

2002 BCSECCOM 259

Headnote

Relief from certain filing requirements relating to the transfer of mutual fund salespersons as part of a reorganization

ORDER UNDER SECTION 48 OF THE SECURITIES ACT, R.S.B.C 1996, c. 418

PHILLIPS, HAGER & NORTH INVESTMENT FUNDS LTD. AND PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LTD.

Background

[para 1]

Phillips, Hager & North Investment Funds Ltd. (Dealerco) and Phillips, Hager & North Investment Management Ltd. (PH&N, and together with Dealerco, the Applicants) applied for an order under section 48 of the Act that the Applicants and all of PH&N's salespersons registered to sell mutual funds under the Act (the Salespeople), be exempt from the requirements contained in sections 34(2), 42(1)(c) and 42(3) of the Act to file the required forms and pay the prescribed fees (the Filing Requirements) in connection with the transfer of the Salespeople as part of an intended reorganization of the Applicants (the Reorganization);

Representations

[para 2]

The Applicants represent that:

1. PH&N is currently engaged in portfolio management and investment counselling activities (the Account Management Business) and mutual fund dealing activities (the Mutual Fund Retail Distribution Business);
2. the Reorganization includes the following steps:
 - (a) Dealerco, a wholly-owned subsidiary of PH&N, becomes registered as a mutual fund dealer in British Columbia;
 - (b) PH&N transfers the Mutual Fund Retail Distribution Business to Dealerco;
 - (c) the Salespeople are transferred to Dealerco such that they become registered Salespeople of Dealerco (the Transfer); and
 - (d) PH&N surrenders its registration as a mutual fund dealer under the Act;
3. the Reorganization is scheduled to be effective as of April 1, 2002;

Order

[para 3]

Because it is not prejudicial to the public interest, the Executive Director orders that the Applicants and Salespeople are exempt from the Filing Requirements in connection with the Transfer, provided that:

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- (a) the Applicants file alternative forms with, and that are acceptable to, the Commission; and
- (b) within 15 days of the date of this order, the Applicants advise the Commission of any discrepancies between the information contained in the Commission's list of transferred Salespeople and information known to the Applicants.

[para 4]
March 26, 2002

Derek E. Patterson
Manager