

2002 BCSECCOM 515

Headnote

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

Exemption Order

The Burrridge Group LLC

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

Background

- ¶ 1 Burrridge 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 or otherwise located in British Columbia on the investment in or sale and purchase of securities (Securities Advice).

Representations

- ¶ 2 Burrridge represents that:
1. it was created under the laws of the State of Delaware on October 11, 1996 for the purposes of acquiring the principal assets of, and then carrying on the business of, The Burrridge Group Inc., a corporation incorporated under the laws of the State of Illinois in March, 1986 and having its principal place of business in Chicago, Illinois;
 2. it is registered with the Securities and Exchange Commission of the United States of America as an investment advisor under the *Investment Advisors Act of 1940* (the 1940 Act);
 3. it has been in operation as an investment advisor since December 31, 1996 upon acquiring the principal assets of The Burrridge Group Inc., which operated as an investment advisor from 1986 to December 31, 1996, and as at March 31, 2002 it had assets under management of over US\$2 billion for approximately 7,200 clients;
 4. it specializes in discretionary investment advisory services for pooled investment vehicles, individuals, and institutional equity clients in the United States of America;
 5. it intends to provide Securities Advice to a certain family trust organized under the laws of British Columbia (the Trust), or a company, trust or other entity controlled by the Trust (collectively, the Client);
 6. the Client has financial assets of over C\$5 million;

2002 BCSECCOM 515

7. the Client is a sophisticated investor with professionals acting as its trustees, including a certified public accountant and a lawyer; the Client employs consultants to oversee several money managers that have been retained to manage portions of the Client's financial assets;
8. it has instructed the Client as follows:
 - (a) BurrIDGE is not registered as an adviser under the Act;
 - (b) BurrIDGE may not have the same proficiency requirements as other persons registered under the Act; and
 - (c) the Client may not have the same protections it would have if BurrIDGE were registered as an adviser under the Act;
9. it does not:
 - (a) maintain offices or a sales force within British Columbia;
 - (b) have any other clients resident in British Columbia; and
 - (c) intend to actively solicit other clients within British Columbia;
10. in providing Securities Advice to the Client, 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 exempt from registration, as an adviser under the Act; and
11. there are no exemptions from the Adviser Registration Requirement that it can rely on to provide 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 BurrIDGE is exempt from the Adviser Registration Requirement for Securities Advice provided to the Client, provided that BurrIDGE maintains its registration as an investment advisor under the 1940 Act in good standing.

¶ 4 June 17, 2002

Derek E. Patterson
Acting Director