

Headnote

Multilateral Instrument 11-102 Passport System – National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – relief from certain filing requirements of NI 33-109 in connection with a bulk transfer of business locations and registered and permitted individuals pursuant to an amalgamation in accordance with section 3.4 of Companion Policy 33-109CP to NI 33-109.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System

National Instrument 33-109 Registration Information and Companion Policy 33-109CP

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions

Citation: Re Leede Jones Gable Inc., 2015 ABASC 985

Date: 20151214

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ALBERTA AND ONTARIO

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE
JURISDICTIONS

AND

IN THE MATTER OF
LEEDE JONES GABLE INC. (**LEEDE JONES GABLE**) AND JONES, GABLE &
COMPANY LIMITED (**JONES GABLE** AND TOGETHER WITH LEEDE JONES GABLE,
THE FILERS)

DECISION

Background

The principal regulator and the regulator in Ontario (the **Decision Makers**) have received an application from the Filers for a decision under the securities legislation of Ontario and Alberta (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 registered individuals and permitted individuals (together, the **Jones Gable Individuals**) and business locations (the **Locations**) of Jones Gable from Jones Gable to the Amalgamated Corporation (defined below), on the Amalgamation Date (defined below), 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 and passport application):

- a) the Alberta Securities Commission is the principal regulator for the Exemption Sought;
- b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (together with Alberta and Ontario, the **Jurisdictions**);
- c) the decision with respect to the Exemption Sought is the decision of the principal regulator and evidences the decision of the regulator in Ontario.

Interpretation

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

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

Leede Jones Gable

1. Leede Jones Gable, formerly Leede Financial Markets Inc. (**Leede**), is a corporation incorporated under the *Canada Business Corporations Act* and has its head office at Suite 3415, TD Canada Trust Tower, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9.
2. Leede Jones Gable is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut and is also a dealer member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
3. Together, Leede Jones Gable and Jones Gable have business locations in the Jurisdictions.
4. Leede Jones Gable provides a full range of financial advisory services to its clients including advisory and discretionary investment management services.
5. Leede Jones Gable is not in default of any requirements of securities legislation in any of the Jurisdictions in which it is registered.

Jones Gable

6. Jones Gable is a corporation incorporated under the *Business Corporations Act* (Ontario) and has its head office at Suite 1000, 110 Yonge Street, Toronto, Ontario M5C 1T6.
7. Jones Gable is registered as an investment dealer under the securities legislation of British Columbia, Alberta, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador and is also a dealer member of IIROC.
8. Pursuant to the Transaction, as defined below, Jones Gable has been continued under the *Canada Business Corporations Act*.

9. Jones Gable provides a full range of financial advisory services to its clients including advisory and discretionary investment management services.
10. Jones Gable is not in default of any requirements of securities legislation in any of the Jurisdictions in which it is registered.

The Transaction and Amalgamation

11. On December 8, 2015, Leede acquired Jones Gable pursuant to a share exchange agreement (the **Transaction**). Jones Gable became a wholly-owned subsidiary of Leede. Upon the closing of the transaction, Leede changed its name to Leede Jones Gable.
12. Subject to obtaining the necessary approvals, on or about January 1, 2016 (the **Amalgamation Date**), the Filers intend to effect a vertical amalgamation of Leede Jones Gable and Jones Gable under the *Canada Business Corporations Act*. The name of the amalgamated corporation (the **Amalgamated Corporation**) will be Leede Jones Gable Inc.
13. The Amalgamated Corporation's registration will encompass the registration categories, IIROC approval categories, and jurisdictions of the Filers.
14. Leede Jones Gable has written to the clients of Jones Gable in connection with the bulk transfer of their accounts, which will be effected on the Amalgamation Date.
15. On the Amalgamation Date, all Jones Gable Individuals and Locations will be transferred to the Amalgamated Corporation on the National Registration Database (**NRD**).
16. Effective on the Amalgamation Date, the Amalgamation Corporation will carry on the same business as the Filers, all of the registerable activities of the Filers will be carried out by the Amalgamated Corporation and the dealing representatives transferred to the Amalgamated Corporation will carry on the same registerable activity as they conducted with Jones Gable.
17. The head office location and NRD number of the Amalgamated Corporation will be the same as the current head office location and NRD number of Leede Jones Gable.
18. On the Amalgamation Date, all of the Jones Gable Individuals will be the only registered individuals of Jones Gable and the Locations will be the only branches and sub-branches of Jones Gable, enabling the change of Locations and transfer of the Jones Gable Individuals to the Amalgamated Corporation on the Amalgamation Date by way of Bulk Transfer.

Submissions in support of the Exemption Sought

19. Subject to obtaining the Exemption Sought, no disruption in the services provided by Leede Jones Gable or Jones Gable to their clients is anticipated as a result of the Transaction and subsequent Amalgamation.
20. The Exemption Sought will not have any negative consequences on the ability of Leede Jones Gable, Jones Gable or the Amalgamated Corporation to comply with any applicable regulatory requirements or their ability to satisfy any obligations in respect of their clients.

21. Given the number of Jones Gable Individuals and Locations to be transferred from Jones Gable to the Amalgamated Corporation on the Amalgamation Date, it would be unduly time consuming and difficult to transfer each of the Jones Gable Individuals and Locations through NRD in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.
22. Allowing the Bulk Transfer to occur on the Amalgamation Date will benefit, and have no detrimental impact on, the clients of the Filers by facilitating seamless service on the part of the Filers and the Amalgamated Corporation.
23. The Exemption Sought complies with the requirements and reasons for, a bulk transfer as set out in Section 3.4 of the Companion Policy to NI 33-109 and Appendix C thereto.
24. It would not be prejudicial to the public interest to grant the Exemption Sought.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

“original signed by”

Lynn Tsutsumi, CA
Director, Market Regulation
Alberta Securities Commission