



4. Each of Grafton UK and Grafton Bermuda are under common ownership. Accordingly, Grafton UK and Grafton Bermuda are affiliates.
5. Grafton UK has a license from the Financial Services Authority in the United Kingdom (the "**FSA**") to advise and trade in securities pursuant to the *Financial Services and Markets Act 2000* (UK) and, as such, Grafton UK will be subject to the FSA's continuing supervision and regulation. It is not registered in any jurisdiction in Canada.
6. Grafton UK acts as an advisor to, and executes trades for, clients that are outside Canada (the "**Grafton Clients**"). The Grafton Clients will primarily be European institutional accounts. The Grafton UK advice and trading activity will primarily involve North American equity securities.
7. Grafton UK proposes to enter into an operational support agreement (the "**Bermuda OSA**") with Grafton Bermuda under which Grafton Bermuda will provide advisory and trading services to Grafton UK in respect of the Grafton Clients.
8. Grafton Bermuda will in turn enter into an operational support agreement (the "**Halifax OSA**") with Grafton Halifax to sub-contract all or part of its obligations under the Bermuda OSA to Grafton Halifax.
9. In order to fulfill its obligations under the Halifax OSA, Grafton Halifax will employ individuals located in Nova Scotia. Employees of Grafton Halifax who are advising or trading in securities will also be employees of Grafton UK and as such will be registered directly with the FSA. Employees of Grafton Halifax who are not registered with the FSA will not directly provide any services to or have any contact with the Grafton Clients unless requested and supervised by a trader or adviser of Grafton UK licensed with the FSA who has responsibility for supervision of that employee.
10. The activities of Grafton Halifax under the Halifax OSA will effectively be conducted on behalf of Grafton UK and, accordingly, would be regulated by the FSA as well as applicable laws in the jurisdiction of the parties to the transaction.
11. None of the Applicants will provide advice to, or execute trades for, persons in Canada unless it becomes registered to do so or it is exempt from the registration requirements under applicable securities laws pursuant to the international dealer exemption or another applicable exemption.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

IT IS RULED pursuant to section 79 of the Act that sections 31 and 58 of the Act shall not apply to the advice and trades in securities by Grafton UK and Grafton Halifax under the Halifax OSA with respect to the Grafton Clients provided that:

- (a) Grafton UK is licensed in good standing with the FSA; and

(b) there is compliance with the applicable laws of England and Wales and the applicable laws governing the Grafton Clients.

SIGNED at Halifax, Nova Scotia, this 28<sup>th</sup> day of April, 2010.

NOVA SCOTIA SECURITIES COMMISSION

“H. Leslie O’Brien”  
**H. Leslie O’Brien**

“R. Daren Baxter”  
**R. Daren Baxter**