

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

BLANKET ORDER 32-501
Subsection 208

WHEREAS:

- (A) A commission or fee payable to an individual registrant by a registered dealer as a result of trading or advising in the trading in securities is an activity that requires the recipient of the commission or fee to be registered under the *Act*;
- (B) The New Brunswick Securities Commission (Commission) has received various representations from industry that an individual registrant, if permitted, may choose to structure his or her business in a manner which would include the payment of commissions and fees paid by a dealer to a corporation controlled by the individual registrant;
- (C) The Commission has determined, subject to terms and conditions set out in this order, that it would not be prejudicial to the public interest to exempt a corporation controlled by an individual registrant from the registration requirements of the *Act* for the sole purpose of permitting the corporation to receive commissions and fees from a dealer relating to the individual registrant's trading or advising in securities.

IT IS ORDERED:

1. **THAT** pursuant to section 55(1) of the *Act*, a corporation is exempt from the registration requirement in section 45(a) of the *Act*, solely in connection with receiving an individual registrant's commissions and fees from a dealer, subject to the following terms and conditions:
 - 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 are individual registrants affiliated with the same dealer;

- b. Notwithstanding paragraph a., a family member of an individual registrant described in paragraph a. may be a director, officer or shareholder of the corporation. For the purposes of this paragraph, a family member includes a spouse, child, parent, grandparent, brother, sister, uncle, aunt, niece, or nephew of the individual registrant.
- 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 the individual registrant 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; and
- 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.

DATED at Saint John this 25th day of March 2008.