

2006 BCSECCOM 451

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 advice in the jurisdiction in which it resides; the person will only advise one BC client; the person will not carry on any other business in BC; the BC client is aware that the person is not registered in BC and of the consequences; the person managed the assets for a family member of the BC client; the BC client has been given these assets and wants the person to continue as adviser.

Exemption Order

Sloan Asset Management AG

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

Background

- ¶ 1 Sloan Asset Management AG applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act in order to provide securities advice to one client resident in British Columbia.

Representations

- ¶ 2 Sloan represents that:
1. it was duly incorporated on October 1st, 2003 in the Canton of Zurich under the Commercial Register reference number CH-020.3.027.454-1;
 2. it has an initial fully paid up capital of CHF (Swiss Francs) 100,000 of which, 50 shares of CHF 1,000 each are held by the two principals: Robert B. Sloan and Paul Dennison;
 3. the United States Securities and Exchange Commission approved its application for registration as an investment adviser under section 203 (c) of the *Investment Advisers Act* of 1940 on October 23rd, 2003;
 4. the Swiss Money Laundering Control Authority granted it approval to commence its activities as a financial intermediary under Article 14 of the *Swiss Federal Act dated 10th October 1997 on Combating Money Laundering in the Financial Sector (Money Laundering Act, GwG)* on February 16th, 2004;

2006 BCSECCOM 451

5. it has no offices outside of Switzerland;
6. it has no office, affiliate, agent, representative or client in British Columbia except the proposed client;
7. it has no business of any kind in Canada and does not solicit business in Canada;
8. it intends to provide securities advice to the proposed client;
9. the proposed client:
 - (a) is a Canadian citizen resident in British Columbia,
 - (b) is a member of a family for whom Sloan manages more than CHF 40 million,
 - (c) was given assets by a family member for whom Sloan already manages assets, and
 - (d) has specifically requested that Sloan manage these assets given to her;
10. it has advised the proposed client that:
 - (a) Sloan is not registered as an adviser under the Act,
 - (b) Sloan may not have the same proficiency requirements as other persons registered under the Act, and
 - (c) the proposed client may not have the same protection that she otherwise might have if Sloan were registered as an adviser under the Act;
11. it does not:
 - (a) maintain an office or sales force in British Columbia,
 - (b) have any clients in British Columbia other than the proposed client, and
 - (c) intend to actively solicit other clients in British Columbia;

2006 BCSECCOM 451

12. in providing securities advice to the proposed client, Sloan would be considered to be acting as an adviser under the Act and without this order would be required to be registered or to be otherwise exempt from registration, as an adviser under the Act; and
13. there are no exemptions from the adviser registration requirement that Sloan can rely on to provide securities advice to the client.

Order

- ¶ 3 Considering that it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Sloan is exempt from the adviser registration requirement for securities advice provided to the proposed client, provided that Sloan maintains good standing in its registration as a financial intermediary granted under Article 14 of the *Swiss Federal Act dated 10th October 1997 on Combating Money Laundering in the Financial Sector (Money Laundering Act, GwG)* and its registration as an investment adviser with the US Securities and Exchange Commission under the *Investment Advisers Act* of 1940.

- ¶ 4 July 26, 2006

L.E. Evans, CA
Director
Capital Markets Regulation