in investing with venture capital and angel investing;
 - (2) the Syndicate Lead Investor or Microfund Lead Investor, as applicable, believes, in good faith, that such Direct Investor is a Quality Investor; and

b. such Direct Investor provides ALA with the category of accredited investor the Direct Investor meets, which for Canadian investors will correspond to the definition of accredited investor in Canadian securities legislation, prior to making an investment on the Platform.

A Direct Investor may not access through the Restricted Services investments of any Syndicate Lead Investor or Microfund Lead Investor other than the one that directly invited them to the Platform until such Direct Investor requests access to the Restricted Services (following the process for investors who are not Direct Investors) and is approved by ALA as a Quality Investor. ALA will periodically review Direct Investors who subsequently apply for access to the Restricted Services to assess whether the Syndicate Lead Investor or Microfund Lead Investor, as the case may be, is inviting Direct Investors who are Quality Investors. ALA is not delegating or relying on the lead investor to ensure that the Direct Investor has sufficient experience in venture capital and angel investing and remains responsible for ensuring Direct Investors are Quality Investors. If it comes to ALA's attention that, contrary to the acknowledgement, a Syndicate Lead Investor or a Microfund Lead Investor is allowing Direct Investors who are not Quality Investors to access and invest in such Syndicate Lead Investor's and Microfund Lead Investor's investments, ALA will take actions to address the violation.

75. ALA may, in lieu of manual reviews described in Paragraph 72, elect to use computer algorithms to programmatically rank investors based on the information provided by the investor and approve as Quality Investors only investors that achieve a minimum ranking as established by ALA from time to time.
76. In Canada, Accredited Investors that are not Quality Investors will not be permitted to invest as part of a syndicate or microfund through the Platform and will not be permitted access to the Restricted Services.

Lead Investors

77. Only Accredited Investors can apply to be Syndicate Lead Investors or Microfund Lead Investors. ALA retains the right and full discretion to determine whether a person may act as a Syndicate Lead Investor or Microfund Lead Investor. ALA's processes currently include requiring each Syndicate Lead Investor or Microfund Lead Investor to complete a due diligence form which includes questions to (i) allow ALA to determine each Syndicate Lead Investor or Microfund Lead Investor's U.S. securities accreditation status and (ii) conclude on each Syndicate Lead Investor or Microfund Lead Investor's ability to raise capital and prior experience raising capital. ALA's operations team also calls each prospective Syndicate Lead Investor or Microfund Lead Investor to further inquire about their prior experience, track record, and also to assess their potential capabilities to lead a syndicate or microfund (as applicable).
78. ALA reviews a potential Syndicate Lead Investor or Microfund Lead Investor for previous experience related to venture capital and angel investing by reviewing the Syndicate Lead Investor's or Microfund Lead Investor's activity on relevant social media and other websites (such as Crunchbase and Google), if such information is available. If a Syndicate Lead Investor or Microfund Lead Investor does not have social media presence to review, ALA will assess the information personally known to ALA staff and obtained through conversations with the Syndicate Lead Investor or Microfund Lead Investor, as the case may be, and with other sources.

