

2006 BCSECCOM 81

Headnote

Mutual Reliance Review System for Exemptive Relief Application – 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

Tradewinds NWQ Global Investors, LLC

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

Background

- ¶ 1
1. Tradewinds NWQ Global Investors, LLC (Tradewinds) applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act (the Adviser Registration Requirement) in order to advise a client resident in British Columbia (the Client) on the investment in or sale and purchase of securities (the Securities Advice).
 2. Tradewinds will assume responsibility for managing one of the Client's accounts from NWQ Investment Management Company, LLC ("NWQ"), which was granted exemptive relief equivalent to that set out herein pursuant to an order of the Commission dated April 23, 2002.

Representations

- ¶ 2
1. Tradewinds represents that:
 - (a) it is a limited liability company incorporated under the laws of Delaware and its principal place of business is Los Angeles, California;
 - (b) it is registered with the United States Securities and Exchange Commission as an investment adviser under the *Investment Advisers Act of 1940* (the 1940 Act);
 2. it and its predecessor entities have carried on business as investment advisers in the United States since 1982, and as soon as accounts are transferred from

2006 BCSECCOM 81

NWQ to Tradewinds, Tradewinds will have assets under management of approximately US\$16 billion for over 41,000 clients;

3. it specializes in account management for investors in equity securities and its client base is comprised of high net worth individuals, financial service firm-sponsored wrap programs, mutual fund and institutional accounts;
4. it intends to provide the Securities Advice to the Client who is resident in British Columbia;
5. the Client is a private corporation that holds assets on behalf of a family group, is a sophisticated investor and has professional advisors including legal counsel and chartered accountants;
6. the Client has retained money managers to manage portions of the Client's financial assets;
7. it has advised the Client that:
 - (a) Tradewinds is not registered as an adviser under the Act,
 - (b) Tradewinds 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 Tradewinds were registered as an adviser under the Act;
8. it does not:
 - (a) maintain an office or sales force in British Columbia,
 - (b) have any client other than the Client resident in British Columbia, and
 - (c) intend to actively solicit other clients in British Columbia;
9. in providing the Securities Advice to the Client, Tradewinds 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;
10. Tradewinds will only manage one account for the Client and will not have any other clients in British Columbia; and

2006 BCSECCOM 81

11. there are no exemptions from the Adviser Registration Requirement that Tradewinds can rely on to provide the Securities Advice to the Client.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Tradewinds is exempt from the Adviser Registration Requirement for Securities Advice provided to the Client, provided that Tradewinds maintains in good standing its registration as an investment adviser under the 1940 Act.

- ¶ 4 February 8, 2006

Steve Plummer
Acting Director
Capital Markets Regulation