

Registrar of Mortgage Brokers Discipline Orders Overview Report

A. Scope of Overview Report

1. This overview report summarizes and attaches every order and notice of hearing on the Registrar of Mortgage Brokers' discipline page which alleges or finds either (a) unregistered MB activity; (b) the facilitation of unregistered MB activity; or (c) the fraudulent alteration of borrower documents to support an application for a loan.

B. Summaries of Discipline Occasions (Orders and Notices of Hearing)

2. *In the Matter of Mana Erfani*. Consent Order, August 27, 2020: Ms. Erfani, formerly a registered mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby she accepted that she had facilitated the unregistered mortgage broker activity of Jay Kanth Chaudhary by submitting loan documents to lenders on his behalf, when she ought to have known that some or all of the supporting documents were inaccurate or misleading. Ms. Erfani agreed never to re-apply for registration under the Act as a mortgage broker or sub-mortgage broker, and to pay investigation costs of \$15,000. The consent order is attached to this overview report as Appendix A.

3. *In the Matter of Justin Phu Pham and JP Elite Mortgage*. Notice of Hearing, 29 November 2019: Mr. Pham, formerly a registered mortgage broker, allegedly carried on business as a mortgage broker or sub mortgage broker without obtaining registration or exemption under the Act. JP Elite Mortgage allegedly carried on business as an unregistered mortgage broker and facilitated unregistered mortgage broker activity by permitting Mr. Pham to hold himself out as mortgage broker with JP Elite while neither of them were registered under the Act. The consent order is attached to this overview report as Appendix B.

4. *In the Matter of Dulce Maria Coelho Fedoriw*. Notice of Hearing, 29 November 2019: Ms. Coelho, a sub mortgage broker, allegedly facilitated the unregistered mortgage broker activities of Justin Phu Pham. The consent order is attached to this overview report as Appendix C.

5. *In the Matter of Anil Sagar*. Consent Order, 20 May 2020. Mr. Sagar, having never been registered under the Act, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had carried on unregistered mortgage broker activities without being exempted under the Act, including providing Adil Virani with information that he knew or ought to have known were false in five mortgage applications. Mr. Sagar agreed to immediately cease acting as a mortgage broker unless he becomes registered under the Act, pay an administrative penalty of \$45,000 and pay

investigation costs of \$8,539.60. The consent order is attached to this overview report as Appendix D.

6. *In the Matter of Adil Jafferli Virani.* Consent Order, 21 April 2020. Mr. Virani, a registered sub-Mr. mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had facilitated a third party's unregistered mortgage broker activity without taking sufficient steps to verify the accuracy and authenticity of information provided to him by the third party. Mr. Virani agreed to a two-year registration suspension, and an administrative penalty of \$30,000, and investigation costs of \$8,539.60. Following the suspension, Mr. Virani agreed to registration restrictions for a period of 24 months. The consent order is attached to this overview report as Appendix E.

7. *In the Matter of Ricky Kanwal and Zynterra Capital Corporation.* Consent Order, 21 April 2020. Mr. Kanwal, formerly a registered sub-mortgage broker and sole director and operator of Zynterra Capital Corporation, entered into a consent order with the Registrar of Mortgage Brokers whereby he agreed that he had facilitated the unregistered mortgage broker activity of Nasir Aziz Ansari, and submitted documents and information to lenders that he knew or ought to have known were false. Mr Kanwal and Zynterra agreed to never re-apply for registration under the Act in any capacity, and pay investigative costs of \$10,000. The consent order is attached to this overview report as Appendix F.

8. *In the Matter of Shane Christopher Ballard.* Notice of Hearing, 8 October 2019. Mr. Ballard, a sub-mortgage broker, allegedly facilitated the unregistered mortgage broker activities of Jay Kanth Chaudhary. The notice of hearing is attached to this overview report as Appendix G.

9. *In the Matter of Nasir Aziz Ansari.* Consent Order, 19 July 2019. Mr. Ansari, having never been registered as a mortgage broker under the Act, entered into a consent order with the Registrar of Mortgage Brokers whereby he agreed that he conducted business as a mortgage broker without being registered or exempted from registration in collaboration with Ricky Kanwal. He also misrepresented borrowers' income and employment information on mortgage applications that he submitted to lenders. Mr. Ansari agreed to immediately cease acting as a mortgage broker until he becomes registered under the Act, pay an administrative penalty of \$12,000 and pay investigation costs of \$1,341.72. The consent order is attached to this overview report as Appendix H.

