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Headnote

1996 Securities Act s. 48 Adviser - Exemption from s.34(1)(c) requirement to be registered as an adviser - A person who resides outside BC wants to advise BC residents. - The person is registered or qualified to provide the advice in the jurisdiction in which they reside or carry on business; the person will only advise a small number of BC clients; the person will not carry on any other business in BC; the BC clients are sophisticated and have a high net worth; the clients are aware that the person is not registered in BC and the consequences.

Exemption Order

WCM Investment Management

Section 48 of the *Securities Act*, RSBC 1996, c. 418

Background

- ¶ 1 WCM Investment Management (WCM) applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act (the Adviser Registration Requirement) in order to provide securities advice to two potential clients who are resident in British Columbia;

Representations

- ¶ 2 WCM represents that:
1. it is a California-based, U.S. investment adviser registered under the Investment Advisers Act of 1940 (the 1940 Act), which provides investment counselling and portfolio management services to corporations, public investment funds, high net worth individuals, endowments, foundations and pension plans;
 2. it intends to provide securities advice to two individuals that are spouses (the Clients) who are resident in British Columbia;
 3. each Client will be an “accredited investor” as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106);
 4. it will advise the Clients that:
 - (a) it is not registered as an adviser under the Act,
 - (b) it may not have the same proficiency requirements as other persons registered under the Act, and

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- (c) the Client may not have the same protection that it otherwise might have if WCM were registered as an adviser under the Act;
5. it does not:
- (a) maintain an office or sales force in British Columbia,
 - (b) currently have any clients in British Columbia, or
 - (c) intend to actively solicit other clients in British Columbia;
6. in providing securities advice to the Clients, WCM would be considered to be acting as an adviser under the Act and without this order would be required to be registered or otherwise exempt from registration, as an adviser under the Act; and
7. there are no exemptions from the Adviser Registration Requirement that WCM can rely on to provide securities advice to the Clients.

Order

- ¶ 3 Considering that it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that WCM is exempt from the Adviser Registration Requirement for securities advice to the Clients, provided that:
- (a) each Client is an accredited investor as defined in NI 45-106, and
 - (b) WCM maintains in good standing its registration as an investment adviser under the 1940 Act.
- ¶ 4 November 8, 2006

L.E. Evans, CA
Director, Capital Markets Regulation