

### Headnote

Multilateral Instrument 11-102 – *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – National Instrument 33-109, s.7.1 – A registrant wants relief from the filing and notification requirements to permit a bulk transfer of business locations and individuals following an amalgamation or reorganization - The Filers are amalgamating, and the resulting amalgamated corporation will be registered under the same registration categories and in the same jurisdictions, have the same individual registrants as the Filers registered under the same categories and in the same jurisdictions, and the business locations of the amalgamated corporation will be the same as the current business locations of the Filers.

### Applicable Legislative Provisions

- sections 2.2 or 2.3 of NI 33-109;
- section 2.5 of NI 33-109;
- section 3.2 of NI 33-109;
- section 4.2 of NI 33-109; and
- section 7.1 of NI 33-109.

January 30, 2024

In the Matter of  
The Securities Legislation of  
British Columbia and Ontario

and

In the Matter of  
The Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
Credential Qtrade Securities Inc. (CQSI) AND Credential Asset Management Inc. (CAM)  
(Collectively the “Filers”)

### Decision

### Background

¶ 1 The securities regulatory authority or regulator in British Columbia and Ontario (together, the “Decision Makers”) have received an application from the Filers for a decision under the securities legislation of each of British Columbia and Ontario (the **Legislation**) for relief from the requirements contained in sections 2.2, 2.3, 2.5, 3.2 and 4.2 of National Instrument 33-109 *Registration Information (NI 33-109)* pursuant to section 7.1 of NI 33-109 to allow the bulk transfer (the **Bulk Transfer**) of the securities registration of all of the registered and permitted individuals of the Filers (collectively, the **Registrants**) and all of the branches of the Filers (collectively, the **Locations**) to Aviso Financial Inc., the entity

resulting from the amalgamation of CQSI and CAM, expected to occur on or about April 1, 2024, in accordance with section 3.4 of the Companion Policy to NI 33-109 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- a) the British Columbia Securities Commission is the principal regulator (the **Principal Regulator**) for this application;
- b) the Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other provinces of Canada (together with British Columbia and Ontario, the **Jurisdictions**); and
- c) the decision with respect of the Exemption Sought is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

The Filers have made a separate application to the Autorité des marchés financiers for relief from section 11.1 of the Derivatives Regulation (Québec) pursuant to section 86 of the Derivatives Act (Québec) to allow the Bulk Transfer of CQSI and CAM individuals registered under Québec derivatives legislation and all the Québec Locations from CQSI and CAM to Aviso Financial Inc.

### **Interpretation**

- ¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### **Representations**

- ¶ 3 This decision is based on the following facts represented by the Filers:

#### **Credential Qtrade Securities Inc. – Amalgamating Corporation**

- 1 CQSI is a corporation incorporated under the *Canada Business Corporations Act*. Its head office is located at 1111 West Georgia Street, Suite 800, Vancouver, British Columbia, V6E 4T6.
- 2 CQSI is registered under applicable Canadian securities laws as an investment dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Québec, Saskatchewan, Northwest Territories, Yukon Territory and Nunavut. CQSI is also a member of the Canadian Investment Regulatory Organization (**CIRO**). CQSI's National Registration Database (**NRD**) number is 6190.
- 3 CQSI is a wholly owned subsidiary of Aviso Wealth Inc. (**Aviso**).
- 4 CQSI has 589 registered and permitted individuals (collectively the **CQSI Registrants**).
- 5 CQSI is not in default of the securities legislation in any of the Jurisdictions.

## **Credential Asset Management Inc. – Amalgamating Corporation**

- 6 CAM is a corporation incorporated under the *Canada Business Corporations Act*. Its head office is located at 1111 West Georgia Street, Suite 800, Vancouver, British Columbia, V6E 4T6.
- 7 CAM is registered under applicable Canadian securities laws as a mutual fund dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Québec, Saskatchewan Northwest Territories, Yukon Territory and Nunavut. CAM is also a member of CIRO. CAM's NRD number is 1260.
- 8 CAM is a wholly owned subsidiary of Aviso Wealth Inc.
- 9 CAM has 2,214 registered and permitted individuals (collectively the **CAM Registrants**).
- 10 CAM is not in default of the securities legislation in any of the Jurisdictions.