10. *In the Matter of Gabriel Jason Hoffart and John Stephen McKay.* Consent Order, 12 July 2019. Mr. Hoffman, a registered mortgage broker, and Mr. McKay, never having

been registered as a sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby they agreed that Mr. Hoffart facilitated the unregistered mortgage broker activities of Mr. McKay by failing to conduct daily operation and oversight of business matters of Symmetry 2 MIC. Mr. McKay agreed that he carried on business as a mortgage broker or sub-mortgage broker without being registered under, or seeking exemption from, the Act. Mr. Hoffart agreed to an administrative penalty of \$12,500 and investigation costs of \$2,500. Mr. McKay agreed to an administrative penalty of \$17,500 and investigation costs of \$2,500. The consent order is attached to this overview report as Appendix I.

11. *In the Matter of Dean Fran James Walford and Loan Depot Canada.* Notice of Hearing, 1 February 2019. Mr. Walford, never having been registered under the Act, allegedly carried on business as a mortgage broker without being registered and without seeking exemption from registration under the Act. The notice of hearing is attached to this overview report as Appendix J.

12. *In the Matter of Grant Brian Curtis.* Notice of Hearing, 5 April 2019. Mr. Curtis, never having been registered under the Act, allegedly facilitated the unregistered mortgage broker activities of Dean Frank James Walford and Loan Depot Canada. The notice of hearing is attached to this overview report as Appendix K.

13. *In the Matter of Tanya Ann Smith.* Notice of Hearing, 5 April 2019. Ms. Smith, registered as a sub-mortgage broker, allegedly facilitated the unregistered mortgage broker activities of Dean Frank James Walford and Loan Depot Canada. The notice of hearing is attached to this overview report as Appendix L.

14. *In the Matter of Jay Kanth Chaudhry.* Cease and Desist Order, 23 May 2019. Mr. Chaudhary, formerly registered as a sub-mortgage broker, and on a 120-day suspension imposed by the Acting Registrar of Mortgage Brokers on 16 October 2008, carried on business as a mortgage broker or sub-mortgage broker thereby putting the public and lenders at risk. He also knowingly submitted false information to lenders for them to act upon as if that information was genuine. The cease and desist order is attached to this overview report as Appendix M.

15. *In the Matter of Vinita Devi Lal.* Notice of Hearing, 5 October 2018. Ms. Lal allegedly carried on business as a mortgage broker or sub-mortgage broker without being registered, or seeking exemption, under the Act, including giving directions to other registered mortgage brokers or sub mortgage brokers.. The notice of hearing is attached to this overview report as Appendix N.

16. *In the Matter of Prem Lata Devi Singh*. Notice of Hearing, 27 September 2018. Mr. Singh facilitated the unregistered mortgage broker activities of Vinita Devi Lal by taking instruction to input information into mortgage applications, and submitting misleading information in support of the income of the borrower when he knew or ought to have known it was misleading. The notice of hearing is attached to this overview report as Appendix O.

17. *In the Matter of Anil Kumar Singh*. Consent Order, 28 September 2018. Mr. Singh, a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he submitted misleading and altered information to lenders in support of mortgage obligations, when he ought to have known the documents were altered. He agreed not to apply for registration under the Act for 10 years, and a restriction of any registration application he may pursue thereafter. He also agreed to pay investigative costs of \$3,000. The consent order is attached to this overview report as Appendix P.

18. *In the Matter of Gordon Stephen Lemon*. Consent Order, 28 May 2018. Mr. Lemon, formerly a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had permitted the unregistered mortgage broker activity of Northshore. He agreed to a suspension of 3 years and a restriction of registration anytime thereafter, and to pay investigative costs of \$2,500. The consent order is attached to this overview report as Appendix Q.

19. *In the Matter of Justic Phu Pham and JP Elite Mortgage*. Cease and Desist Order, 22 December 2017. Mr. Pham and JP Elite Mortgage carried on business as mortgage brokers while not registered as such, and were ordered to cease and desist. The cease and desist order is attached to this overview report as Appendix R.

20. *In the Matter of Peter Pak-Hung Lee*. Consent Order, 8 November 2017. Mr. Lee, formerly a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had engaged in the fraudulent alteration of borrower documents to support a mortgage application to a lender. Mr. Lee agreed to not re-apply for registration for a period of two years, and pay investigation costs of \$3,195.53. The consent order is attached to this overview report as Appendix S.

21. *In the Matter of Jorawar Singh Gosal*. Consent Order, 1 April 2016. Mr. Gosal, formerly a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had engaged in the fraudulent alteration of borrower documents to support a mortgage application to a lender.

Mr. Gosal agreed a suspension from registration for a period of 10 years, and pay investigation costs of \$4,000. The consent order is attached to this overview report as Appendix T.

