

2006 BCSECCOM 669

Headnote

Securities Act s. 48 Adviser - Exemption from s. 34(1)(c) requirement to be registered as an adviser - A person who resides outside BC wants to advise BC residents - The person is registered or qualified to provide the advice in the jurisdiction in which they reside or carry on business; the person will only advise a small number of BC clients; the person will not carry on any other business in BC; the BC clients are sophisticated and have a high net worth; the clients are aware that the person is not registered in BC and the consequences.

Exemption Order

Crane Capital Associates (Canada) Inc.

Section 48 of the *Securities Act*, RSBC 1996, c. 418

Background

- ¶ 1 Crane Capital Associates (Canada) Inc. (Crane Capital) applied for an exemption from the adviser registration requirements in section 34(1)(c) of the Act (the Adviser Registration Requirement) in order to provide securities advice to a prospective client resident in British Columbia (BC).

Representations

- ¶ 2 Crane Capital represents that:
1. it is incorporated under the laws of the Province of Ontario and is a wholly-owned subsidiary of Crane Capital Associates Inc. (Crane Inc.), a company incorporated under the laws of the Province of Ontario;
 2. it is registered with the Ontario Securities Commission, as a limited market-dealer;
 3. it acts as a placement agency for non British Columbia based limited partnerships and other private equity funds located outside of BC (the Funds) marketing their unlisted securities to institutional accredited investors;
 4. it intends to provide securities advice to a BC resident, the British Columbia Investment Management Corporation (BCIMC), about the securities offered by the Funds;

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5. BCIMC is
 - (a) a crown corporation, incorporated pursuant to the Public Section Pension Plans Act (BC);
 - (b) is an ‘accredited investor’ as defined in the National Instrument 45-106 *Prospectus and Registration Exemptions*; and
 - (c) has professional advisers;
6. Crane Capital has advised BCIMC that:
 - (a) it is not registered under the Act;
 - (b) it may not have the same proficiency requirements as other persons registered under the Act; and
 - (c) BCIMC may not have the same protection that it would otherwise have if Crane Capital were registered as an adviser under the Act;
7. Crane Capital does not:
 - (a) maintain an office or sales forces in BC;
 - (b) have any clients other than BCIMC resident in BC; or
 - (c) intend to actively solicit other clients in BC;
8. In providing securities advice to BCIMC, Crane Capital 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
9. There are no exemptions from the adviser registration requirement that Crane Capital can rely on to provide securities advice to BCIMC.

Order

- ¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders under section 48 of the Act that Crane Capital is exempt from the Adviser Registration Requirements for securities advice provided to BCIMC provided that

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Crane Capital maintains in good standing its registration as a limited market dealer with the Ontario Securities Commission.

¶ 4 November 22, 2006

L.E. Evans, CA
Director, Capital Markets Regulation