

IN THE MATTER OF THE SECURITIES ACT S.N.B. C. S-5.5 (the Act)

AND

IN THE MATTER OF

EXEMPTION FOR MORTGAGE INVESTMENT ENTITIES FROM THE REQUIREMENT TO REGISTER  
AS INVESTMENT FUND MANAGERS AND ADVISERS

Blanket Order 31-511

Section 208

**WHEREAS:**

1. Unless otherwise defined in this decision or the context otherwise requires, terms used that are defined in NI 31-103 *Registration Requirements and Exemptions* (NI 31-103) or National Instrument 14-101 *Definitions* have the same meaning in this decision.
2. In this decision:
  - (a) "mortgage investment entity" means a person or company whose purpose is to invest substantially all of its assets in debts owing to it that are secured by mortgages, hypothecs or in any other manner on real property, and whose other assets are limited to:
    - (i) deposits standing to its credit in the records of:
      - (A) a bank or other corporation whose deposits are insured by the Canada Deposit Insurance Corporation or the Régie de l'assurance-dépôts du Québec; or
      - (B) a credit union;
    - (ii) cash;
    - (iii) securities listed in subsection (2) of Section 8.21 of NI 31-103; and
    - (iv) instruments held to hedge specific risks relating to the debts owing to it that are secured by mortgages, hypothecs or in any other manner on real property.
3. A mortgage investment entity or a person or company providing services relating to the business, operations or affairs of a mortgage investment entity may be required to register as an investment fund manager, adviser or exempt market dealer and comply with all requirements applicable to such categories pursuant to the requirements of NI 31-103.
4. Each of the members of the Canadian Securities Administrators has agreed to review the applicability of the requirement for entities referred to in paragraph 3 to register as investment fund managers or advisers.

**IT IS ORDERED** pursuant to section 208 of the *Act* that:

- A. The adviser registration requirement does not apply to a person or company so long as the person or company
  - I. does not act as an adviser other than in respect of the securities issued by or owned by a mortgage investment entity, and
  - II. does not carry out activities that would require registration under securities legislation for a person or company that is not a mortgage investment entity.
  
- B. The investment fund manager registration requirement does not apply to a person or company so long as that person or company
  - I. does not act as an investment fund manager other than in respect of the business, operations or affairs of a mortgage investment entity, and
  - II. does not carry out activities that would require registration under securities legislation for a person or company that is not a mortgage investment entity.
  
- C. This order will come into effect on 20 August 2010 and will cease to have effect on 31 December 31 2010.

**DATED** at Saint John, New Brunswick this 18th day of August 2010.

"original signed by"

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David G. Barry, Q.C., Panel Member

"original signed by"

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Kenneth Savage, Panel Member