22. *In the Matter of Ranminder Kaur Gill*. Cease and Desist Order, 22 January 2016. Mrs. Gill, formerly registered as a sub-mortgage broker, carried on business as a mortgage broker or sub-mortgage broker without being registered under the Act, and demonstrated a willingness to deceive lenders when submitting mortgage applications to them. She was ordered to cease and desist. The cease and desist order is attached to this overview report as Appendix U.

23. *In the Matter of Kambiz (Kam) Ali Mahinsa*. Consent Order, 22 December 2015. Mr. Mahinsa, a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had prepared mortgage applications that he knew or ought to have known were fraudulent, and misrepresented the borrower's income and employment history. Mr. Mahinsa agreed to not be a designated individual for a period of two years, and be closely supervised for a period of one year. He also agreed to pay an administrative penalty of \$13,000 and investigation costs of \$1,000. The consent order is attached to this overview report as Appendix V.

24. *In the Matter of Mehrdad Nevis (aka Rod Nevis)*. Consent Order, 9 November 2015. Mr. Nevis, a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had prepared mortgage applications that he knew or ought to have known were fraudulent, and misrepresented the borrower's income and employment history. Mr. Nevis agreed to not be a designated individual for a period of two years, and be closely supervised for a period of one year. He also agreed to pay an administrative penalty of \$10,000 and investigation costs of \$1,500. The consent order is attached to this overview report as Appendix W.

25. *In the Matter of Margaret Schulz and W.I. Mortgage Pros Ltd. doing business as Dominion Lending Centres Portgace Pros (WI)*. Consent Order, 22 May 2015. Ms. Schulz, formerly a registered sub-mortgage broker and the sole director of WI, entered into a consent order with the Registrar of Mortgage Brokers whereby she accepted that, among other things, she had prepared mortgage applications and knowingly misrepresented the borrower's income on those applications. Ms. Schulz to a suspension from registration for five years, and to pay an administrative penalty of \$37,500 agreed to not be a designated individual for a period of two years, and be closely supervised for a period of one year. The consent order is attached to this overview report as Appendix X.

26. *In the Matter of Elham Amirmoazami (aka Ellie Moazami)*. Consent Order, 24 October 2013. Ms. Amirmoazami entered into a consent order with the Registrar of

Mortgage Brokers whereby he accepted that she had, among other things, submitted mortgage applications to lenders that she knew or ought to have known were false, and submitted support documents for those applications that were improperly altered to falsely inflate the applicant's capacity to borrow. The consent order is attached to this overview report as Appendix Y.

27. *In the Matter of Shoallah Sadeghi*. Consent Order, 11 September 2013. Mr. Mahinsa, formerly a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that he had prepared an employment letter in support of an application for mortgage financing knowing that the information contained in the letter was not true. Mr. Sadeghi agreed to not re-apply for registration under the Act for a period of five years. The consent order is attached to this overview report as Appendix Z.

28. *In the Matter of Gobi Nava*. Cease and Desist Order, 11 July 2012. Mr. Nava, never having been registered as a mortgage broker, carried on business as a mortgage broker or sub-mortgage broker for approximately 10 years, and provided information in support of mortgage applications that were inaccurate. He was ordered to cease and desist. The cease and desist order is attached to this overview report as Appendix A1.

29. *In the Matter of Bennett Steeves (aka Basil Steeves)*. Cease and Desist Order, 14 June 2012. Mr. Steeves, never having been registered as a mortgage broker, conducted business as a mortgage broker or sub-mortgage broker, and was ordered to cease and desist. The cease and desist order is attached to this overview report as Appendix B1.

30. *In the Matter of Keith Allan Cook*. Consent Order, 25 April 2012. Mr. Cook, a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that, among other things, he had submitted mortgage applications to lenders where he knew or ought to have known were false. Mr. Cook agreed to pay an administrative penalty of \$25,000 and investigation costs of \$10,000. He also agreed to not act as a designated individual for a period of two years, and submit to audits on a semi-annual basis for two years. The consent order is attached to this overview report as Appendix C1.

31. *In the Matter of Earl Gary Lacharity and Jeanine Verle Ratcliffe*. Cease and Desist Order, 8 October 2011. Mr. Lacharity and Ms. Ratcliffe, while not registered as mortgage brokers, conducted mortgage broker activity, and were ordered to cease and desist. The cease and desist order is attached to this overview report as Appendix D1.

32. *In the Matter of Maryam Asadi*. Suspension Order, 1 August 2008. Ms. Asadi, was found to have conducted business in breach of the Act by, in part, knowingly submitting

false information to lenders for them to act upon it as if it were genuine. The Registrar of Mortgage Brokers imposed a 120-day suspension on Ms. Asadi. The suspension order is attached to this overview report as Appendix E1.

