



Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – 1996 Securities Act s. 48 Dealer Obligations – Exemption from obligations in Part 5 of the Act and Rules for registered dealers – A registered firm wants to permit an individual to act as a dealing, advising or associate advising representative where the individual is registered as a dealing, advising or associate advising representative of another registered firm – The registered firms are affiliated entities and have valid business reasons for the individuals to be registered with both firms. The individuals will have sufficient time to adequately serve both firms - The firms have policies and procedures in place to manage potential conflicts of interest - The firms are able to deal with any potential conflicts, including by supervising how the individual will deal with these conflicts

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – 1996 Securities Act s. 48 Adviser obligations – Exemption from obligations in Part 5 of the Act and Rules for registered advisers – A registered firm wants to permit an individual to act as a dealing, advising or associate advising representative where the individual is registered as a dealing, advising or associate advising representative of another registered firm – The registered firms are affiliated entities and have valid business reasons for the individuals to be registered with both firms - The individuals will have sufficient time to adequately serve both firms - The firms have policies and procedures in place to manage potential conflicts of interest - The firms are able to deal with any potential conflicts, including by supervising how the individual will deal with these conflicts

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 48

In the Matter of
the Securities Legislation of
British Columbia and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and



In the Matter of
GrowthWorks Enterprises Ltd., formerly Seamark Asset Management Ltd. (the Filer)

Decision

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) seeking an exemption pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) from the requirement under section 4.1(1)(b) of NI 31-103 to permit each of Messrs. David Levi and David Balsdon to be registered as both a dealing representative of the Filer and a dealing representative of Growth Works Capital Ltd. (GrowthWorks) and to permit Mr. Timothy Lee to be registered as both an advising representative of the Filer and an advising representative of GrowthWorks (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the British Columbia Securities Commission (BCSC) is the principal regulator for this application;
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador; and
- (c) the decision is the decision of the principal regulator and evidences the decision of securities regulatory authority or regulator in Ontario.

Interpretation

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

- ¶ 3 This decision is based on the following facts represented by the Filer:
- 1. The Filer is a corporation governed by the *Canada Business Corporations Act* and is a subsidiary of Matrix Asset Management Inc. (**Matrix**), a reporting issuer. The common shares of Matrix are listed on The Toronto Stock Exchange. Growth Works Capital Ltd. (**GrowthWorks**) is also a subsidiary of Matrix.



2. Upon the closing of the SEAMARK Sale (defined below), the head office of the Filer moved to Vancouver, British Columbia and the BCSC became the principal regulator for the Filer.
3. The Filer is registered in the categories of:
 - (a) Portfolio Manager in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador;
 - (b) Exempt Market Dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador; and
 - (c) Investment Fund Manager in British Columbia, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador.
4. The Filer is not in default of securities legislation in any jurisdiction of Canada.
5. The Filer's working capital was previously below the level required under Part 12 of NI 31-103. This working capital deficiency was resolved in relation to the sale of substantially all of the Filer's assets (other than working capital) on July 12, 2013 (the SEAMARK Sale) to 8532435 Canada Corp.
6. In connection with the closing of the SEAMARK Sale, the Filer changed its name to GrowthWorks Enterprises Ltd.
7. GrowthWorks, the Filer's affiliate, is registered in the categories of:
 - (a) Portfolio Manager in British Columbia, Ontario, Saskatchewan, Manitoba and Nova Scotia;
 - (b) Mutual Fund Dealer in British Columbia, Ontario, Saskatchewan and Nova Scotia (exempt from membership in the Mutual Fund Dealers Association of Canada);
 - (c) Exempt Market Dealer in British Columbia and Ontario; and
 - (d) Investment Fund Manager in British Columbia (pending Ontario, Newfoundland and Labrador and Quebec).
8. GrowthWorks' working capital is currently below the level required under Part 12 of NI 31-103. GrowthWorks has been engaged in discussions with the British Columbia Securities Commission about addressing the working capital deficiency since May 2013.



