

# 2003 BCSECCOM 113

## Headnote

Relief from adviser registration requirement for a US registered investment adviser advising US clients only

## Exemption Order

### Pan Geo Investment Inc.

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

## Background

- ¶ 1 Pan Geo requires an exemption from the requirement in section 34(1)(c) of the Act to be registered as a securities adviser in order to advise (the Registration Requirement).

## Representations

- ¶ 2 Pan Geo represents that:
1. it is located in Vancouver, British Columbia;
  2. its sole shareholder, director and officer is Gary Hamill;
  3. it offers automated securities advice through its website and generated by its proprietary software, PortfolioInvestor2000, including generic advice or, to clients resident in the United States (US clients) only, custom tailored advice at the US client's option;
  4. PortfolioInvestor2000 provides an interactive advice service driven by the client's menu choices and, for the custom tailored advice, based on client specific information with some variable options and settings controlled by Pan Geo;
  5. it received an exemption from the Commission on May 28, 2002 from the requirement to be registered as an investment counsel with respect to the custom tailored advice provided by it to the US clients;
  6. it is currently registered as a securities advisor in British Columbia, but intends to allow that registration to lapse;
  7. it is registered as an investment adviser under the *Investment Advisers Act of 1940* in the United States;

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8. it has provided the generic advice to residents of British Columbia in the past, but will now restrict access to both its generic and custom tailored advice (the advice) to US clients only;
9. to ensure that it is providing the advice to US clients only, it will place warnings on its website that the advice is available to US clients only, and will require the clients to verify their identity, residential address and jurisdiction of residence before it will give any advice to the clients; and
10. absent this relief, it is required to be registered as a securities adviser to provide the generic advice to the US clients.

### **Order**

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Pan Geo is exempt from the Registration Requirement in respect of the generic advice provided to the US clients provided that:

1. it maintains registration as an investment adviser under the *Investment Advisers Act of 1940* and any other relevant United States federal or state registration requirement; and
2. it does not provide the advice to any residents of British Columbia.

¶ 4 January 31, 2003

L.E. Evans, C.A.  
Director