33. *In the Matter of Gurpal Singh (Paul) Beesla*. Consent Order, 3 January 2008. Mr. Singh, a registered sub-mortgage broker, entered into a consent order with the Registrar of Mortgage Brokers whereby he accepted that, among other things, he had submitted fraudulent borrower documents to support an application for a loan. Mr. Beesla agreed to a cancellation of his registration and to not apply for registration for a period of eight years. He also agreed to pay investigation costs of \$42,000. The consent order is attached to this overview report as Appendix F1.

Appendix A

*BCFSA – In the Matter of the Mortgage Brokers Act and In the Matter of Mana Erfani,
Consent Order (August 2020)*

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

- AND -

IN THE MATTER OF MANA ERFANI

CONSENT ORDER

(Pursuant to sections 8 and 8(1.2) of the *Mortgage Brokers Act*)

WHEREAS MANA ERFANI ("Ms. Erfani") was first registered as a submortgage broker with [REDACTED] under the *Mortgage Brokers Act*, [RSBC 1996] Chapter 313 (the "Act") until June 3, 2015;

AND WHEREAS at all material times, Ms. Erfani was registered with Origin Home Financial Partners Inc. dba: Dominion Lending Centres Origin, and her registration expired on June 3, 2017;

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing (the "Notice of Hearing") pursuant to section 8 and 8(1.2) of the Act to Ms. Erfani on June 27, 2019;

AND WHEREAS the following agreement has been reached between Ms. Erfani and the Staff of the Registrar (the "Staff"), and the Registrar makes the following findings and agrees to the following terms of a Consent Order:

A. FINDINGS

The Registrar makes the following findings against Ms. Erfani, and Ms. Erfani accepts the following findings made against her:

1. In her capacity as a submortgage broker, Ms. Erfani conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1)(i) of the Act, in that from June 2015 to July 2017, Ms. Erfani:
 - a. Facilitated the unregistered mortgage broker activities of Jay Kanth Chaudhary, also known as: Jay Kumar, Mike Kumar, George Desona, (together "Chaudhary") by submitting or permitting 20 mortgage applications ("Mortgage Applications"); and income and banking documents (including bank statements) and employment information including Notices of Assessments, T1 General Income Tax and Benefit Returns, (together the "Supporting Documents") to be submitted to

lenders on behalf of Chaudhary in respect of 18 borrowers (the "Borrowers") in that Ms. Erfani did not take instructions from the Borrowers and did not meet with the Borrowers.

- b. Submitted or permitted Mortgage Applications to be submitted through her Filogix account to lenders on behalf of 18 Borrowers, together with Supporting Documents in support of the Mortgage Applications of one or more of the Borrowers when;
 - i. Ms. Erfani ought to have known that some or all of the information in the Mortgage Applications was inaccurate or misleading; and
 - ii. Ms. Erfani ought to have known that some or all of the Supporting Documents were not genuine.

B. ORDERS AND PENALTY

Pursuant to sections 8, 4, and 6(9) of the Act, Ms. Erfani hereby consents to, and the Registrar hereby makes the following orders:

1. Ms. Erfani (currently unregistered) is not eligible to apply, and agrees to never re-apply for registration under the Act as either a mortgage broker or a submortgage broker, and the Registrar will not accept an application for registration by Ms. Erfani under the Act;
2. Pursuant to section 6(9) of the Act, Ms. Erfani shall pay partial investigation costs in the amount of \$15,000; and
3. All payments will be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority, and all amounts outstanding thirty (30) days following execution of this order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, RSBC 1996, c. 138.

C. AGREED FACTS

As a basis for this Consent Order, Ms. Erfani acknowledges the following facts as correct and makes the following admissions:

1. Ms. Erfani was at all material times registered as a submortgage broker with Origin Home Financial Partners Inc. dba: Dominion Lending Centres Origin.
2. At all material times, [REDACTED]. Chaudhary is the subject of a Cease and Desist Order issued by the Registrar on May 23, 2019 found at bcfsa.ca/pdf/enforcement/mb/mba20190529.pdf.
3. Ms. Erfani provided her passwords to her computers, email, and Filogix account to Chaudhary. Ms. Erfani's Filogix account was used for the purpose of submitting mortgage applications to lenders under her name. Ms. Erfani did not take steps to protect or secure her passwords.