## **The Proposed Amalgamation**

- 11 As both CQSI and CAM are wholly owned subsidiaries of Aviso, Aviso wishes to combine the business of its investment dealer and mutual fund dealer entities and amalgamate CQSI and CAM (the **Amalgamation**).
- 12 The name of the amalgamated entity (the **Amalgamated Corporation**) will be Aviso Financial Inc. (with the French version Financière Aviso Inc.).
- 13 The sole shareholder of the Amalgamated Corporation will be the same as the current sole shareholder of each entity, which is Aviso. Aviso will own all of the issued and outstanding common shares of the Amalgamated Corporation. As such, the indirect control over both CQSI and CAM will not change and will remain shared by Desjardins Financial Holding Inc. and CU CUMIS Wealth Holdings LP, the holding entity owned by The CUMIS Group Limited and Central 1 Credit Union, Credit Union Central Alberta Limited, Credit Union Central of Saskatchewan, Credit Union Central of Manitoba Limited and Atlantic Central.
- 14 The head office of the Amalgamated Corporation will remain 1111 West Georgia Street, Suite 800, Vancouver, British Columbia, V6E 4T6. Its NRD number will be the same as CQSI's NRD number, 6190.
- 15 The Amalgamation is scheduled to occur on or about April 1, 2024 (the **Amalgamation Date**). The Amalgamation will not proceed without the prior non-objection or approval of CIRO, which shall be sought by means of a separate application.
- 16 On April 3, 2023, the Filers provided written notice to the Principal Regulator that they would be amalgamating and applying for the Amalgamated Corporation to be registered as both an investment dealer and a mutual fund dealer.

- 17 On February 24, 2023, the Filers filed a request for business change and a dual registration application under the CIRO rules with CIRO with respect to the Amalgamated Corporation acting as a fully integrated dealer with both investment dealer and mutual fund dealer operations (the **CIRO Application**).

**Submissions in support of the Exemption Sought**

- 18 Effective as of the Amalgamation Date, all activities currently conducted by the Filers will be the responsibility of the Amalgamated Corporation.
- 19 The Amalgamated Corporation will conduct the same operations, essentially in the same manner, and with essentially the same personnel as before the Amalgamation.
- 20 The compliance function of the Amalgamated Corporation will operate essentially in the same manner, and with essentially the same personnel as before the Amalgamation. There will be one CCO overseeing these functions.
- 21 Subject to obtaining the Exemption Sought, no disruption in the services provided by the Registrants to clients of the Filers is anticipated as a result of the Amalgamation.
- 22 The Exemption Sought will not have any negative consequences on the ability of CQSI, CAM or the Amalgamated Corporation to comply with any applicable regulatory requirements or the ability to satisfy any obligations in respect of its clients.
- 23 Given the number of CAM Registrants and Locations to be transferred from CAM to the Amalgamated Corporation on the Amalgamation Date, it would be unduly time consuming and difficult to transfer each of the CAM Registrants and Locations through NRD in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.
- 24 The Filers are registered in the same Jurisdictions, affording the opportunity to seamlessly transfer the CAM Registrants and Locations on the Amalgamation Date by way of Bulk Transfer and thereby ensuring that there is no interruption in registration.
- 25 At the time of the Bulk Transfer, all of the CQSI Registrants and CAM Registrants will be the only registrants of the Amalgamated Corporation and the Locations will be the only branches of the Amalgamated Corporation. Accordingly, the transfer of registrations of the CQSI Registrants and CAM Registrants and the Locations on the Amalgamation Date by means of Bulk Transfer can be implemented in a relatively simple manner without any significant disruption to the registrable activities of the CQSI Registrants and CAM Registrants, the Locations, CQSI, CAM or the Amalgamated Corporation, and will be easier to administer than having to transfer the registration of each of the CAM Registrants and Locations on an individual basis.

- 26 Allowing the Bulk Transfer of the CAM Registrants to occur on the Amalgamation Date will benefit, and have no detrimental impact on, the clients of the CAM Registrants by facilitating seamless service on the part of the CAM Registrants.
- 27 The Exemption Sought provides the information and satisfies the conditions set out in section 3.4 of the Companion Policy to NI 33-109 and Appendix D thereto.
- 28 It would not be prejudicial to the public interest to grant the Exemption Sought.
- 29 The Amalgamated Corporation will assume the activities, risk management functions, obligations and liabilities of the Filers on the Amalgamation Date.
- 30 There are no third parties involved in the amalgamation of CQSI and CAM to become the Amalgamated Corporation, other than external advisors that are assisting in the transaction.
- 31 The Filers have made all of the required filings to initiate the Bulk Transfer process with the Principal Regulator and the NRD administrator has begun reviewing the transfer process, subject to approval of the Exemption Sought, in order to ensure a seamless Bulk Transfer.
- 32 Clients of the Filers received formal notice of the proposed Amalgamation with their December quarterly statements, which was in January, 2024.
- 33 It is anticipated that CIRO will approve the CIRO Application in due course prior to the Amalgamation Date.

#### **Decision**

- ¶ 4 Each of the Decision Makers is satisfied that the following decision meets the test set out in the Legislation for the Decision Maker to make the following decision:

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

*“Mark Wang”*

---

Mark Wang  
Director, Capital Markets Regulation  
British Columbia Securities Commission