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Headnote

1996 Securities Act s. 48 Adviser - Exemption from s.34(1)(c) requirement to be registered as an adviser and the obligations of advisers in Part 5 of the Act and rules - A person who resides in BC wants to advise non-BC residents. - The person will comply with all applicable securities laws of each jurisdiction in which they advise; the person is registered to provide investment advice in the other jurisdictions in which they will advise or will only advise sophisticated clients; there is no solicitation of BC residents.

Exemption Order

David W. Tice & Associates, LLC. and Darko Kuzmanovic

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

Background

- ¶ 1 David W. Tice & Associates, LLC. (Tice LLC) and Darko Kuzmanovic (Kuzmanovic) have applied to the Commission for an exemption from the requirement to be registered as an adviser under section 34(1)(c) of the Act (the registration requirement) with respect to advising activities for foreign investment funds;

Representations

- ¶ 2 Tice LLC and Kuzmanovic represent that:
1. Tice LLC is a closely-held private company with its head office in the United States Virgin Islands;
 2. Tice LLC is registered with the Securities and Exchange Commission as an Investment Adviser;
 3. Tice LLC currently provides portfolio management and investment advising services to two investment funds located in the United States and one investment fund located in the Channel Islands (the funds);
 4. there are no Canadian investors in the funds that currently retain Tice LLC;
 5. Tice LLC will only take on as new clients professionally managed investment funds located outside British Columbia;
 6. investment in funds located in the United States is and will be limited to investors resident in the United States;

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7. investment in funds located outside the United States will only be available to accredited investors under exemptions from the registration and prospectus requirements of applicable securities laws;
8. there will be no solicitation of residents of British Columbia and neither Tice LLC nor Kuzmanovic will enter into any referral or similar arrangements with any person for the solicitation of residents of British Columbia;
9. Kuzmanovic, on behalf of Tice LLC, advises clients only with respect to securities of certain types of issuer in which Kuzmanovic has specific expertise and does not advise with respect to Canadian securities markets generally;
10. Kuzmanovic is resident in British Columbia and is an employee and member of Tice LLC;
11. Kuzmanovic will be the only employee resident in British Columbia advising on behalf of Tice LLC.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Tice LLC and Kuzmanovic are exempt from the registration requirement with respect to advising activities for foreign investment funds, provided that Tice LLC and Kuzmanovic:
- (a) are and will continue to be registered as advisers or the equivalent in all jurisdictions where they advise clients, unless they are not required to be registered in those jurisdictions, and
 - (b) operate and will continue to operate in compliance with all applicable securities laws in those jurisdictions.

- ¶ 4 December 22, 2004

Leslie Rose
Acting Manager