4. Filogix is a computer software program used by many mortgage brokers in British Columbia to send mortgage applications to lenders for approval.
5. Ms. Erfani's brokerage sent Ms. Erfani summaries of all transactions that were approved and funded to Ms. Erfani, and Ms. Erfani received all commissions from the lenders in relation to the subject mortgage broker applications that were funded. Therefore, Ms. Erfani ought to have known that her Filogix account was being used to submit mortgage applications on her behalf. Ms. Erfani did not receive any payments directly from the Borrowers.
6. From approximately June 2015 to July 2017, 20 Mortgage Applications on behalf of 18 Borrowers were submitted to various lenders from Ms. Erfani's Filogix account.
7. Ms. Erfani did not meet with or take instructions from the Borrowers. Many of the Borrowers stated that they did meet with Chaudhary or with a person believed to be an alias of Chaudhary. All of the mortgage applications were submitted on behalf of the Borrowers through Ms. Erfani's Filogix account.
8. A number of the Mortgage Applications were supported using bank statements that were altered or for accounts that did not belong to the Borrowers. In all instances where the Borrowers were summonsed to provide their bank statements, their true running balance were significantly lower than the running balance shown on the bank statement that was submitted to the lender. For instance, one bank statement submitted to a lender showed a balance that ranged between approximately \$144,000 and \$150,000. When the borrower provided a copy of their bank statement for the same account and almost identical time period to Staff, the balance ranged between a negative balance of approximately \$16 to a positive balance of approximately \$8,000.
9. In numerous files, income was overstated and supported by altered documents. In one case, Staff obtained one borrower's true Notices of Assessment for two consecutive years. These documents indicated an income of just over \$5,000 for one year and the subsequent year a total income of \$890. However, the Notices of Assessment for the same years, submitted to the lender showed a total income of over \$86,000 and \$96,000 respectively. That borrower's mortgage application was approved by the lender and the borrower obtained over \$465,000 in mortgage financing.
10. In another mortgage application, Staff obtained one borrower's true Notices of Assessment for two consecutive years. These documents indicated a negative income of approximately \$9,000 for one year and the subsequent year a total income of approximately \$3,000. However, the Notices of Assessment for the same years, submitted to the lender showed a total income of over \$124,000 and approximately \$132,000 respectively. That borrower's mortgage application was approved by the lender and the borrower obtained approximately \$300,000 in mortgage financing.
11. For other borrowers, Staff confirmed with tax preparers who were named on the T1 General Income Tax and Benefit Return that they did not prepare the T1 General Income Tax and Benefit Return submitted to lenders through Ms. Erfani's Filogix account.

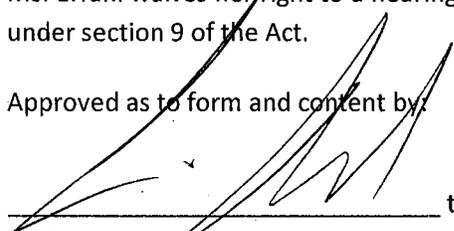
12. For each of the 18 Borrowers and 20 Mortgage Applications, the income was either overstated, Supporting Documents were demonstrably altered or not genuine, or other information provided to lenders was false.

13. Ms. Erfani has no prior disciplinary history with the Registrar.

D. WAIVER

Ms. Erfani waives her right to a hearing under sections 4 and 8 of the Act and waives her right to appeal under section 9 of the Act.

Approved as to form and content by:


_____ this 23rd day of August, 2020.

OWAIS AHMED
Counsel for Mana Erfani


_____ this 26th day of August, 2020.

JONI WORTON
Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 27th day of August, 2020, at Vancouver, British Columbia.



Blair Morrison, Registrar of Mortgage Brokers
Province of British Columbia

Appendix B

BCFSA – In the Matter of the Mortgage Brokers Act and In the Matter of Justin Phu Pham and JP Elite Mortgage, Notice of Hearing (November 2019)



BC FINANCIAL
SERVICES AUTHORITY

IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF JUSTIN PHU PHAM and JP ELITE MORTGAGE
(Pursuant to section 8(1.4) of the *Mortgage Brokers Act*)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or his appointee, has determined their validity.

To: JUSTIN PHU PHAM

████████████████████
JP ELITE MORTGAGE

210 – 4603 Kingsway, Burnaby, BC, V5H 4M4

TAKE NOTICE that the Registrar of Mortgage Brokers (“Registrar”) will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* (“Act”) at the offices of the Registrar, located at the BC Financial Services Authority at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the Act should it be determined that your conduct contravened the Act, or regulations made under the Act (“Regulations”).

