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Headnote

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

ORDER UNDER SECTION 48 OF THE SECURITIES ACT, R.S.B.C. 1996, c. 418

DAWSON-GIAMMALVA CAPITAL MANAGEMENT, INC.

Background

[para 1]

Dawson-Giammalva 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

[para 2]

Dawson-Giammalva represents that:

1. it was incorporated under the laws of, and its principal place of business is in, Connecticut;
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 March 20, 1981, and currently has assets under management of over US\$1.5 billion for approximately 58 clients;
4. it specializes in discretionary investment management services for pooled investment vehicles, institutional investors and high net worth individuals;
5. it intends to provide Securities Advice to a certain family trust organized under the laws of British Columbia (the Trust), or to a company, trust or other entity controlled by the Trust (collectively, the Client);
6. the Client has assets of over C\$5 million;
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) Dawson-Giammalva is not registered as an adviser under the Act,
 - (b) Dawson-Giammalva may not have the same proficiency requirements as other persons registered under the Act, and

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(c) the client may not have the same protection it would otherwise have if Dawson-Giammalva 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

[para 3]

Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Dawson-Giammalva is exempt from the Adviser Registration Requirements for Securities Advice provided to the Client, provided that Dawson-Giammalva maintains its registration as an investment advisor under the 1940 Act in good standing.

[para 4]

March 21, 2002

Noreen Bent