

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA,
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE
RELIEF APPLICATIONS

AND

IN THE MATTER OF RBC PRIVATE COUNSEL (USA) INC., RBC PRIVATE COUNSEL
INC., RBC DOMINION SECURITIES INC. AND RBC GLOBAL INVESTMENT
MANAGEMENT INC.

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application (the "Application") from RBC Private Counsel (USA) Inc. ("RBC USA") and RBC Private Counsel Inc. ("RBC-PC"), for a decision, under the securities legislation (the "Legislation") of each of the Jurisdictions, that RBC USA, and certain individuals (the "RBC USA Advisers"), who act as advisers on behalf of RBC USA and, at the relevant times, are registered to act as advisers on behalf of RBC-PC or RBC Global Investment Management Inc. ("RBC Global") or authorized to act as an adviser on behalf of RBC Dominion Securities Inc. ("RBC Dominion") pursuant to an exemption from the Adviser Registration Requirement (as defined below) available to RBC Dominion (RBC-PC, RBC Global and RBC Dominion being referred to collectively as the "Domestic Registrants"), shall not be subject to the requirement (the "Adviser Registration Requirement") contained in the Legislation that prohibits a person or company from acting as an adviser unless the person or company is registered in an appropriate category of registration under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "OSC") is the principal regulator for this Application;

AND WHEREAS RBC USA and RBC-PC have represented to the Decision Makers that:

1. RBC USA is a corporation incorporated under the laws of Canada. RBC USA is a wholly owned subsidiary of RT Investment Management Holdings Inc. ("RTIM") and is an indirect wholly-owned subsidiary of Royal Bank of Canada (the "Bank"). The head office of RBC USA is in Toronto, Ontario.
2. RBC USA was established as a vehicle to provide advice with respect to securities to persons or companies (the "U.S. Clients") that are at the relevant time resident in the United States of America. RBC USA is not a registrant under the Legislation of any of the Jurisdictions.

3. RBC USA is registered as an investment adviser under section 203 of the *United States Investment Advisers Act of 1940* to carry on the business of an adviser.

4. RBC-PC was formed under the laws of Canada, by the amalgamation, effective November 1, 2000, of RT Investment Counsel Inc. and RBC Private Counsel Inc. (formerly Connor Clark & Company Ltd.). RBC-PC is the surviving entity of the amalgamation. RBC-PC is also a wholly-owned subsidiary of RTIM and is indirectly a wholly-owned subsidiary of the Bank. The head office of RBC-PC is located in Toronto, Ontario.

5. RBC-PC is registered under the Legislation of each Jurisdiction as an adviser in the categories of "investment counsel" and "portfolio manager" (or the equivalent).

6. RBC Dominion is registered under the Legislation of each Jurisdiction as a dealer in the category of "investment dealer", or the equivalent, and is authorized to act as an adviser pursuant to an exemption from the adviser registration requirement made available under the Legislation of each Jurisdiction to dealers who are members of the Investment Dealers Association of Canada (the "IDA").

7. RBC Global is registered as an adviser under the Legislation of each Jurisdiction in the categories of "investment counsel" and "portfolio manager" (or the equivalent).

8. None of the RBC USA Advisers will act on behalf of RBC USA for a U.S. Client in a Jurisdiction unless the RBC USA Adviser is, at the relevant time, also:

i) an officer of RBC-PC and registered under the Legislation to act as an adviser on behalf of RBC-PC, which is, in turn, registered to act as an adviser under the Legislation;

ii) an officer of RBC Global and registered under the Legislation to act as an adviser on behalf of RBC Global, which is, in turn, registered to act as an adviser under the Legislation; or

iii) a director, officer or employee of RBC Dominion authorized to act as an adviser on behalf of RBC Dominion pursuant to an exemption from the Adviser Registration Requirement in the Legislation available to RBC Dominion as a dealer that is a member of the IDA.

9. RBC USA Advisers will act on behalf of RBC USA as advisers to the U.S. Clients out of the offices of the corresponding Domestic Registrant referred to in paragraph 8 above.

10. RBC USA and the RBC USA Advisers will comply with all registration and other requirements of applicable United States securities laws in respect of advising U.S. Clients. RBC USA will not act as an adviser to any person or company that is then a resident in Canada.

11. U.S. Clients of RBC USA may include clients of a Domestic Registrant, who were, but are no longer, residents of Canada. U.S. Clients may also include persons or companies who are

neither former Canadian residents nor former clients of RBC USA or any of the Domestic Registrants.

12. Initially, each potential U.S. Client of RBC USA will be identified from a review of records of the Domestic Registrants and will be asked to enter into a new advisory agreement with RBC USA, at which time written disclosure will be provided to the U.S. Client that the U.S. Client is no longer under the responsibility of the Domestic Registrant. U.S. Clients will also receive a retail client brochure and such other documents as mandated under applicable United States securities laws. RBC USA Advisers will have business cards and letterhead which will identify them to the U.S. Clients as working on behalf of RBC USA, and all communication by RBC USA Advisers with U.S. Clients, on behalf of RBC USA, will be through RBC USA.

13. U.S. Clients will be advised at the time they enter into an advisory agreement with RBC USA (and periodically thereafter) that, if they return to Canada, their accounts must either be transferred to RBC-PC or to another person or company authorized to carry on the business of an adviser in the relevant province or territory.

14. RBC USA (under its former name "RT Investment Management (USA) Inc.") obtained a ruling (the "Prior Ontario Decision") from the OSC under the *Securities Act* (Ontario) (the "Ontario Act"), *In the Matter of RT Capital Management Inc. and RT Investment Management (USA) Inc.*, dated August 11, 1998, pursuant to subsection 74(1) of the Ontario Act, exempting it, and persons who are employed as advisers by it and RT Capital Management Inc., or its affiliates, from the Adviser Registration Requirement contained in clause 25(1)(c) of the Ontario Act in respect of acting as an adviser to U.S. Clients.

15. Ontario was the only Jurisdiction in respect of which RBC USA obtained discretionary relief of the type referred to in paragraph 14.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Adviser Registration Requirement shall not apply to RBC USA, or to the RBC USA Advisers acting on its behalf, in acting as an adviser to U.S. Clients, as described above, provided that:

(a) in acting as an adviser to the U.S. Clients, RBC USA, and the RBC USA Advisers acting on its behalf, comply with all applicable registration and other requirements of United States securities legislation; and

(b) in acting as an adviser to the U.S. Clients, RBC USA acts only through RBC USA Advisers.

AND UPON RBC USA having included through the Application a request that the Prior Ontario Decision be revoked and replaced by the above Decision:

IT IS ALSO ORDERED by the OSC, pursuant to section 144 of the Ontario Act, that the Prior Ontario Decision be revoked.

Dated at Toronto this "11th" day of "July", 2001"

‘Paul M. Moore"

"J. A. Geller"

Headnote

MRRS Decision - U.S. registered investment adviser exempted from the adviser registration requirements of the Act with respect to advice given to persons or companies who are resident in the U.S., where the advice is given through individuals that are also otherwise registered to act as advisers or exempt from the adviser registration requirement, in order to advise on behalf of an Ontario registered affiliate.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1)(c), 74(1), 144.

Applicable Ontario Regulation

R.R.O 1990, Reg. 1015, as am., s. 148.

Applicable Ontario Decisions

In the Matter of RT Capital Management Inc. and RT Investment Management (USA) Inc.,
(1998) 21 OSCB 5255.