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

AND TAKE NOTICE that the allegations against you, JUSTIN PHU PHAM, are as follows:

1. Contrary to section 8(1.4) of the Act, JUSTIN PHU PHAM (“Mr. Pham”), having been formerly registered, carried on business as a mortgage broker or submortgage broker without being registered to do so as required by section 21(1)(a) of the Act, and without being exempt from registration pursuant to section 11 of the Act by:

2800 – 555 West Hastings Street
Vancouver, BC
V6B 4N6

Telephone: (604) 660-3555
Facsimile: (604) 660-3365
Website: www.bcfsa.ca

- a. Directing the course of mortgage applications on behalf of borrowers including giving instructions or directions to Dulce Maria Coelho-Fedoriw ("Ms. Coelho"), a Registrant, as to the financial information, qualifications, and personal information of one or more of the borrowers and mortgage applications in Schedule "A".
 - b. Conducting one or more of the following activities on behalf of any one or more of the borrowers in Schedule "A" when he:
 - i. Accepted the personal information of borrowers for the purposes of obtaining mortgage financing on their behalf;
 - ii. Obtained documents and information from borrowers to support their mortgage applications;
 - iii. Collected personal information of borrowers and forwarding that information to Ms. Coelho;
 - iv. Acted as a liaison between the borrowers and Ms. Coelho and referred borrowers to Ms. Coelho; and
 - v. Received remuneration in excess of \$1,000 during any one year for arranging mortgages.
2. Contrary to section 8(1.4) of the Act, Mr. Pham, having been formerly registered under the Act and having been ordered by the Registrar to cease all mortgage broker activities by way of a Cease and Desist Order dated December 22, 2017, continued to carry on business as a mortgage broker or submortgage broker by:
- a. Directing the course of mortgage applications on behalf of borrowers including giving instructions or directions to [REDACTED] a Registrant, as to the financial information, qualifications, and personal information of one or more of the borrowers and mortgage applications in Schedule "B".
 - b. Conducting one or more of the following activities on behalf of one or more of the borrowers in Schedule "B" when he:
 - i. Accepted the personal information of borrowers for the purposes of obtaining mortgage financing on their behalf;
 - ii. Obtained documents and information from borrowers to support their mortgage applications;
 - iii. Collected personal information of borrowers and forwarded that information to [REDACTED]

- iv. Acted as a liaison between the borrowers and [REDACTED]
- v. Referred borrowers to [REDACTED]
- vi. Received remuneration in excess of \$1,000 in any one year for arranging mortgages; and
- vii. Held himself out to the public as a submortgage broker and JP Elite as a mortgage broker to a notary in respect of the [REDACTED] transaction.

AND TAKE NOTICE that the allegations against you, JP ELITE ("JP Elite"), are as follows:

- 3. Contrary to section 8(1.4) of the Act, JP Elite carried on business as a mortgage broker in British Columbia without being registered to do so as required by section 21(1)(a) of the Act, and without being exempted from registration pursuant to section 11 of the Act by permitting Mr. Pham to hold himself out as a mortgage broker with JP Elite while neither were registered under the Act.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the Act and/or the Regulations, the Registrar may make any of the orders set out in section 8 of the Act, including but not limited to, the remedies permitted pursuant to section 8(1.4) of the Act. In addition, the Registrar may make an order against either of you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the Act and may make any further orders under the Act as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to either of you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC, this 29 day of November, 2019.

Registrar of Mortgage Brokers



Per: Chris Carter
Deputy Registrar of Mortgage Brokers
BC Financial Services Authority

SCHEDULE "A" TO NOTICE OF HEARING

BORROWER	MORTGAGE APPLICATION DATED
[REDACTED]	Mortgage applications dated November 13, 2017 and November 17, 2017.
[REDACTED]	Mortgage application dated July 6, 2017.
[REDACTED]	Mortgage application dated September 4, 2017.
[REDACTED]	Mortgage application dated November 7, 2017.
[REDACTED]	Mortgage application dated September 4, 2017.

SCHEDULE "B" TO NOTICE OF HEARING

BORROWER	PROPERTY REFINANCED or PURCHASED
[REDACTED]	Refinance of [REDACTED] [REDACTED]
[REDACTED]	Refinance of [REDACTED]
[REDACTED]	Purchase of [REDACTED]
[REDACTED]	Refinance of [REDACTED] [REDACTED]
[REDACTED]	Refinance of [REDACTED]
[REDACTED]	Purchase of [REDACTED]
[REDACTED] [REDACTED]	Refinance of [REDACTED] [REDACTED]
[REDACTED]	Refinance of [REDACTED] [REDACTED]
[REDACTED]	Refinance [REDACTED] [REDACTED]

Appendix C

BCFSA – *In the Matter of the Mortgage Brokers Act and In the Matter of Dulce Maria Coelho-Fedoriw, Notice of Hearing* (November 2019)

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

-AND-

**IN THE MATTER OF DULCE MARIA COELHO-FEDORIW
(Pursuant to section 8 including sections 8(1) and 8(1.1) of the *Mortgage Brokers Act*)**

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or his appointee, has determined their validity.

