

2002 BCSECCOM 570

Headnote

Exemption from the adviser registration requirement granted where adviser will only be providing advice to two foreign clients, subject to conditions

Exemption Order

CoreVest Capital Management Ltd.

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

Background

- ¶ 1 CoreVest Capital Management Ltd. (“CoreVest”) and Kyung Hwa (K.H.) Paik (“Paik”) have applied to the Commission for an order under section 48 of the *Securities Act*, R.S.B.C. 1996, c. 418, that CoreVest and Paik be exempt from the requirements of subsection 34(1)(c) of the Act with respect to providing certain adviser services;

Representations

- ¶ 2 CoreVest and Paik represent that:
1. CoreVest is a closely-held private company domiciled in British Columbia;
 2. Paik is the sole director and officer of CoreVest and will be the only person providing adviser services on behalf of CoreVest;
 3. CoreVest has only two clients for which it will provide adviser services, both of which are professionally managed investment funds domiciled outside of Canada;
 4. CoreVest’s clients accept investments only from sophisticated investors, and do not accept investors who are residents of Canada;
 5. CoreVest provides adviser services only with respect to certain securities markets in which Paik has specific expertise and does not generally provide adviser services to its clients with respect to Canadian securities markets or securities of Canadian resident issuers;

Order

- ¶ 3 Because it is not prejudicial to the public interest the Executive Director orders under section 48 of the Act that CoreVest Capital Management and Paik are exempt from the requirements of subsection 34(1)(c) of the Act with respect to providing portfolio manager adviser services, provided that:

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- (a) CoreVest and Paik will be limited to providing portfolio manager adviser services to two existing clients, both of whom having been identified to the Director of Registration of the British Columbia Securities Commission;
- (b) CoreVest and Paik will be registered as advisers or the equivalent in any jurisdiction where they carry on any activities as advisers on behalf of their clients, unless not required to be registered in those jurisdictions, and will otherwise operate in compliance with all applicable securities laws in any such jurisdictions;
- (c) CoreVest and Paik will not provide advice on securities of issuers that trade on a market or exchange in Canada;
- (d) CoreVest and Paik will not advise, either directly or indirectly, any Canadian resident; and
- (e) CoreVest and Paik will cease advising their existing clients if either becomes ordinarily resident in Canada.

¶ 4 June 28, 2002.

L.E. Evans, C.A.
Director, Capital Markets Regulation