79. ALA also reviews references provided by each Syndicate Lead Investor or Microfund Lead Investor related to his or her prior Start-up investments.
80. In addition to the qualifications outlined in paragraphs 78 and 79, Microfund Lead Investors must: (i) invest their own money into or alongside the microfund and (ii) must clearly disclose any conflicts of interest they might have to the microfund and clearly articulate what part of their deal flow will go through the microfund. Each Microfund Lead Investor must also be determined by ALA to be a Credible Investor.
81. ALA requires each Microfund Lead Investor to (i) take reasonable steps to identify existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, between the Microfund Lead Investor and the investor and (ii) promptly report that conflict of interest to ALA. Each Microfund Lead Investor must address all material conflicts of interest between an investor and the Microfund Lead Investor in the best interest of the investor.
82. ALA requires each Syndicate Lead Investor to (i) take reasonable steps to identify existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, between the Syndicate Lead Investor and the investor and (ii) promptly report that conflict of interest to ALA. Each Syndicate Lead Investor must address all material conflicts of interest between an investor and the Syndicate Lead Investor in the best interest of the investor.
83. In the case of syndicates, if ALA is not satisfied that a Syndicate Lead Investor has sufficient knowledge and experience related to Start-up and/or venture capital investing, ALA will also consider whether there is a Credible Investor involved in the syndicate and who is investing on the same terms and conditions as the investors in the syndicate.
84. Where ALA approves a Syndicate Lead Investor to form a syndicate or a Microfund Lead Investor to form a microfund, ALA requires each Syndicate Lead Investor or Microfund Lead Investor, as applicable, to sign an agreement with ALA. For so long as the Syndicate Lead Investor has an interest in the Start-up that the Syndicate Lead Investor has syndicated or the Microfund Lead Investor has an interest in the microfund, this agreement requires, among other things, the Syndicate Lead Investor or Microfund Lead Investor:
 - a. to assist ALA and the SPE/Microfund Manager as necessary to allow ALA and the SPE/Microfund Manager to comply with applicable regulatory requirements pertaining to the syndicate or the microfund and the syndicate's or microfunds' investment in the Start-up,
 - b. to provide ALA with information about the Start-ups invested in by the syndicate or microfund as required by ALA or the SPE/Microfund Manager to service the syndicate or the microfund, and
 - c. to provide ALA with written notice of certain events, including subsequent investment in the Start-up by the Syndicate Lead Investor or Microfund Lead Investor, sale or transfer of the Syndicate Lead Investor's or Microfund Lead Investor's securities in the Start-up, and how the Syndicate Lead Investor or Microfund Lead Investor has voted.

In the event the Syndicate Lead Investor or Microfund Lead Investor, as applicable, fails to comply with the agreement, ALA will take action for the breach, including terminating its agreement with a Syndicate Lead Investor or a Microfund Lead Investor where there is a material violation of the conditions of this Decision.

85. A Syndicate Lead Investor invests either directly with the Start-up or alongside other investors in the syndicate on the same terms and conditions as the investors in the syndicate. A Microfund Lead Investor invests directly in the microfund or alongside the microfund on the same terms and conditions as the investors in the microfund.
86. Prior to the closing of the syndicate or the microfund, ALA conducts a background check on the Syndicate Lead Investor or Microfund Lead Investor as applicable (through a third party service provider), including criminal record, securities regulatory, AML, terrorist financing, and economic and political sanctions watch-lists. In addition, similar background checks are conducted annually on Syndicate Lead Investors and Microfund Lead Investors. ALA conducts and maintains third-party background checks on the individuals at ALA who act as officers and directors of the SPE.

Start-ups

87. ALA conducts background reviews on the Start-up that a syndicate invests in and each founder (which generally includes the president or chief executive officer) of such Start-up before the close of a syndicate.
88. ALA conducts these background reviews on the Start-up that a syndicate invests in and such Start-up's founders by utilizing internet search engines and other online resources for evidence of: criminal record, securities regulatory, AML terrorist financing, and economic and political sanctions watch-lists. ALA's processes currently include conducting background checks on the Start-up and founders on a yearly basis. For each Start-up, ALA conducts due diligence in respect of each Start-up's registration status and general background checks, including a check of (1) the disciplined list which is posted on the CSA website and (2) a Canada bankruptcy search. These are performed at least once every 12 months. For each Start-up's founder, ALA conducts due diligence in respect of each founder's registration status (as applicable) and general background checks, including a check of (1) the disciplined list which is posted on the CSA website and (2) a Canada bankruptcy search. ALA has implemented compliance monitoring, controls and escalation processes to ensure the quality execution of such diligence processes. As applicable, ALA's operations team will flag background checks for escalation to ALA's compliance team to review. ALA reviews each escalation and takes appropriate action based on their additional review. On a monthly basis, ALA's compliance team also completes a quality assurance check of the background check process to ensure proper execution.
89. The Microfund Lead Investor performs due diligence on each Start-up and its founders in which the microfund invests.
90. ALA does not permit a syndicate to close, if any of the Start-up, its president or chief executive officer has pled guilty to or has been found guilty of an offence related to or has entered into a settlement agreement in a matter that involved fraud or securities violations or if the Start-up is bankrupt.

