

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – Relief from the prohibition on the use of corporate officer titles by certain registered individuals in respect of institutional clients in subparagraph 13.18(2)(b), National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* – Relief does not extend to interactions by registered individuals with retail clients.

Applicable Legislative Provisions

National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, ss. 13.18(2)(b), 15.1

Citation: Re Tudor, Pickering, Holt & Co. Securities - Canada, ULC, 2021 ABASC

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Date: 20211231

In the Matter of
The Securities Legislation of Alberta and Ontario
(the **Jurisdictions**)

and

In the Matter of
The Process for Exemptive Relief Applications
in Multiple Jurisdictions

and

In the Matter of
Tudor, Pickering, Holt & Co. Securities - Canada, ULC
(the **Filer**)

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (each, a **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that pursuant to section 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**), the Filer and its Registered Individuals (as defined below) are exempt from the prohibition in paragraph 13.18(2)(b) of NI 31-103 that a registered individual may not use a corporate officer title when interacting with clients, unless the individual has been appointed to that corporate office by their sponsoring firm pursuant to applicable corporate law, in respect of Clients (as defined below) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application,
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon by the Filer and its Registered Individuals (as defined below) in the provinces of British Columbia, Saskatchewan, Manitoba and Quebec, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation existing under the laws of the Province of Alberta. The only office of the Filer is located in Calgary, Alberta.
2. The Filer is registered as an investment dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec (the **Canadian Jurisdictions**).
3. The Filer is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
4. The Filer is not in default of securities legislation in any of the Canadian Jurisdictions.
5. The Filer is a wholly-owned subsidiary of Perella Weinberg Partners, LP, which is a U.S. registered advisor with the Financial Industry Regulatory Authority (**FINRA**) and the U.S. Securities and Exchange Commission (**SEC**).
6. The Filer is also an affiliate of Tudor, Pickering, Holt & Co. Securities LLC (**TPH**), which is a U.S. registered broker-dealer with FINRA and the SEC.
7. The Filer provides strategic and financial advice to institutional clients, who wish to participate in the global energy industry through the purchase or sale of equity and debt related securities listed for trading on recognized marketplaces in North America.
8. The Filer relies upon dually registered employees of TPH to engage with its clients located in Canada. TPH's employees are dually registered with IIROC and FINRA.
9. The Filer is the sponsoring firm for the dually registered individuals of TPH that interact with clients and use a corporate officer title without being appointed to the corporate office of the Filer or TPH pursuant to applicable corporate law (the **Registered Individuals**). The

number of Registered Individuals may increase or decrease from time to time as the business of the Filer changes. As of the date of this decision, the Filer has approximately five Registered Individuals.

10. The current titles used by the Registered Individuals include the words “Managing Director” and “Executive Director”, and the Registered Individuals may use additional corporate officer titles in the future (collectively, the **Titles**). The Titles are awarded to the Registered Individuals by TPH and are used by those individuals when interacting with institutional clients on behalf of the Filer.
11. TPH has a process in place for awarding the Titles, which sets out the criteria for each of the Titles. The Titles are based on criteria including seniority and experience, and a Registered Individual’s sales activity or revenue generation is not a primary factor in the decision by TPH to award one of the Titles.
12. The Registered Individuals interact only with institutional clients that are, each, a non-individual “institutional client” as defined in IIROC Rule 1201 (the **Clients**).
13. Section 13.18 of NI 31-103 prohibits registered individuals in their client-facing relationships from, among other things, using titles or designations that could reasonably be expected to deceive or mislead existing and prospective clients. Paragraph 13.18(2)(b) of NI 31-103 specifically prohibits the use of corporate officer titles by registered individuals who interact with clients unless the individuals have been appointed to those corporate offices by their sponsoring firms pursuant to applicable corporate law.
14. There would be significant operational and human resources challenges for the Filer to comply with the prohibition in paragraph 13.18(2)(b). In addition, the Titles are widely used and recognized throughout the institutional segment of the financial services industry within Canada and globally, and being unable to use the Titles has the potential to put the Filer and its Registered Individuals at a competitive disadvantage as compared to non-Canadian firms that are not subject to the prohibition and who compete for the same institutional clients.
15. Given their nature and sophistication, the use of the Titles by the Registered Individuals would not be expected to deceive or mislead existing and prospective Clients.
16. For the reasons provided above, 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, provided that, when using the Titles, the Filer and its Registered Individuals interact only with existing and prospective clients that are exclusively non-individual “institutional clients” as defined in IIROC Rule 1201.

This decision will terminate six months, or such other transition period as may be provided by law, after the coming into force of any amendment to NI 31-103 or other applicable securities law that affects the ability of the Registered Individuals to use the Titles in the circumstances described in this decision.

“Signed by”

Lynn Tsutsumi
Director, Market Regulation
Alberta Securities Commission