

2002 BCSECCOM 813

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – extension of time for registrant to provide clients with a copy of revised conflict of interest rules statement

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 48

Securities Rules, B.C. Reg. 194/97, s. 77(3)

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, ONTARIO, AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF CANACCORD CAPITAL CORPORATION

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Ontario, and Newfoundland and Labrador (the “Jurisdictions”) has received an application from Canaccord Capital Corporation (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation to provide a revised conflict of interest rules statement or statement of policies to each client of a registrant on or before the 45th day after filing the statement with the securities regulatory authorities shall not apply to the Filer for its Revised Statement (defined below);
- ¶ 2 AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the British Columbia Securities Commission is the principal regulator for this application;

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- ¶ 3 AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;
- ¶ 4 AND WHEREAS the Filer has represented to the Decision Makers that:
1. Canaccord Holdings Ltd. (“Canaccord Holdings”) holds all of the shares of the Filer;
 2. the Filer is a registered dealer in each of the Jurisdictions;
 3. Canaccord Holdings entered into an agreement dated July 10, 2002 with the Manufacturers Life Insurance Company (“Manulife”), a wholly-owned subsidiary of Manulife Financial Corporation (“MFC”), whereby Manulife acquired shares and rights to acquire shares in Canaccord Holdings that, if exercised, would give Manulife 20.16% of all the outstanding shares of Canaccord Holdings;
 4. as a result of this acquisition of shares and rights, and the resulting cross ownership between Canaccord Holdings, Manulife, MFC and the Filer, the Filer, Manulife and MFC became “related issuers” as defined in the Legislation;
 5. MFC is a reporting issuer in each province and territory of Canada and its shares are listed on the Toronto Stock Exchange (“TSX”), the New York Stock Exchange and other foreign exchanges;
 6. as a result of Manulife’s direct or indirect equity interest in three other reporting issuers, Manulife Financial Capital Trust (“MAC Trust”), MIC Financing Trust I (“MIC”) and Seamark Asset Management Ltd. (“Seamark”), the Filer is also considered a related issuer of each of these reporting issuers;
 7. MAC Trust is a reporting issuer in each province and territory in Canada and its trust units are listed on the TSX;
 8. MIC is a registrant with the United States Securities and Exchange Commission;
 9. Seamark is a reporting issuer in each province and territory in Canada and its shares are listed on the TSX;

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10. the Filer prepared a revised statement of policies and conflict of interest rules which it filed with the British Columbia, Alberta, Ontario and Newfoundland Securities Commissions on August 9, 2002;
 11. a corrected revised Statement (the "Revised Statement") was filed on August 28, 2002 with the British Columbia, Alberta, Ontario and Newfoundland Securities Commissions;
 12. the Filer has prepared a French version of the Revised Statement and has filed the French version of the Revised Statement with the Commission des valeurs mobilières du Québec on August 28, 2002;
 13. the Filer is required under the Legislation to provide to each of its clients a copy of the Revised Statement no later than September 23, 2002;
 14. the Filer is currently planning to conduct its regular quarterly mailing (the "Quarterly Mailing") of account statements to all of its clients on or before October 9, 2002 and proposes to enclose the Revised Statement with the Quarterly Mailing;
 15. as the Filer has approximately 100,000 client accounts, a separate mailing of the Revised Statement to each of the Filer's clients would cost approximately \$80,000;
 16. the Filer is at present providing its clients with all required disclosure when dealing with securities of all related issuers in accordance with the Legislation;
 17. the Filer complies with all other requirements of the Legislation pertaining to related issuers and conflicts of interest;
 18. the Filer provides all of its new clients with the Revised Statement; and
 19. the transaction between Canaccord Holdings and Manulife and the resulting relationship between the Filer, Manulife and MFC has been widely reported in the financial press.
- ¶ 5 AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
- ¶ 6 AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

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¶ 7 THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation for the Filer to provide the Revised Statement to each of its clients on or before the 45th day after filing the Revised Statement with the securities regulatory authorities shall not apply to the Filer, provided that the Filer includes a copy of the Revised Statement with its Quarterly Mailing of account statements to its clients on or before October 9, 2002.

¶ 8 DATED September 20, 2002

Brenda Leong
Director