To: **DULCE MARIA COELHO-FEDORIW**

[REDACTED]
[REDACTED]

TAKE NOTICE that the Registrar of Mortgage Brokers ("Registrar") will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* ("Act"), including sections 8(1) and 8(1.1), at the offices of the Registrar, located at the BC Financial Services Authority at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the Act should it be determined that your conduct contravened the Act, or regulations made under the Act ("Regulations").

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

AND TAKE NOTICE that the allegations against **DULCE MARIA COELHO-FEDORIW** are as follows:

1. In her capacity as a submortgage broker, Dulce Maria Coelho-Fedoriw ("Ms. Coelho") conducted business in a manner that is prejudicial to the public interest, contrary to section 8(1)(i) of the Act, in that she facilitated the unregistered mortgage broker activities of Justin Phu Pham ("Mr. Pham") and JP Elite Mortgage ("JP Elite"), when she carried out one or more of the following:

- a. Permitted Mr. Pham to direct the course of mortgage applications, including taking instructions from Mr. Pham to input information on mortgage applications, including employment, income, and other personal information of the borrowers provided by Mr. Pham;
- b. Accepted borrowers' personal, employment, financial information, and supporting documents as provided by Mr. Pham without contacting borrowers to verify, or otherwise verifying, the accuracy or authenticity of the documents and information provided;
- c. Submitted or permitted to be submitted borrowers' personal, employment, financial information, and supporting documents as provided by Mr. Pham to lenders in support of mortgage applications;
- d. Paid, or permitted Mr. Pham or JP Elite to be paid, amounts in excess of \$1,000 during any one year for arranging mortgages; and
- e. Some or all of the above activities were carried out for one or more of the borrowers and their respective mortgage applications set out in Schedule "A".

AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the Act or the Regulations, the Registrar may make any of the orders set out in section 8 of the Act, including but not limited to, the remedies permitted pursuant to section 8(1.1) of the Act. The Registrar may also make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the Act and may make any further orders under the Act as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 29 day of November 2019

Registrar of Mortgage Brokers



Per: Chris Carter
Deputy Registrar of Mortgage Brokers
BC Financial Services Authority

SCHEDULE "A" TO NOTICE OF HEARING

BORROWER	MORTGAGE APPLICATION DATED
[REDACTED]	Mortgage applications dated November 13, 2017 and November 17, 2017.
[REDACTED]	Mortgage application dated July 6, 2017.
[REDACTED]	Mortgage application dated September 4, 2017.
[REDACTED]	Mortgage application dated November 7, 2017.
[REDACTED]	Mortgage application dated September 4, 2017

Appendix D

BCFSA – *In the Matter of the Mortgage Brokers Act and Anil Sagar, Consent Order*
(April 2020)

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*
R.S.B.C. 1996, C. 313**

-AND-

ANIL SAGAR

CONSENT ORDER

(Pursuant to section 8 and 8(1.4) of the *Mortgage Brokers Act*)

WHEREAS ANIL SAGAR (“Mr. Sagar”) has never been registered as a mortgage broker or submortgage broker under the *Mortgage Brokers Act*, [RSBC 1996] Chapter 313 (the “Act”);

AND WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) issued a Notice of Hearing pursuant to sections 8 and 8(1.4) of the Act to Mr. Sagar on June 7, 2019;

AND WHEREAS the following agreement has been reached between Mr. Sagar and the Staff of the Registrar (the “Staff”) and the Registrar makes the following findings and agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Sagar and Mr. Sagar accepts the following findings made against him:

1. Mr. Sagar carried on business as a mortgage broker without being registered to do so, as required by sections 8(1.4) and 21 of the Act, and without being exempted from registration pursuant to section 11 of the Act, in that he carried out the following activities in respect of 7 borrowers and 16 mortgages applications:
 - i. Directed the course of mortgage applications, including instructing Adil Virani (“Mr. Virani”), a registrant, to input information which may not have been accurate, on borrowers’ mortgage applications and providing Mr. Virani with employment and income information which he knew, or ought to have known, was not accurate;

- ii. Provided Mr. Virani with Canada Revenue Agency Notices of Assessment and T1 Generals and other banking documents that may not have been genuine to Mr. Virani to submit to lenders on behalf of the borrowers; and
- iii. Received an amount of \$1000 or more in any one year in fees or other consideration for arranging mortgages on behalf of one or more of the borrowers from approximately January 30, 2015 to November 8, 2017.

