

# 2003 BCSECCOM 399

**COR# 03/091**

## **Headnote**

Exemption from the dealer and adviser registration requirements for an Alberta registered mutual fund salesperson to deal with Group RSP participants who are resident in BC, but whose employer's head office and the administration of the plan are located in Alberta.

## **Exemption Order**

**Greg Lindholm**

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

## **Background**

- ¶ 1 Mr. Lindholm applied for an exemption from the requirements in section 34(1)(a) and 34(1)(c) of the Act to be registered as a dealer and adviser (the registration requirements) to trade in Group RSP securities and provide securities advice in respect of the Group RSP securities to certain persons resident or otherwise located in British Columbia.

## **Representations**

- ¶ 2 Mr. Lindholm represents that:
1. he is a registered mutual fund salesperson under the *Securities Act* (Alberta);
  2. he is employed as a mutual fund salesperson with Pewter Financial Ltd., a registered mutual fund dealer under the *Securities Act* (Alberta);
  3. he services Group RSPs of three employers each of whom has its head office and administration located in Alberta (the employers);
  4. each employer offers their employees the opportunity to participate in the employer's Group RSP plan;
  5. if an employee decides to participate in their employer's Group RSP plan (a plan participant), then the employee is directed to contact him;
  6. he meets with each plan participant to discuss which Group RSP plan option is most suitable for the plan participant and then facilitates the purchase and sale of mutual fund securities of the Group RSP for the plan participant (the Group RSP services);

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7. providing the Group RSP services to Alberta residents is within the scope of his mutual fund salesperson registration under the *Securities Act* (Alberta);
8. he intends to provide Group RSP services to present and future plan participants who are resident or otherwise located in British Columbia (BC plan participants);
9. presently, there are approximately 15 BC plan participants;
10. prior to providing a BC plan participant with Group RSP services, he will advise the BC plan participant that:
  - (a) he is not registered to sell securities or act as an adviser under the Act;
  - (b) he may not be subject to the same proficiency requirements as other persons registered under the Act; and
  - (c) the BC plan participant may not have the same protections that they would have if he were registered as a mutual fund salesperson under the Act;
11. neither he nor his dealer:
  - (a) maintain offices or a sales force within British Columbia;
  - (b) intend to actively solicit other clients within British Columbia;
12. there are no exemptions from the registration requirements that he can rely on to provide the Group RSP services to BC plan participants.

### Order

- ¶ 3 Because it is not prejudicial to the public interest, the Commission orders under section 48 of the Act that Mr. Lindholm is exempt from the registration requirements for Group RSP services provided to BC plan participants, provided that:

- (a) Mr. Lindholm maintains his registration as a mutual fund salesperson under the *Securities Act* (Alberta) in good standing;

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- (b) Mr. Lindholm's advising activities are solely incidental to the trading activities he performs as part of the Group RSP services to BC plan participants; and
- (c) Mr. Lindholm ensures that all Group RSP services provided to a BC plan participant are suitable for the investment needs and objectives of the BC plan participant.

¶ 4 June 12, 2003

Brent W. Aitken  
Vice Chair