

Headnote:

Application for an exemption from the requirement in subsection 22(2) of the General Securities Rules to have a business office manager in Nova Scotia – An investment dealer seeks relief from the requirement to have a manager who is a permanent resident of Nova Scotia for a Halifax business office that will be closed at the end of May, 2009– The registrant will appoint a branch manager resident in New Brunswick to be the branch manager for the Halifax business office as permitted under the rules of the Investment Industry Regulatory Organization of Canada– This arrangement will be subject to compliance with the applicable rules and by-laws of the Investment Industry Regulatory Organization of Canada.

Applicable legislative provisions

General Securities Rules, previously the Securities Regulations, subsections 20(2) and 22(2)

IN THE MATTER OF: **The *Securities Act*, R.S.N.S. 1989, c. 418, as amended (the “Act”);**

- and -

IN THE MATTER OF: **Union Securities Ltd.**

RULING

(Subsection 20(2) of the Securities Rules)

UPON the application of Union Securities Ltd. (“Union”) to the Nova Scotia Securities Commission (the “Commission”) for a ruling, pursuant to subsection 20(2) of the rules of the Commission deemed by subsection 150A(9) of the Act to have been made pursuant to section 150 of the Act (the “Securities Rules”), that Union be exempted from the requirement of subsection 22(2) of the Securities Rules to have a business office manager in Nova Scotia;

AND UPON reading the application and the recommendation of staff of the Commission;

AND UPON Union having represented to the Commission that:

1. Union was incorporated under the laws of British Columbia on March 23, 1969.

2. Union is registered in the category of investment dealer under the Act in Nova Scotia and as an extra-provincial corporation under the *Corporations Registration Act* (Nova Scotia) and is in good standing as to the payment of fees and filing of annual returns.
3. Union is registered as an investment dealer in the resident home province of British Columbia (the “Home Jurisdiction”), having its registered office and principal place of business situated at 900 – 700 West Georgia Street, Vancouver, British Columbia V7Y 1H4.
4. Union is a member in good standing of the Investment Industry Regulatory Organization of Canada (the “IIROC”).
5. To the best of Union’s knowledge, it is in good standing in the Home Jurisdiction.
6. Union’s Halifax branch office, located at 203 – 1969 Upper Water Street, Halifax, Nova Scotia B3J 3R7 (the “Halifax Branch”) operates as a sub-branch under the IIROC rules under the supervision of Union’s Moncton branch office, located at 320 – 1133 St. George Boulevard, Moncton, New Brunswick E1E 4E1 (the “Moncton Branch”).
7. Under a ruling granted by the Commission to Union dated July 23, 2008, as extended by further rulings dated October 29, 2008, and February 4, 2009 (the “Previous Rulings”), the designated supervisor of the Halifax Branch is Richard Colin Brown, Branch Manager of the Moncton Branch (“Brown”). Brown is registered as Branch Manager, Officer (Trading), Registered Representative Options (Retail), and Registered Futures Contract Representative Options (Retail) with the New Brunswick Securities Commission (the “NBSC”). Union does not currently have a branch manager resident in Nova Scotia. To the best of Union’s knowledge, Brown is in good standing with the NBSC.
8. The Previous Rulings terminated on May 5, 2009. Union has not been able to successfully recruit and hire a Nova Scotia resident branch manager for the Halifax Branch and has decided to close the Halifax Branch in an orderly manner during the month of May, 2009. Brown will continue to act as the designated supervisor of the Halifax Branch until it is closed on or about May 29, 2009.
9. The Halifax Branch employs two individuals who are registered as salespersons in Nova Scotia (the “Nova Scotia Salespeople”). The Nova Scotia Salespeople are currently Gail Louise Cleary and John Thomas Redmond, both of whom reside in Nova Scotia.
10. Under IIROC Rule 4, Branch Office Dealer Members, Branch Offices and Sub-Branch Offices, Union is permitted to have a sub-branch office and designate as the supervisor of such office a branch manager who is not normally present at such office.

11. Union has made the necessary arrangements in order to comply with the statutory and other obligations to its clients in Nova Scotia, including the adoption of a compliance plan and specific policies and procedures to ensure the adequate supervision and review by Brown of all trading activity of the Halifax Branch.
12. At the present time, Union would have difficulty in complying with the Nova Scotia business manager requirements under subsection 22(2) of the Securities Rules.

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

IT IS RULED pursuant to subsection 20(2) of the Securities Rules that Union is exempt from the requirement under subsection 22(2) of the Securities Rules to maintain a business office manager resident in Nova Scotia for the Halifax Branch, provided that:

- (a) Union is a member in good standing of the IIROC;
- (b) The securities, funds and other assets of Nova Scotia resident clients of Union, insofar as those securities, funds and other assets relate to trading done by or advice given by Union, are held in such a manner as the Director of Securities (the "Director") may specify when the Director considers it appropriate to so specify;
- (c) The Moncton Branch is managed by Brown who is registered in New Brunswick and in Nova Scotia in a category similar to the registration held in New Brunswick;
- (d) All partners, directors, officers and salespeople of Union who are required to be registered in Nova Scotia are registered in Nova Scotia in a category similar to the registration they hold in their home province;
- (e) The Nova Scotia Salespeople are supervised by Brown and are the only registered salespeople of Union resident in Nova Scotia;
- (f) Brown is designated as the branch manager of the Halifax Branch under the IIROC by-laws and rules;
- (g) The Halifax Branch is approved by the IIROC as a sub-branch office of Union under the IIROC by-laws and rules;
- (h) The Halifax Branch is the only sub-branch office of Union in Nova Scotia;
- (i) Union promptly notifies the Director if there are any terms, conditions or restrictions imposed at any time on the registration of Union or any of its partners, directors, officers and salespeople who are registered in Nova Scotia, by the British Columbia Securities Commission or the NBSC (the "Regulators") or the IIROC or if the Regulators or IIROC reprimands any of those registrants;

- (j) Union promptly notifies the Director if it employs a Nova Scotia resident as a business office manager for the Halifax Branch;
- (k) Union files with the Director a duly executed submission to jurisdiction and appointment of agent for service of process substantially in the form attached as Appendix A to Nova Scotia Blanket Order No. 31-504 (“BO 31-504”);
- (l) Union files with the Director a written undertaking substantially in the form attached as Appendix B to BO 31-504 and complies with the undertaking;
- (m) Union files with the Director such reports relating to its activities with respect to Nova Scotia resident clients as the Director may require, from time to time;
- (n) Union agrees to the imposition of any additional conditions of registration that arise from any policies or rules adopted by the Commission regarding non-resident domestic dealers; and
- (o) This ruling will terminate on or before May 29, 2009, when the Halifax Branch closes.

SIGNED at Halifax, Nova Scotia, this 6th day of May, 2009.

**NOVA SCOTIA SECURITIES
COMMISSION**

“H. Leslie O’Brien”

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