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## Headnote

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

### Grantham, Mayo, Van Otterloo & Co. LLC

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

## Background

- ¶ 1 Grantham, Mayo, Van Otterloo & Co. LLC (GMV) applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act (the adviser registration requirement) to act as an adviser to one potential client that is resident in British Columbia.

## Representations

- ¶ 2 GMV represents that:
1. it is an investment adviser, formed under the laws of the Commonwealth of Massachusetts in October 1977, and its principal place of business is in Boston, Massachusetts;
  2. it is registered with the US Securities and Exchange Commission as an investment advisor under the *Investment Advisors Act of 1940* (the 1940 Act);
  3. it is registered with the Ontario Securities Commission as an international adviser in the categories of investment counsel and portfolio manager;
  4. it provides investment advisory and portfolio management services to institutional clients including large corporations, government bodies and pension plans;
  5. it intends to act as an adviser to one corporation that is resident in British Columbia (the client);

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6. the client is an “accredited investor” as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106);
7. it will advise the client 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
  - (c) the client may not have the same protection that it otherwise might have if GMV was registered as an adviser under the Act;
8. it does not:
  - (a) maintain an office in British Columbia;
  - (b) act as an adviser to any other clients in British Columbia; and
  - (c) intend to actively solicit other clients in British Columbia to act as an adviser;
9. it would be considered to be acting as an adviser under the Act and without this order would be required to be registered or otherwise be exempt from registration, as an adviser under the Act; and
10. there are no exemptions from the adviser registration requirement that GMV can rely on to act as an adviser to the Client.

### **Order**

¶ 3 Considering that it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that GMV is exempt from the adviser registration requirement to act as an adviser to the client, provided that:

1. the client is an accredited investor as defined in NI 45-106, and

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2. GMV maintains in good standing its registration as an investment advisor under the 1940 Act.

May 21, 2009

Sandra Jakab  
Director, Capital Markets Regulation