

2002 BCSECCOM 322

Headnote

Relief from adviser registration requirement to permit U.S. investment adviser to advise one sophisticated client

Exemption Order

NWQ Investment Management Company, Inc.

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

Background

- ¶ 1 NWQ applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act (the Adviser Registration Requirement) in order to advise a client resident in British Columbia on the investment in or sale and purchase of securities (the Securities Advice).

Representations

- ¶ 2 NWQ represents that:
1. it is a company incorporated under the laws of Massachusetts and its principal place of business is Los Angeles, California;
 2. it is registered with the United States Securities and Exchange Commission as an investment adviser under the the *Investment Advisers Act of 1940* (the 1940 Act);
 3. it and its predecessor entities have carried on business as investment advisers in the United States since 1982, and currently has assets under management of approximately US\$6.85 billion for over 13,000 clients;
 4. it specializes in account management for investors in equity and fixed income securities and its client base is comprised of high net worth individuals, financial service firm-sponsored wrap programs, mutual fund and institutional accounts;
 5. it intends to provide the Securities Advice to a client (the Client) resident in British Columbia;
 6. the Client is a private corporation that holds assets on behalf of a family group, is a sophisticated investor and has professional advisors including legal counsel and chartered accountants;

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7. the Client has retained money managers to manage portions of the Client's financial assets;
8. it has advised the Client that:
 - (a) NWQ is not registered as an adviser under the Act,
 - (b) NWQ may not have the same proficiency requirements as other persons registered under the Act, and
 - (c) the Client may not have the same protection that it otherwise might have if NWQ were registered as an adviser under the Act;
9. it does not:
 - (a) maintain an office or sales force in British Columbia,
 - (b) have any client other than the Client resident in British Columbia, and
 - (c) intend to actively solicit other clients in British Columbia;
10. in providing the Securities Advice to the Client, NWQ 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
11. there are no exemptions from the Adviser Registration Requirement that NWQ can rely on to provide the Securities Advice to the Client.

Order

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that NWQ is exempt from the Adviser Registration Requirement for Securities Advice provided to the Client, provided that NWQ maintains in good standing its registration as an investment adviser under the 1940 Act.

¶ 4 April 23, 2002

Noreen Bent
Manager