

# 2007 BCSECCOM 315

June 4, 2007

## Headnote

Multilateral Instrument 33-109, s.7.1 - Registration Information - A registrant wants relief from the filing and notification requirements to permit a bulk transfer of business locations and individuals following an amalgamation or reorganization. - The applicant is acquiring a number of business locations and individuals from another registered dealer in the same jurisdiction. No third parties are involved in the reorganization, so many of the concerns addressed by the notification and registration requirements of MI 33-109 do not apply. The applicant's representatives are registered in multiple jurisdictions. The amalgamation is not contrary to the public interest. It will have no negative consequences on the ability of the applicant to comply with all applicable regulatory requirements or satisfy their obligations to their clients.

## Applicable Legislative Provisions

Multilateral Instrument 33-109 *Registration Information*

**In the Matter of the Securities Legislation  
of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario,  
New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and  
Labrador, Northwest Territories, Yukon and Nunavut  
(the Jurisdictions)**

**and**

**In the Matter of the Mutual Reliance Review System for Exemptive Relief  
Applications (MRRS)**

**and**

**In the Matter of Assante Financial Management Ltd./Gestion Financiere  
Assante Ltee. (AFM) and IQON Financial Inc. (IQON)  
(AFM, together with IQON, the Filers)**

## MRRS Decision Document

## Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filers from requirements of National Instrument 33-109 *Registration Information* (**33-109**) so as to permit the Filers to bulk transfer (the **Bulk Transfer**) to a new

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entity created for the Filers under the National Registration Database (**NRD**), the office locations and certain registered and non-registered individuals that are associated on NRD with the Filers (the **Representatives**) following the short form horizontal amalgamation of the Filers under the provisions of Section 177(2) of the *Business Corporations Act (Ontario)* (the **OBCA**) into a new entity on or about June 1, 2007 (the **Amalgamation**) to pursue each corporation's business activities under the corporate name "Assante Financial Management Ltd./Gestion Financiere Assante Ltee." (**AFM Amalco**) (the **Requested Relief**).

Under the MRRS:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the MRRS decision document evidences the decision of each Decision Maker.

### **Interpretation**

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

### **Representations**

This decision is based on the following statements presented by the Filers:

1. AFM is registered as a mutual fund dealer or equivalent in all provinces and territories of Canada, except for Nunavut (registration pending) and is registered as a limited market dealer in Ontario and Newfoundland and Labrador; AFM is a member of the Mutual Fund Dealers Association of Canada (the **MFDA**);
2. IQON is registered as a mutual funds dealer or equivalent in all provinces and territories of Canada, except for Quebec and is registered as a limited market dealer in Ontario; IQON is a member of the MFDA;
3. IQON's holding company, IQON Financial Management Inc. (**IFMI**), will also be a party to the Amalgamation; IFMI is not a securities regulated entity and is simply a holding company with no business interests of its own;
4. AFM, IQON and IFMI are subject to the OBCA and are wholly owned direct or indirect subsidiaries of Assante Wealth Management (Canada) Ltd. (**AWM**) and, as such, are affiliates of each other; the products and services offered by AFM are essentially the same products and services offered by IQON;

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5. AFM and IQON, to the best of their knowledge, are not in default of any of the requirements of the Legislation in the Jurisdictions;
6. there is substantial overlap in the business carried on by AFM and IQON and, for a number of reasons, it is deemed expedient for AFM and IQON to amalgamate their business and to carry on business as an amalgamated company under the name “Assante Financial Management Ltd./Gestion Financiere Assante Ltee.” AFM Amalco will remain a wholly owned subsidiary of AWM;
7. certain aspects of AFM and IQON’s operations are already functionally integrated and their respective policies and procedures are largely harmonized; to the extent necessary, the policies and procedures currently in place for AFM will formally be extended to the operations of AFM Amalco once the Amalgamation takes effect, subject to any required modifications;
8. the Amalgamation is proposed to take effect on or about June 1, 2007;
9. as a result of the Amalgamation, all business locations and the Representatives of AFM and IQON will be transferred to AFM Amalco;
10. the Amalgamation is an internal restructuring transaction and does not involve any third parties; AFM Amalco will carry on all mutual fund dealer business of AFM and IQON in substantially the similar manner with substantially similar directors and the same mutual fund salespersons as AFM and IQON;
11. for the purposes of NRD, the successor registrant to AFM and IQON will be AFM Amalco;
12. the Filers have informed their Representatives that following the amalgamation the representatives will be employed in the same capacity by AFM Amalco;
13. the Filers and AFM Amalco are organizing the Bulk Transfer on NRD of all affected business locations and Representatives to AFM Amalco;
14. the amalgamation will not be contrary to public interest and will have no negative consequences on the ability of AFM Amalco to comply with all applicable regulatory requirements or the ability to satisfy any obligations of the clients of AMF Amalco;
15. given the number of business locations and the number of Representatives of AFM and IQON, it would be exceedingly difficult and onerous to transfer

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each business location and each Representative to AFM Amalco from the Filers in accordance with the requirements set out in the Legislation; and

16. as a result of NRD system constraints, and the significant number of Representatives to be transferred from the Filers to AFM Amalco, it would be difficult, costly, and time consuming to effect the transfer as a separate and distinct transfer of branch and sub-branch office locations and each Representative while ensuring that all such transfers occur at the same time in order to preclude any disruption of individual registrations or AFM Amalco's business activities.

### **Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted, and the following requirements of the Legislation shall not apply to the Filers or AFM Amalco in respect of the Representatives and business locations that will be bulk transferred from the Filers to AFM Amalco:

- (a) the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under Section 4.3 of 33-109;
- (b) the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under Section 5.2 of 33-109;
- (c) the requirement to submit a registration application for each individual applying to become a registered individual under Section 2.2 of 33-109;
- (d) the requirement to submit a Form 33-109F4 for each non-registered individual under Section 3.3 of 33-109; and
- (e) the requirement under Section 3.2 of 33-109 to notify the regulator of a change to the business location information in Form 33-109F3

provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the Bulk Transfer, and make such payment in advance of the Bulk Transfer.

David M. Gilkes  
Manager, Registrant Regulation  
Ontario Securities Commission