

# Practical Law Canada

## Capital Markets & Securities: Private Placement

Welcome to the Practical Law Canada training on conducting a private placement.

In this tutorial, we will identify the resources that can be found on Practical Law Canada that are helpful to a lawyer working on a private placement of securities.

While we have many resources describing the various available securities law exemptions, we will direct your attention to the resources which relate specifically to a private placement in reliance on the accredited investor exemption or the offering memorandum exemption from the requirement to use a prospectus.

All of the principal resources which address issues pertaining to private placements are located under the heading Capital Markets and Securities, and the subheading Exempt Offerings.

One way to access Practical Law's private placement documents is by retrieving the Exempt Offerings topic page and browse through the resources.

Or, what most people do when they know what subject they are looking for, is conduct a keyword search. Practical Law Canada's keyword search works the same as WestlawNext Canada.

To limit your search results you can put the phrase you are searching in quotes. Here, I am going to search for the phrase "private placement". As you can see, my search yielded a number of results sorted by relevance.

As a starting point, I direct you to [Conducting a Private Placement Offering in Canada: Overview](#).

This practice note is a roadmap of the steps involved in conducting an offering of securities under the private placement prospectus exemptions.

It provides an overview of the process from the engagement of issuer's counsel to the closing of the offering.

As you can see from the table of contents, this practice note lays the framework for the offering and identifies the principal documents to be prepared.

While this resource identifies the basic steps and concepts, we have other resources which go into greater detail on items identified within the table of contents.

For a lawyer with little or no familiarity with the accredited investor or offering memorandum private placement exemptions, we have a Practice Note: Overview identified under the Related Content at the bottom of the document called Private Placement Offerings in Canada: Overview which provides a detailed analysis of the applicable rules.

We also have a checklist called National Instrument 45-106 Prospectus Exemptions in Canada: Chart which provides a summary of the applicable rules.

We have also provided links to other practice notes which will assist you during the offering and in preparing the specific offering documents. In particular, I point out the following:

Due Diligence: Prospectus and Exempt Offerings – This is the information you need to review to ensure that the disclosure is accurate in an offering memorandum. Due diligence is an important step which can affect the liability of the parties in the offering.

Legal Opinions in Canadian Securities Offerings – is a guide to the issues that will need to be opined on in order to close the offering.

Securities Offering Memorandums in Ontario – provides detailed information on using offering memorandums in Ontario. The rules applicable in other Canadian jurisdictions, which differ from Ontario, are also discussed, but not in as much detail.

We have Subscription Agreements which contain drafting notes that can assist an associate when preparing a subscription agreement or reviewing someone else's draft.

We also have a number of other annotated standard documents and clauses that will assist you during the drafting process.

For standard documents in particular, I suggest:

- Closing Agenda: Private Placement of Common Shares, as well as the related closing documents which are linked to it;
- The Accredited Investor Certificate;
- Form 45-106F12: Risk Acknowledgement Form for Family, Friend and Business Associate Investors
- Form 45-106F9: Form for Individual Accredited Investors
- Form 45-106F16: Notice of Use of Proceeds
- Form 45-106F17: Notice of Specified Key Events
- Cover Letter to File Form 45-106F1 Report of Exempt Distribution

These documents can help with drafting a document that needs to be prepared in a short period of time and can also assist when reviewing documents prepared by others to ensure that everything required and nothing unnecessary is included.

Now turning to our clauses, I suggest some of the following:

We have resolutions for an underwritten private placement offering of debt or equity securities as well as resolutions for approving a non-brokered private placement of equity securities.

We also have Legends for a Private Placement Global Security. These are the standard legends and transfer restrictions to be inserted in global certificates representing securities issued under the private placement exemption provisions.

Practical law Canada also produces a variety of checklists. We have:

- Closing Checklist: Private Placement of Common Shares
- Closing Checklist: Private Placement of Units
- Comparison of Methods of Accessing the Equity Capital Markets in Canada
- Steps in the process of drafting and reviewing a legal opinion
- A list of all of the provisions relating to each type of prospectus exemption under NI 45-106
- A checklist to assist with negotiation of warrant anti-dilution provisions as well as
- A number of checklists to be used when negotiating various provisions of an underwriting agreement.

We also encourage you to do free text searches to find additional resources which may help you be more efficient and also provide you with good guidance and drafting tips.

If you have any further questions, please use our [What Are You Working On?](#) link. Your question will be directed to our editors and we will respond within 24 hours.

Thank you for taking the time to listen to our tutorial.