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Headnote

Relief from the requirement to be registered to advise for a United States broker dealer advising up to five accredited investors in British Columbia.

Exemption Order

Keefe, Bruyette & Woods, Inc.

Section 48 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Keefe, Bruyette & Woods, Inc. (KBW) applied for an exemption from the requirement in Section 34(1)(c) of the Act to be registered as an adviser (the registration requirement), in order to provide advice on U.S. securities (the securities advice), to clients in British Columbia (the clients).

Representations

- ¶ 2 KBW represents that:
1. it is incorporated under the laws of the state of New York and its principal place of business is New York, New York;
 2. it is registered as a broker dealer with the United States Securities and Exchange Commission and the National Association of Securities Dealers, under Sections 15 and 15A of the Securities and Exchange Act of 1934 (the 1934 Act);
 3. it has carried on the business of a broker dealer in the United States since 1962, and specializes in providing investment banking and broker dealer services to institutional investors who participate in the financial services sector;
 4. it intends to provide securities advice to the clients, who will be accredited investors, as that term is defined in Section 1.1 of Multilateral Instrument 45-103 *Capital Raising Exemptions* (MI 45-103);
 5. it will advise each of the clients that:
 - (a) it is not registered as an adviser under the Act; and

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- (b) the client may not have the same protection that they otherwise might have if KBW were registered as an adviser under the Act;
- 6. it does not:
 - (a) maintain an office or sales force in British Columbia;
 - (b) intend to actively solicit clients in British Columbia;
- 7. in providing the securities advice to the clients, KBW 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
- 8. there are no exemptions from the registration requirement that KBW could rely on to provide the securities advice to the clients.

Order

¶ 3 Because it is not prejudicial to the public interest, the Commission orders under Section 48 of the Act that KBW is exempt from the registration requirement for securities advice provided to clients provided that:

- 1. each client is an accredited investor as that term is defined in MI 45-103;
- 2. KBW does not provide securities advice to more than five clients in British Columbia in any 12 month period; and
- 3. KBW maintains its registration as a broker dealer under the 1934 Act.

April 25, 2003

Brenda Leong
Director