

# 2006 BCSECCOM 292

## Headnote

Securities Act s. 48 Adviser - Exemption from s.34(1)(c) requirement to be registered as an adviser - A person who resides outside BC wants to advise BC residents - The person is registered or qualified to provide the advice in the jurisdiction in which they reside or carry on business; the person will only advise a small number of BC clients; the person will not carry on any other business in BC; the BC clients are sophisticated and have a high net worth; the clients are aware that the person is not registered in BC and the consequences.

## Exemption Order

### NWQ Investment Management Company, LLC

### Section 48 of the *Securities Act*, RSBC 1996, c. 418

#### ¶ 1 Background

1. NWQ Investment Management Company, LLC (NWQ) applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act (the Adviser Registration Requirement) in order to provide securities advice to two clients resident in British Columbia.
2. NWQ currently has one other client resident in British Columbia under the terms of an exemption order granted on April 23, 2002 (2002 BCSECCOM 322) (the 2002 Client).

#### ¶ 2 Representations

NWQ represents that:

1. it is a limited liability company incorporated under the laws of Delaware 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 and its predecessor entities have carried on business as investment advisers in the United States since 1982;
4. it has assets under management of approximately US\$31 billion for over 61,000 clients;

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5. it specializes in account management for investors in equity securities and its client base is comprised of high net worth individuals, financial service firm-sponsored wrap programs, mutual fund and institutional accounts;
6. it intends to provide securities advice to an individual and corporate client (the Clients) who are resident in British Columbia;
7. the Clients:
  - (a) are respectively, a private corporation and its sole shareholder,
  - (b) have professional advisers including legal counsel and chartered accountants,
  - (c) are “accredited investors” as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*, and
  - (d) are not related to the 2002 Client;
8. it has advised the Clients that:
  - (a) NWQ is not registered as an adviser under the Act,
  - (b) NWQ may not have the same proficiency requirements as other persons registered under the Act, and
  - (c) the Clients may not have the same protection that they otherwise might have if NWQ were registered as an adviser under the Act;
9. it does not:
  - (a) maintain an office or sales force in British Columbia,
  - (b) have any clients in British Columbia other than the Clients and the 2002 Client, or
  - (c) intend to actively solicit other clients in British Columbia;
10. in providing securities advice to the Clients, NWQ 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;

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11. NWQ will only manage one account for each of the Clients; and
12. there are no exemptions from the Adviser Registration Requirement that NWQ can rely on to provide securities advice to the Clients.

### ¶ 3 **Order**

Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that NWQ is exempt from the Adviser Registration Requirement for securities advice provided to the Clients, provided that NWQ maintains in good standing its registration as an investment adviser under the 1940 Act.

May 17, 2006

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