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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 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

Columbia Management Advisors, LLC

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

Background

- ¶ 1 Columbia Management Advisors, LLC (Columbia Management) 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 Columbia Management represents that:
1. it is an investment adviser, formed in the State of Delaware in September 2005, and its principal place of business is in Boston, Massachusetts;
 2. it is registered with the US Securities and Exchange Commission as an investment advisor under the *Investment Advisors Act of 1940* (the 1940 Act);
 3. it provides investment advisory and portfolio management services to institutional clients including large corporations, government bodies and pension plans;
 4. it intends to provide securities advice to one corporation that is 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);
 6. it will advise the Client that:
 - (a) it is not registered as an adviser under the Act;

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- (b) it may not have the same proficiency as other persons registered under the Act; and
 - (c) the Client may not have the same protection that it otherwise might have if Columbia Management 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; and
 - (c) intend to actively solicit other clients in British Columbia;
8. in providing securities advice to the Client, Columbia Management would be considered to be acting as an adviser under the Act and without this order would be required to be registered, or otherwise be exempt from registration, as an adviser under the Act; and
9. there are no exemptions from the Adviser Registration Requirement that the Applicant 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 Columbia Management is exempt from the Adviser Registration Requirement for securities advice provided to the Client, provided that:

- 1. the Client is an accredited investor as defined in NI 45-106, and
- 2. Columbia Management maintains in good standing its registration as an investment advisor under the 1940 Act.

¶ 4 May 6, 2009

Sandra Jakab
Director, Capital Markets Regulation