

2006 BCSECCOM 389

June 14, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Application – 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 significant number of business locations and individuals from another registered dealer in the same jurisdiction; the application includes the information required in Appendix A to MI 33-109.CP Registration Information.

Applicable British Columbia Provisions

Multilateral Instrument 33-109 *Registration Information*

**In the Matter of
the Securities Legislation
of the provinces of Alberta, British-Columbia, Manitoba, New-Brunswick,
Nova Scotia, Prince Edward Island, Ontario, Saskatchewan and
Newfoundland and Labrador (the “Jurisdictions”)**

and

**In the Matter of
Mutual Reliance Review System for Exemptive Relief Application**

and

**In the Matter of
Optifund Investments Inc. (“Optifunds”)
and
Performa Financial Group Limited (“Performa”)
(Optifunds and Performa collectively called 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 the requirements of National Instrument 33-109 Registration Information (“**MI 33-109**”) so as to permit the Filers to bulk transfer to Optifunds, under the National Registration Database (“**NRD**”) the places of business and

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certain registered representatives who are associated on NRD with Performa (“**Affected Locations and Individuals**”) following an agreement entered into on March 9, 2006 in relation to the purchase by Optifunds of all the assets of Performa (“**Requested Relief**”);

Under the Mutual Reliance Review System for Exemptive Relief Applications (“**MRRS**”):

- (a) the *Autorité des marchés financiers du Québec* is the principal regulator for this application; and
- (b) this 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 facts represented by the Filers:

- (a) Founded in 1992, Performa is a mutual fund dealer that also provides life insurance, group insurance and financial planning services. Performa is registered in each of the Jurisdictions as a mutual fund dealer or equivalent. Performa is incorporated under the laws of the Province of Ontario.
- (b) Founded in 1991, Optifund is a mutual fund dealer that also provides life insurance, group insurance and financial planning services. Optifund is registered in each of the Jurisdictions as a mutual fund dealer or equivalent. Optifund is incorporated under the laws of the Province of Québec.
- (c) To the best of each Filer’s knowledge, each are respectively not in default of any requirements of the securities legislation of any of the Jurisdictions.
- (d) On March 9, 2006, Standard Life Financial Inc. and Desjardins Financial Security, Life Assurance Company (“**DSF**”) announced that they had agreed to the sale of Performa to Optifund, a wholly owned subsidiary of SFL Management Inc., itself a wholly owned subsidiary of DSF (the “**Transaction**”). Performa shall cease its activities after the closing

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of the Transaction. The Jurisdictions were advised of the Transaction on March 10, 2006.

- (e) Performa advised its representatives that its activities would be terminated and most of such representatives were invited to join Optifund or were advised that their status within the firm would be terminated. The closing of the Transaction is planned for on or about June 30, 2006 and the Filer will be required to transfer their Affected Locations and Individuals who will be joining Optifund using the NRD.
- (f) According to the procedure required under MI 33-109, the Filers must file, for each representative being transferred or terminated, as the case may be, and for each business location that it holds, notices of registration modification, notices of termination and new registrations no later than five (5) business days after the closing of the Transaction.
- (g) Given the number of Affected Locations and Individuals under the Transaction and the NRD systems constraints, it would be exceedingly difficult, onerous, costly and time consuming for the Filers to complete within the required five (5) business day all the forms required for the purposes of sections 2.2, 3.1, 3.2, 3.3, 4.3 and 5.2 of MI 33-109 for the transfer of Affected Locations and Individuals and to transfer as a separate and distinct transfer of each Affected Location and Individual while ensuring that all such transfers occur at the same time in order to preclude any disruption of individual registration or Optifund's business activities. As such, the Filers could find themselves in a situation at the expiry of the five (5) business day where there is a break in the registration in that certain Affected Locations and Individuals have not been transferred and would fall into a situation where they would be neither under the registration of Performa (which would have abandoned its activities) or the jurisdiction of Optifund (who would not have been able to confirm the modifications to the representatives status). It is imperative that the transfer of Affected Locations and Individuals occur on the same date, in order to ensure that there be no break in the registration.
- (h) The Transaction is not contrary to the public interest as there will be no change to the Affected Individual's employment or responsibilities and each Affected Individual will be transferred under the same registration category. In addition the Transaction has no negative consequences on the ability of Optifund to comply with all regulatory requirements or the ability of Optifund to satisfy the obligations to the clients of Performa transferred as part of the Transaction.

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- (i) The Filers believe that a simplified procedure, via a bulk transfer of Affected Locations and Individuals would be adequate in order to avoid the problems which could be created by the standard procedure under Regulation 33-109Q and MI 33-109. The bulk transfer would permit all the profiles of the Affected Locations and Individuals to be modified or terminated or registered on the same day.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers 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 Optifund and Performa in respect of the Affected Locations and Individuals that will be bulk transferred from Performa to Optifund:

- (a) the requirement to submit a notice regarding the termination of each employment, partnership or agency relationship under section 4.3 of MI 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 MI 33-109;
- (c) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of MI 33-109;
- (d) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of MI 33-109;
- (e) the requirement under section 3.2 of MI 33-109 to notify the regulator of a change in business location information in Form 33-109F3; and
- (f) provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the bulk transfer, as referred to in section 3.1(5) of the Companion Policy to MI 33-109 and make such payment in advance of the bulk transfer.

Executive Director, Distribution
Nancy Chamberland, notary (s)