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Headnote

Relief from requirement to register as a dealer and as an adviser granted to a BC resident subsidiary of a registered dealer who will be trading with for, and advising, U.S. residents, provided the subsidiary complies with U.S. securities laws

Exemption Order

**Pacific International Securities Inc.
and Pacific International Securities (U.S.) Inc.**

Section 48 of the *Securities Act*, R.S.B.C. 1996, c.418

Background

- ¶ 1 Pacific International Securities Inc. (PI) and Pacific International Securities (U.S.) Inc. (PI US) (together, the Applicants) have applied for an exemption from the requirement to be registered as a dealer or as an adviser under subsections 34(1)(a) or 34(1)(c) of the Act (the Registration Requirements) with respect to trading activities with clients of PI US who are residents of the United States of America (the U.S. Clients).

Representations

- ¶ 2 The Applicants represent that:
1. PI is a company amalgamated under the laws of British Columbia;
 2. PI is not a reporting issuer under the Act;
 3. the head office of PI is located in Vancouver, British Columbia;
 4. PI is registered under the Act as a dealer in the categories of investment dealer and underwriter, and is a participating organization of the Toronto Stock Exchange;
 5. PI US is a company incorporated under the laws of British Columbia and is a wholly-owned subsidiary of PI;
 6. PI US is not a reporting issuer under the Act;
 7. the head office of PI US is located in Vancouver, British Columbia;

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8. PI US has applied for registration as a broker-dealer with the United States Securities and Exchange Commission and for membership in the NASD;
9. PI US was established as a vehicle for trading securities with or on behalf of U.S. Clients;
10. PI US will not trade in securities with or on behalf of persons or companies who are resident in British Columbia;
11. certain registered directors, officers or salespersons of PI, who trade primarily with or for clients in British Columbia on behalf of PI, will also be trading with or for U.S. Clients on behalf of PI US;
12. PI US, its directors, officers and salespersons, and directors, officers and salesperson of PI who act on behalf of PI US, will be subject to, and obliged to comply with, the registration and other requirements of the applicable securities legislation in the United States in respect of any trades made with or for U.S. Clients;
13. without this order, PI US, its directors, officers and salespersons, and directors, officers and salespersons of PI who act on behalf of PI US, may be considered to be in violation of the Registration Requirements as a result of the trading activities with or for U.S. Clients.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that
- (a) PI US,
 - (b) registered directors, officers and salespersons of PI US, and
 - (c) registered directors, officers and salespersons of PI when acting on behalf of PI US,
- are exempt from the Registration Requirements when trading securities with or for, and advising, U.S. Clients, provided that they comply with the registration and other requirements of the applicable securities legislation in the United States.

- ¶ 4 July 18, 2003

L.E. Evans, C.A.
Director