

Headnote

1996 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

Wiley Bros.-Aintree Capital, LLC

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

Background

- ¶ 1 Wiley Bros.-Aintree Capital, LLC (WBAC) 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 one potential client who is a resident in British Columbia.

Representations

- ¶ 2 WBAC represents that:
1. it is a broker dealer and investment adviser, formed in the state of Tennessee in November, 1945 and its principal place of business is Tennessee;
 2. it is registered with the US Securities and Exchange Commission as an Investment Adviser under the *Investment Advisers Act of 1940* (the Act of 1940);
 3. it provides investment advisory and portfolio management services to individuals, high net worth individuals, and pension and profit sharing plans;
 4. it intends to provide securities advice to one individual who is a resident in British Columbia (the Client);
 5. the Client is an “accredited investor” as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106);

2008 BCSECCOM 90

6. it will advise the Client that:
 - (a) it is not registered as an adviser under the Act;
 - (b) it may not have the same proficiency requirements as other persons registered under the Act, and
 - (c) the Client may not have the same protection that it otherwise might have if WBAC were registered as an adviser under the Act;
7. it does not:
 - (a) maintain an office in British Columbia;
 - (b) currently have any clients in British Columbia, or
 - (c) intend to actively solicit other clients in British Columbia;
8. in providing securities advice to the Client, WBAC 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
9. there are no exemptions from the Adviser Registration Requirement that WBAC 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 WBAC is exempt from the Adviser Registration Requirement for securities advice to the Client, provided that:

1. the Client is an accredited investor as defined in NI 45-106, and
2. WBAC maintains in good standing its registration as an Investment Adviser under the 1940 Act.

¶ 4 February 12, 2008

Sandra Jakab
Director, Capital Markets Regulation
British Columbia Securities Commission