

2002 BCSECCOM 961

Headnote

Relief from the requirement to be registered to advise for a United States investment adviser advising up to five accredited investors in British Columbia

Exemption Order

TCW Asset Management Co.

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

Background

- ¶ 1 TCW applied for an exemption from the requirement in section 34(1)(c) of the Act to be registered as an adviser (the registration requirement) in order to provide securities advice, including portfolio management services (securities advice) to up to five clients, who are resident or located in British Columbia (the clients).

Representations

- ¶ 2 TCW represents that:
1. it is incorporated under the laws of California and its principal place of business is Los Angeles, California;
 2. it is registered with the United States Securities and Exchange Commission as an investment adviser under the *Investment Advisers Act of 1940* (the 1940 Act);
 3. it has carried on business as investment adviser and portfolio manager in the United States since 1971, and currently manages assets of approximately US\$44 billion;
 4. it intends to provide securities advice to the clients, each who will be an accredited investor, as that term is defined in Multilateral Instrument 45-103 *Capital Raising Exemptions*;
 5. it will advise each of the clients that:
 - (a) it is not registered as an adviser under the Act; and
 - (b) the clients may not have the same protection that they otherwise might have if it were registered as an adviser under the Act;
 6. it does not:

2002 BCSECCOM 961

- (a) maintain an office or sales force in British Columbia; and
 - (b) intend to actively solicit clients in British Columbia;
7. in providing the securities advice to the clients, TCW 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
8. there are no exemptions from the registration requirement that TCW could rely on to provide the securities advice to the clients.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Commission orders under section 48 of the Act that TCW is exempt from the registration requirement for securities advice provided to the clients provided that:
- 1. each client is an accredited investor as that term is defined in MI 45-103;
 - 2. TCW does not provide securities advice for more than five clients resident or located in British Columbia in any 12 month period; and
 - 3. TCW maintains its registration under the 1940 Act.

- ¶ 4 November 21, 2002

Brent Aitken
Vice-Chair