Additional Requirements

91. Canadian investors will only be permitted to invest in a Start-up that seeks to raise capital through a syndicate and in microfunds in one of the following circumstances:
- a. Permitted Clients. Canadian investors who qualify as permitted clients (as defined in section 1.1 of NI 31-103) and who waive the requirement for ALA to conduct a suitability assessment, in accordance with section 13.3.1 of NI 31-103, may (i) invest in any syndicate on the Platform, (ii) invest in any microfund on the Platform and (iii) participate in the Private Capital Network program.
 - b. The Start-up, or the Start-ups in a particular microfund, is participating in or within the past 24 months has successfully completed an Approved Incubator Program. Canadian Quality Investors may invest in (i) syndicates in which the Start-up is an Eligible Canadian Start-up that is participating in or has successfully completed an Approved Incubator Program, or (ii) microfunds that only invest in Eligible Canadian Start-ups that are participating in or have successfully completed an Approved Incubator Program.
 - c. Other syndicates or microfunds – Subject to limits on the number of Canadian Quality Investors. Over the period commencing on March 27, 2017 and ending on the expiry of the Decision up to a maximum of 2,500 Canadian Quality Investors may invest with one or more syndicates or microfunds that meet one of the following criteria.
 - (1) For Syndicates:
 - a. The founder of the Start-up is an Experienced Founder.
 - b. Either the Syndicate Lead Investor of the syndicate or at least one investor in the Start-up that the syndicate is investing in, other than the Syndicate Lead Investor, is a Credible Investor, and the syndicate is investing in the Start-up on the same terms and conditions as the Credible Investor.
 - c. The Start-up has, within the previous three years, received funding from a federal, state, provincial or territorial government program that supports small business or Start-ups as part of its mandate, such as Business Development Bank of Canada, BDC Capital, the Investment Accelerator Fund, Ontario Centre of Innovation (OCI) (previously known as Ontario Centres of Excellence (OCE)) – Market Readiness Program, the Federal Economic Development Agency for Southern Ontario and Investissement Québec.
 - (2) For microfunds: The Microfund Lead Investor is a Credible Investor and invests in or alongside the microfund on the same terms as the other microfund investors.

Decision

The Principal Regulator is satisfied that the Decision meets the tests 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 Prospectus Relief Sought is granted, provided that all of the following conditions are met:

1. The Filers have their head office or principal place of business in the U.S. or Canada.
2. The Filers are in compliance with the no action letter relating to broker-dealer registration issued to them by the SEC dated March 28, 2013 and the no action letter has not been modified or revoked.
3. ALA is an exempt reporting adviser in the U.S.
4. The Filers ensure that securities are only distributed to investors in Canada in accordance with the terms, conditions, restrictions and requirements applicable to the accredited investor exemption as set out in Canadian securities legislation, except the requirements in subsections 2.3(6) and (7) of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) to obtain and retain a signed risk acknowledgement in the prescribed form.
5. For each distribution by an SPE or microfund made in reliance on this Decision, either ALA, or the SPE/Microfund Manager on behalf of ALA, will file a completed Form 45-106F1 Report of Exempt Distribution (Form 45-106F1) in each jurisdiction of Canada where the distribution takes place within 10 days of the date of the distribution and will reference the accredited investor exemption as set out in section 2.3 of NI 45-106 as the "Exemption relied on" in Schedule 1 of Form 45-106F1.
6. For each distribution by an SPE or microfund made in reliance on this Decision, if an offering memorandum (as defined under the Legislation) is provided by the SPE to investors resident in a jurisdiction of Canada, either ALA or the SPE/Microfund Manager will deliver to the securities regulatory authority of each jurisdiction of Canada where the distribution occurs, a copy of the offering memorandum, or any amendment to a previously delivered offering memorandum, within 10 days of the date of the distribution.
7. For each distribution by an SPE or microfund made in reliance on this Decision, if an offering memorandum (as defined under the Legislation) is provided by the SPE or microfund to investors resident in a jurisdiction of Canada, ALA will ensure that the SPE or microfund provides to investors resident in a jurisdiction of Canada a contractual right of action against the SPE or microfund for rescission or damages that:
 - a. Is available to an investor who purchases a security offered by the offering memorandum during the period of distribution, if the offering memorandum contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation
 - b. Is enforceable by the investor delivering notice to the SPE or microfund:

