

IN THE MATTER OF:
THE SECURITIES ACT, 1988, S.S. 1988, C. S-42.2

AND

IN THE MATTER OF
CANADA LIFE SECURITIES INC.

ORDER
(Section 160)

WHEREAS an application has been received by the Saskatchewan Securities Commission (the “Commission”) from Canada Life Securities Inc. (“CLSI”) for an order pursuant to section 160 of *The Securities Act, 1988, S.S. 1988, c. S-42.2* (the “Act”) that the provisions of subsections 25(6) and 36(1) of the regulations to the Act (the “Regulations”) shall not apply to CLSI and its officers and employees;

AND WHEREAS the Commission has assigned to the Director the power to make exemption orders and rulings under the provision of the Act;

AND WHEREAS it has been represented to the Commission that:

1. CLSI was incorporated under the laws of Canada on June 4, 2001. It is a wholly-owned subsidiary of The Canada Life Assurance Company (“CLA”) and was formed for the purpose of carrying on the group savings and pension business which CLA acquired from the TD Bank on December 31, 2000. CLSI will not carry out any registerable activity in Saskatchewan other than trades relating to its group savings and pension business;
2. CLSI is registered as an extra-provincial corporation under the *Business Corporations Act* (Saskatchewan) and is in good standing as to the payment of fees and filing of annual returns;
3. CLSI’s head office is located at 438 University Avenue, 19th Floor, Toronto, Ontario M5G 2K8. CLSI intends to have a branch office situated at 1881 Scarth Street, Suite 1600, Regina, Saskatchewan, S4P 4K9;
4. CLSI was accepted as a member of the Investment Dealers Association of Canada effective November 1, 2001, and has applied for registration as an investment dealer (or

- equivalent) with the Ontario Securities Commission (“OSC”) and all of the other provincial and territorial securities regulators in Canada including the Commission;
5. While CLSI will deal directly with its employer plan sponsors and individual members with respect to registerable activities, it will rely on CLA to provide administrative services in a number of areas on behalf of and in the name of CLSI. As a large regulated financial institution already in the group plan administration business, CLA is well equipped to be able to provide these services to CLSI, and can do so on a cost effective basis. CLA will provide CLSI with a range of administrative support functions, including but not limited to, corporate administrative support, back office support, and client statement processing. These services will predominantly be provided by CLA in Ontario;
 6. CLSI’s staff in its London, Ontario call centre, who will be registered with the OSC and the Commission, will be responsible primarily for the provision of CLSI’s services to individual members in Saskatchewan by telephone. CLSI’s business is a group service provider business, and it will not have any retail sales branches where customers would attend on a walk-in basis. All customer trading activity of CLSI will be conducted over the phone with its representatives in the London call centre who will be registered in both Saskatchewan and Ontario;
 7. CLSI will employ one Saskatchewan resident registered representative (the “Representative”) who will work from its Regina branch office;
 8. The Representative will provide educational information to CLSI’s corporate plan sponsors and their employees. In information sessions which will be conducted by the Representative, the Representative may assist the employees with completing “know your client” information on application forms, may explain the concept and principles of asset allocation, and may provide the employees with prospectuses for investments which will be made available to them in their group plan. Although the Representative may be asked questions by employees who are completing application forms, the Representative will not be responsible for conducting suitability assessments, reviewing completed applications, or approving the opening of new accounts. These function will be performed by the representatives and branch managers in CLSI’s London, Ontario, branch office who will be registered in both Saskatchewan and Ontario. Information sessions conducted by the Representative will be conducted at the offices of the corporate plan sponsors or, when necessary, at some other off-site location which is easily accessible by the employees of the corporate plan sponsor;
 9. The Representative will not be involved in trading activity. When a Saskatchewan resident wishes to place a trade or ask a question about their account, he or she will call a toll-free number which will put them in touch with a representative in CLSI’s London, Ontario, call centre who will be registered in both Saskatchewan and Ontario;
 10. CLSI has submitted undertakings (the “Supervision Undertakings”) to the Commission from its branch managers who are responsible for supervising the activities of registrants

who will be conducting registerable activities on behalf of Saskatchewan residents, stating that the branch managers are responsible for, and will supervise the activities of CLSI's registrants who are conducting registerable activities on behalf of Saskatchewan residents, and confirming that the branch manager will ensure that all such registrants will be registered with the Commission and with the securities regulatory authority in their province of residence before conducting any registerable activities on behalf of Saskatchewan residents. CLSI has submitted a similar undertaking to the Commission signed by the branch manager of its London, Ontario branch office, confirming that she will be responsible for supervising the activities of the Representative;

11. CLSI has provided the Commission with an undertaking (the "Books and Records Undertaking") which provides that upon the request of the Commission, CLSI will produce, at its expense, all books, papers, documents, records and correspondence relating to its activities in Saskatchewan, which are in its possession, control or power, and which it is authorized by law to provide. The undertaking also provides that CLSI will produce in Saskatchewan, at CLSI's expense, and subject to applicable laws, appropriate persons in its employ who are required to give evidence on oath or otherwise, and that CLSI will permit the Commission to examine its books and records outside of Saskatchewan, and will reimburse the Commission for its costs and expenses incurred in conducting such inspection, above those costs which would have been incurred had the books and records been maintained in Regina, Saskatchewan;

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

IT IS ORDERED pursuant to section 160 of the Act that the provisions of subsections 25(6) and 36(1) of the Regulations shall not apply to CLSI and its officers and employees provided that:

1. CLSI is registered as a dealer, in the category of investment dealer in Ontario;
2. All officers or employees of CLSI registered in Saskatchewan are supervised by an individual resident in Ontario and registered in both Ontario and Saskatchewan;
3. CLSI shall promptly notify the Commission if there are terms, conditions or restrictions imposed at any time on the registration of CLSI or its registered individuals who serve Saskatchewan resident clients by any Canadian securities regulatory authority ("CSRA") or if any CSRA reprimands at any time any of those registrants;

4. CLSI shall carry out its activities in Saskatchewan and maintain its undertakings as described in this Order; and
5. This Order shall lapse if CLSI has more than one registered Saskatchewan resident or if CLSI employs a Saskatchewan resident as branch manager unless the Director confirms otherwise;

DATED March 28, 2002.

“Barbara Shourounis”

Barbara Shourounis
Director