

2002 BCSECCOM 804

Headnote

Relief from the requirement to be registered as dealer, subject to conditions – relief from the requirement to be registered as an adviser in connection with investment services provided over the internet

Exemption Order

Algotrend Management Corporation

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

Background

- ¶ 1 Algotrend has applied for an exemption from the requirement to be registered as a dealer under section 34(1)(a), and an adviser under section 34(1)(c) of the Act.

Representations

- ¶ 2 Algotrend represents that:
1. it is incorporated under the laws of British Columbia and its registered office is located in New Westminster, British Columbia;
 2. it is not a reporting issuer, and up to the effective date of this order did not:
 - (a) trade in a security or exchange contract; or
 - (b) carry on any business or provide any securities-related advice to any person;
 3. it is registered as an introducing broker and commodity trading advisor with the U.S. Commodity Futures Trading Commission;
 4. it will trade foreign currency exchange and futures contracts for residents outside of British Columbia;
 5. it will provide advice respecting foreign currency exchange and futures contracts to sophisticated persons through a web site on the Internet (the Services) which will be restricted to registered subscribers by the use of passwords;
 6. prior to becoming a registered subscriber and being granted access to the Services, a user will provide Algotrend with specific information including the user's identity, residential address and jurisdiction of residence;

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7. a person resident or located in British Columbia may only access the Services if the person is an accredited investor, as that term is described under Multilateral Instrument 45-103 *Capital Raising Exemptions*;

8. the registration page of its web site will include:

- (a) an obvious disclaimer, which states that a person resident or located in British Columbia may only access the Services if they are an accredited investor; and
- (b) a link to the qualifications for an accredited investor.

Order

¶ 3 Because it is not prejudicial to the public interest the Commission orders under section 48 of the Act, effective September 5, 2002, that Algotrend is exempt from the requirements of:

- (a) section 34(1)(a) of the Act to be registered as a dealer, provided that it does not trade any security or exchange contract for a person resident or located in British Columbia; and
- (b) section 34(1)(c) of the Act to be registered as an adviser in connection with supplying the Services, provided that a person resident or located in British Columbia is only permitted access to the Services if the person is an accredited investor, as that term is defined in MI 45-103.

September 17, 2002

Joyce Maykut
QC, Vice-Chair