- i. In the case of an action for rescission, within 180 days after the date of the transaction that gave rise to the cause of action, or
 - ii. In the case of an action for damages, before the earlier of
 - (A) 180 days after the investor first had knowledge of the facts giving rise to the cause of action, or
 - (B) three years after the date of the transaction that gave rise to the cause of action
 - c. Is subject to the defence that the investor had knowledge of the misrepresentation
 - d. In the case of an action for damages, provides that the amount recoverable
 - i. must not exceed the price at which the security was offered, and
 - ii. does not include all or any part of the damages that the SPE or microfund proves does not represent the depreciation in value of the security resulting from the misrepresentation, and
 - e. Is in addition to, and does not detract from, any other right of the purchaser.
8. The first trade in securities distributed in reliance on this Decision will be deemed to be a distribution that is subject to section 2.5 of National Instrument 45-102 Resale of Securities.
9. The Filers ensure that
 - a. the accredited investor status of each investor is verified when the investor first signs up to the Platform and verified again when the investor makes any investment through the Platform,
 - b. prior to closing of the first syndicate or microfund in which an investor invests, the investor acknowledges the risks as described above in paragraph 50, and
 - c. upon signing up to access the Restricted Services, the investor acknowledges the risks as described above in paragraph 71.
10. The Filers limit access to the Restricted Services to Quality Investors, subject to the limitations applicable to Direct Investors described in paragraph 74.
11. The Filers will immediately remove an investor from being able to access the Restricted Services if it knows or suspects that the investor is not an accredited investor (as defined in section 73.3(1) of the Act and NI 45-106).
12. The Filers ensure that Canadian investors invest in syndicates or microfunds through the Platform in accordance with paragraph 91.

13. The Approved Incubator Programs are NEXT Canada (previously known as The Next 36), Creative Destruction Lab, York Entrepreneurship Development Institute's (YEDI) Incubator Track, Ontario Centre of Innovation (OCI) (previously known as Ontario Centres of Excellence (OCE)) – Market Readiness Program, Launch Academy, UTEST and any other Approved Incubator Program from time to time.
14. ALA notifies the Principal Regulator in writing at least 10 business days prior to any material change in either Filers' business operations or business model, including any material addition to or material modification to the Restricted Services.
15. The Filers notify the Principal Regulator promptly in writing of any regulatory action, criminal charges, or material civil actions initiated after the date of this Decision in respect of the Filers or any specified affiliate (as defined in Form 33-109F6 Firm Registration) of the Filers.
16. This Decision will expire on January 31, 2026.