9. Currently, GrowthWorks and its affiliates and related companies have two fund management operating divisions – (i) general investment fund management, which may include mutual funds, specialty funds, flow through investments and exempt market products (Matrix Funds Management Division) and (ii) venture capital management, which manages a number of regionally focused venture capital funds (the RVC Funds) across Canada (Venture Capital Management Division).
10. Under management contracts (collectively, the Management Contracts), the Matrix Funds Management Division provides investment fund management services to the Matrix group of investment funds (the Matrix Funds).
11. It is proposed that GrowthWorks transfer the Management Contracts to the Filer (the Transfers) to ensure that the investment fund manager for the Matrix Funds has sufficient working capital. It is anticipated that the Transfers will occur on or about July 16, 2013. This closing date will facilitate the renewal of the Matrix Funds' prospectus prior to the lapse date as a receipt for the prospectus will not be issued unless the investment fund manager for the Matrix Funds is compliant with the working capital requirement in NI 31-103.
12. The Filer is subject to conditions of registration set out in the letter of the BCSC dated July 10, 2013 and accepted by the Filer, which conditions may be revoked or varied in accordance with applicable securities legislation (the Registration Conditions). Under the Registration Conditions, the Filer's only clients will be the Matrix Funds and the Filer will transfer the Management Contracts to an unrelated registrant and cease managing the Matrix Funds on or before September 16, 2013.
13. Following the Transfers, the activities of GrowthWorks will be limited to management and administration of the RVC Funds and the activities of the Filer will be limited to management and administration of the Matrix Funds.
14. In order for GrowthWorks to continue to manage the RVC Funds, and for the Filer to take on management of the Matrix Funds, the Filer must engage Messrs. Levi, Balsdon and Lee (the Dual Registrants) to act as dealing or advising representatives of the Filer as follows:
 - (a) Mr. Levi as a dealing representative (MFD);
 - (b) Mr. Balsdon as a dealing representative (EMD); and
 - (c) Mr. Lee as an advising representative (PM).
15. Currently, the Dual Registrants have the following positions with, and are registered in the following categories at, GrowthWorks and the Filer:



Name	GrowthWorks	The Filer
David Levi	President and Chief Executive Officer (CEO) Ultimate Designated Person (UDP) Dealing representative (exempt market dealer (EMD)) Dealing representative (mutual fund dealer (MFD)) Advising representative (portfolio manager (PM))	President and CEO UDP
David Balsdon	Chief Operating Officer (COO) Chief Compliance Officer (CCO) Dealing Representative (EMD)	COO CCO
Tim Lee	Chief Investment Officer, Venture Capital Advising representative (PM)	

16. As part of the Transfers, Mr. Levi will remain UDP for the Filer and Mr. Balsdon will remain CCO for the Filer.
17. The Transfers will have no impact on the management and administration services or fees in respect of the Matrix Funds. Operationally, the same investment fund management staff, dealing and advising representatives for the Matrix Funds immediately prior to the Transfers will continue to perform the same functions immediately after the Transfers.
18. While each of the Dual Registrants will add a registration category at the Filer, the Dual Registrants will be continuing with the same responsibilities as they had prior to the Transfers.
19. Both GrowthWorks and the Filer have policies and procedures in place to address conflict of interest relating to GrowthWorks having two operating divisions (the Matrix Funds Management Division and Venture Capital Management Division), including procedures adopted to restrict the transfer of information.
20. GrowthWorks and the Filer will have the same compliance management structure. GrowthWorks and the Filer will have the same UDP and the same CCO. The same compliance policies and procedures and conflict of interest provisions will be applied at both GrowthWorks and the Filer as are currently applied. This consistent approach will allow GrowthWorks and the Filer, as the sponsoring firms, to supervise how conflicts of interests and other compliance matters are dealt with. In addition, there will remain significant independent oversight of



these matters through a number of independent review committees and the Matrix board of directors.

21. It has been proposed that management of the Matrix Funds will be transferred, after the Transfers, to Marquest Asset Management Inc. on or about August 15, 2013 (the Marquest Transaction). The Marquest Transaction is subject to consents and approvals, including regulatory, shareholder and unitholder approvals, as well as conditions. As such, it is anticipated that the Filer will be managing the Matrix Funds only for the period from the Transfers to the completion of the Marquest Transaction (the Transition Period).
22. After the Transition Period, it is anticipated that:
 - (a) Mr. Lee would cease as a registered advising representative of the Filer and would only be a registered advising representative with GrowthWorks;
 - (b) Mr. Balsdon would cease as a registered dealing representative of the Filer and GrowthWorks; and
 - (c) Mr. Levi would cease as a dealing representative of the Filer.
23. There will not be client confusion for the following reasons:
 - (a) the Filer will only be managing the Matrix Funds and will not be permitted, under its conditions of registration, to take on any new clients;
 - (b) GrowthWorks will only be managing the RVC Funds;
 - (c) Mr. Levi and Mr. Balsdon will not be advising potential purchasers of either the Matrix Funds or the RVC Funds;
 - (d) after the Transfers, Mr. Lee will be advising the Matrix Funds only through the Filer and will only be advising the RVC Funds through GrowthWorks; and
 - (e) the Dual Registrants will act in the best interests of the Matrix Funds and the RVC Funds, as applicable.



24. As the Dual Registrants already engage in the activities that they will be undertaking at the Filer as part of the Matrix Funds Management Division at GrowthWorks, the Dual Registrants will continue to have sufficient time to adequately serve the Matrix Funds and RVC Funds.

Decision

- ¶ 4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that the Exemption Sought will expire on the date the Filer ceases managing the Matrix Funds as required by the Registration Conditions.

Mark Wang
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