



I, Manon Losier, Secretary of the New Brunswick Securities Commission (Commission), hereby certify that:

1. Blanket Order 31-518 was issued by Members of the Commission at a meeting held on 14 February 2011 with an effective date of 25 May 2011.

IN THE MATTER OF

THE *SECURITIES ACT*, S.N.B. 2004, c. S-5.5 [as amended] (*Act*)

AND

IN THE MATTER OF  
*REGISTRATION EXEMPTION ENABLING A CORPORATION TO RECEIVE  
DIRECTED SALES COMMISSIONS OR FEES FROM A MEMBER OF THE MUTUAL FUND  
DEALERS ASSOCIATION OF CANADA*

**BLANKET ORDER 31-518**

Subsection 208(1) of the *Act*

**WHEREAS:**

1. Unless otherwise defined in this blanket order, or the context otherwise requires, terms used in this blanket order that are defined in National Instrument 14-101 *Definitions* have the same meaning.
2. In this blanket order
  - (a) "Approved Person" has the same meaning as in section 1 of MFDA By-law No. 1 (*personne autorisée*);
  - (b) "Commission" means the New Brunswick Securities Commission (*Commission*);
  - (c) "family member" means:
    - (i) spouse,
    - (ii) child,
    - (iii) parent,
    - (iv) grandparent,
    - (v) brother,
    - (vi) sister,
    - (vii) uncle,
    - (viii) aunt,
    - (ix) niece, or
    - (x) nephew. (*membre de la famille*)
  - (d) "family trust" means a trust, of which all of the beneficiaries and a majority of the trustees are individuals as described in subparagraphs 2(c)(i) to 2(c)(x) inclusive. (*fiducie familiale*)

- (e) "LR 31-502" means Local Rule 31-502 *Supplementary Registration Requirements (RL 31-502)*;
- (f) "Member" has the same meaning as in section 1 of MFDA By-law No. 1 (*membre*);
- (g) "MFDA" means the Mutual Fund Dealers Association of Canada (*ACCFM*).
- (h) "MFDA Rule 2.41" means Rule 2.4.1 *Payment of Commissions to Unregistered Corporation* of the MFDA. (*Règle 2.4.1 de l'ACFM*)
- (i) "Unregistered Corporation" has the same meaning as in MFDA Rule 2.41 (*société non inscrite*).

- 3. MFDA Rule 2.4.1 permits Members to direct payments in respect of business conducted by an Approved Person on behalf of the Member to an unregistered corporation, subject to conditions.

**IT IS ORDERED THAT** this blanket order applies solely to an Unregistered Corporation which receives an Approved Person's commissions or fees from a Member under MFDA Rule 2.4.1(b) and does not apply to any activity other than the act of an Unregistered Corporation receiving an Approved Person's commissions or fees under MFDA Rule 2.4.1(b);

**IT IS FURTHER ORDERED THAT**, pursuant to subsection 208(1) of the *Act* that an Unregistered Corporation is exempt from the registration requirement provided that:

- A. the corporation must be incorporated under the laws of Canada or a province or territory of Canada and all of its directors, officers and shareholders must be registered individuals affiliated with the same dealer;
- B. notwithstanding paragraph A, a family member of a registered individual who is an Approved Person may be a director, officer or shareholder of the corporation and a family trust may be a shareholder of the corporation;
- C. the corporation and dealer must have a written contract under which the dealer is liable for the acts or omissions of the corporation and each registered individual who is a director, officer, or shareholder of the corporation if these acts or omissions are related to or arise from the business of dealing or advising in securities;
- D. upon the request of staff of the Commission, the corporation will make any and all of its books and records available for inspection by staff of the Commission;
- E. neither the corporation nor the dealer will engage in any practice with respect to the payment or receipt of commissions or fees, as the case may be, that is prohibited by, or otherwise inconsistent with, any rule, regulation, by-law, policy, notice, practice, procedure, bulletin or other regulatory instrument of the dealer's self-regulatory organization; and

F. paragraph E does not apply to any rule, regulation, by-law, policy, notice, practice, procedure, bulletin or other regulatory instrument of the dealer's self-regulatory organization that is suspended by the Commission or otherwise not in effect in New Brunswick.

*Dated at Saint John, New Brunswick, this 25<sup>th</sup> day of May 2011.*

**"Original signed by"**

---

Manon Losier  
General Counsel and Secretary to the Commission