

# 2004 BCSECCOM 665

## Headnote

Securities Act s. 48 - Exemption from s. 34(1)(c) to be registered as an adviser and the obligations of advisers in Part 5 of the Act and rules - A person who resides in BC wants to advise BC residents - The person will only advise an investment fund; the advice will be about investment in non-liquid securities of private companies; the person has considerable experience in advising and managing similar investment funds; the adviser education requirements may be of minimal benefit because they do not focus on the types of investments about which the person will be advising

## Exemption Order

### Medical Innovations Management Inc.

### Section 171 of the *Securities Act*, R.S.B.C. 1996, c. 418

#### ¶ 1 Background

1. On January 10, 2003, the British Columbia Securities Commission issued an exemption order (the Previous Order) under Section 48 of the Act which exempted Medical Innovations Management Inc. (formerly known as Altura Management Inc.) (the Manager) from the adviser registration requirement of section 34(1)(c) of the Act (the adviser registration requirement) in connection with providing management services to Altura Growth Fund (EVCC) Inc. (the Fund) under the terms of a management agreement (the Management Agreement) originally dated October 31, 2002 (which has subsequently been amended and restated as of November 18, 2004);
2. among the representations made by the Manager in connection with the Previous Order were:
  - (a) the Manager is an affiliate of ENSIS Management Inc., which manages ENSIS Growth Fund Inc.; and
  - (b) ENSIS Growth Fund Inc. is registered as a labour-sponsored investment fund under The Labour Sponsored Venture Capital Corporation Act (Manitoba), which is the counterpart to an employee venture capital corporation under the *Employee Investment Act* (British Columbia) (the “EIA”);

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3. effective November 18, 2004, all the issued and outstanding shares of the Manager were acquired by Canadian Venture Capital Management Corp. (CVCMC) (the Transaction) and the Manager has applied to vary the Previous Order to reflect the change in ownership and affiliation.

### ¶ 2 **Representations**

The Manager represents that:

1. CVCMC is beneficially owned by Dr. Calvin Stiller and MDS Capital Corp. (MDS Capital);
2. MDS Capital is a large Canadian venture capital fund manager focused exclusively on health and life sciences; MDS Capital and its subsidiaries currently manage or provide investment management or other advisory services to nine investment funds, two of which are labour-sponsored funds, with aggregate total assets of approximately \$1 billion; as at the date hereof, MDS Capital employs 33 employees who have appropriate qualifications and experience to provide investment management and other advisory services;
3. Dr. Calvin Stiller is Chairman and Chief Executive Officer of Medical Discovery Management Corporation which is the manager of Canadian Medical Discoveries Fund Inc. and Canadian Medical Discoveries Fund II Inc., both of which are labour-sponsored investment funds based in Ontario; Dr. Stiller is also: (a) a Physician; (b) a Professor of Medicine at the University of Western Ontario; and (c) a member of the Multi-Organ Transplant Unit, University Hospital, London, Ontario; and
4. the administrator appointed under the EIA has approved the acquisition of the shares of the Manager by CVCMC pursuant to the Transaction.

### ¶ 3 **Order**

Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that the Manager will remain exempt from the adviser registration requirement until March 15, 2005, provided that, on or before January 15, 2005, the Manager

1. applies for registration as an adviser, and

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2. provides all documentation reasonably required by the Executive Director to consider the application for registration.

¶ 4 November 24, 2004

Leslie Rose  
Acting Manager