“Michael Balter”

Michael Balter
Manager, Corporate Finance
Ontario Securities Commission

The further decision of the Principal Regulator is that the Registrant Obligations Relief Sought is hereby granted, provided that all of the following conditions are met:

1. The Filers comply with the terms and conditions of the Decision with respect to the Prospectus Relief Sought.
2. Unless otherwise exempted by a further decision of the Principal Regulator, ALA complies with all of the terms, conditions, restrictions and requirements applicable to a registered dealer and to a registered individual under Canadian securities laws, including the Act and NI 31-103, and any other terms, conditions, restrictions or requirements imposed by a securities regulatory authority or regulator on ALA.
3. The Filers will deal fairly, honestly and in good faith with Participants.
4. The Filers, any representatives of the Filers, any Syndicate Lead Investors, any Microfund Lead Investors and any Start-ups do not provide recommendations or advice to any investor or prospective investor on the Platform.
5. The Filers ensure Syndicate Lead Investors of a syndicate invest in the Start-up on the same terms and conditions as the syndicate, and that the Microfund Lead Investors of a microfund invest in or alongside the microfund on the same terms and conditions as investors in the microfund.
6. The Filers ensure that any Start-up that raises capital in Canada through the Platform is not an investment fund and not a reporting issuer.

7. Neither ALA nor any Syndicate Lead Investor nor any Microfund Lead Investor will solicit investors, aside from the Restricted Services of the Platform itself.
8. Neither the Filers nor the SPE nor the microfund holds, handles or controls any investor or Start-up funds.
9. Neither Filers permit any secondary trading of previously issued securities to take place on the Platform.
10. The only compensation that ALA, the Syndicate Lead Investor or the Microfund Lead Investor receive for their role in a syndicate or microfund is (i) Syndicate Carried Interest or Microfund Carried Interest as applicable, and (ii) in the case of certain microfunds, a maximum 1%-3% management fee payable to the Microfund Lead Investor and/or ALA, and such compensation is disclosed to investors. None of the Filers, the Syndicate Lead Investor, the Microfund Lead Investor nor any of their officers or directors receive any other form of commission or transaction-based compensation related to the Restricted Services, including the Syndicate Services or the Microfund Services.
11. ALA complies with the requirements of section 13.4 of NI 31-103, as amended from time to time. ALA will disclose any conflicts of interest as described in paragraph 71.h to investors in the syndicate or microfund.
12. The Filers will immediately remove a Start-up from the Platform, and the posting of any syndicate in relation to such Start-up, and will prevent any microfund from investing in a Start-up if:
 - a. Either Filer makes a good faith determination that the business of the Start-up may not be conducted with integrity because of the past or current conduct of the Start-up or of the Start-up's directors, executive officers or promoters; and
 - b. Either Filer becomes aware that the Start-up is not complying with applicable securities legislation.
13. The Filers will not permit Canadian Quality Investors to invest in microfunds that have been formed to invest primarily in crypto-assets.
14. The Filers will immediately remove any Participant from the Platform or prohibit any person or company from accessing the restricted area of the Platform at the request of the Principal Regulator.
15. In addition to any other reporting required by law, including Form 45-106F1 Report of Exempt Distribution, the Filers provide the following information to the Principal Regulator within 30 days of the end of June and December:
 - a. For syndicates:
 - The name of each Start-up that has raised capital in Canada through a syndicate on the Platform, and
 - the name of the associated SPE(s).

b. For microfunds:

- The number of microfunds established in the quarter in Canada and the name of the associated SPE(s),
- The number of microfunds that deployed cash in Canada in the quarter and the amount invested in Start-ups in total,
- A list of those microfunds that invested solely in Eligible Canadian Start-ups and the names of the Approved Incubator Programs each Start-up participated in, and
- The total number of Canadian investors who invested in microfunds in the quarter (pursuant to this Decision).

c. The number of Canadian Accredited Investors that applied during the quarter to be approved as Quality Investors and the number who were approved by ALA as Quality Investors.

16. The Filers will provide such other information as the Principal Regulator may reasonably request from time to time.
17. This Decision will expire on January 31, 2026.
18. This Decision may be amended by the Principal Regulator from time to time upon prior written notice to the Filers.

“Debra Foubert”

Debra Foubert
Director, Compliance and Registrant Regulation
Ontario Securities Commission