

# 2003 BCSECCOM 403

## Headnote

Relief from adviser registration requirement to permit US investment adviser to advise one sophisticated client

## Exemption Order

### Bel Air Investment Advisors LLC

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

## Background

- ¶ 1 Bel Air Investment Advisors LLC (Bel Air) applied for an exemption from the adviser registration requirement in section 34(1)(c) of the Act in order to provide securities advice to a client resident in British Columbia (securities advice).

## Representations

- ¶ 2 Bel Air represents that:
1. it is a limited liability company organized under the laws of Delaware and its principal place of business is Los Angeles, California;
  2. it is currently registered in good standing as an investment adviser with the United States Securities and Exchange Commission under the *Investment Advisors Act of 1940* (the 1940 Act);
  3. it has carried on business as an investment adviser in the United States since 1997 and currently has assets under management of approximately US\$3.1 billion for over 260 clients;
  4. it specializes in asset management of equities and fixed income securities for high net worth individuals and families;
  5. it intends to provide securities advice to a prospective client, The Michelson 2002 Family Trust (the client), a resident in British Columbia;
  6. the client is a sophisticated investor and has professional advisers including legal counsel and accountants;

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7. it has advised the client that:
  - (a) it is not currently registered as an adviser under the Act,
  - (b) it may not have the same proficiency requirements as persons registered under the Act, and
  - (c) the client may not have the same protections it would otherwise have if Bel Air 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, or
  - (c) intend to actively solicit other clients in British Columbia;
9. in providing securities advice to the client, it 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; and
10. there are no exemptions in the Act from the adviser registration requirement that it can rely on to provide 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 Bel Air is exempt from the requirements of section 34(1)(c) of the Act for securities advice provided to the client, provided that Bel Air maintains its registration as an investment adviser under the 1940 Act in good standing.
- ¶ 4 June 13, 2003

Noreen Bent  
Manager