B. ORDERS AND PENALTY

Pursuant to sections 8, 8(1.4), and 6(9) of the Act, Mr. Sagar hereby consents to and the Registrar hereby makes the following orders:

1. Mr. Sagar must immediately cease acting as a mortgage broker or submortgage broker as that term is defined in the Act until and unless he becomes registered under the Act;
2. Pursuant to section 8(1.4) of the Act, Mr. Sagar shall pay an administrative penalty of \$45,000, payable on or before June 1, 2020;
3. Pursuant to section 6(9) of the Act, Mr. Sagar shall pay partial investigation costs in the amount of \$8,539.60, payable on or before June 1, 2020; and
4. All payments will be made by cheque, bank draft, or money order payable to the BC Financial Services Authority and all amounts outstanding thirty (30) days after they become due and payable will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996. c. 138.

C. AGREED FACTS

As the basis for this Consent Order, Mr. Sagar acknowledges the following facts as correct and makes the following admissions:

1. Mr. Sagar has never been registered as a mortgage broker or submortgage broker under the Act.
2. Mr. Sagar collaborated with Mr. Virani and acted as a mortgage broker from at least 2010.
3. Between April 2015 and March 2018 Mr. Sagar conducted business as a mortgage broker or submortgage broker without being registered to do so and without being exempted from registration by arranging mortgages and receiving compensation for arranging mortgages for 7 borrowers and 16 mortgage applications in collaboration with Adil Virani, who at all material times was a registered submortgage broker.
4. In the course of arranging these mortgages, Mr. Sagar provided Mr. Virani with information and documents that he knew, or ought to have known, were false and not genuine in 5 mortgage applications that were ultimately submitted to lenders.

5. The false documents in the 5 mortgage applications described above included Canada Revenue Agency documents that inflated borrowers' annual income, in one case by approximately \$80,000. The documents also listed a tax preparer that did not in fact prepare the borrower's taxes, an address that had a borrower living in British Columbia, when the borrower lived in Ontario, and a false letter of employment.
6. Mr. Sagar was paid one half of the commissions that Mr. Virani earned on mortgage applications in which they collaborated.

D. WAIVER

Mr. Sagar waives his right to a hearing under sections 4 and 8 of the Act and waives his right to appeal under section 9 of the Act.

Approved as to form and content by:

_____ this _____ day of April 2020.

Joni Worton

Counsel for the Staff of the Registrar of Mortgage Brokers

_____ this _____ day of April 2020.

Joseph Saulnier

Counsel for Anil Sagar

Dated in the City of Vancouver, in the Province of British Columbia, this _____ day of April 2020.

SIGNED COPY

Blair Morrison, Registrar of Mortgage
Brokers, Province of British Columbia

Appendix E

BCFSA – *In the Matter of the Mortgage Brokers Act and In the Matter of Adil Jafferli Virani, Consent Order (April 2020)*



BC FINANCIAL
SERVICES AUTHORITY

**IN THE MATTER OF THE
Mortgage Brokers Act,
RSBC 1996, c. 313 as amended**

and

**IN THE MATTER OF ADIL JAFFERALI VIRANI
(Pursuant to section 8 of the *Mortgage Brokers Act*)**

CONSENT ORDER

WHEREAS ADIL JAFFERALI VIRANI (“Mr. Virani”) is currently registered as a submortgage broker with 0866370 B. C. Ltd. dba: Dominion Lending Centres – A Better Way - Fraser under the *Mortgage Brokers Act*, [RSBC 1996] Chapter 313 (the “Act”);

AND WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) issued a Notice of Hearing (the “Notice of Hearing”) pursuant to section 8 of the Act to Mr. Virani on June 7, 2019;

AND WHEREAS the following agreement has been reached between Mr. Virani and the Staff of the Registrar (the “Staff”), and the Registrar makes the following findings and agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Virani, and Mr. Virani accepts the following findings made against him:

1. Mr. Virani conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the Act by facilitating the unregistered mortgage broker activities of a third party, in respect of 7 borrowers and 16 mortgage applications by:
 - i. Permitting a third party to direct the course of the mortgage applications, including taking instructions from the third party to input information on mortgage applications including employment and income information and other personal information of borrowers; and
 - ii. Accepting personal information, employment information and supporting documents, Canada Revenue Agency Notices of Assessment, T1 Generals, and other banking documents in respect of borrowers from a third party without taking sufficient steps to verify their accuracy and authenticity and submitting those documents and information to lenders on behalf of borrowers, when the documents and information submitted to lenders were not genuine in respect of 5 of the applications.

B. ORDERS AND PENALTY

Pursuant to sections 8, 4, and 6(9) of the Act, Mr. Virani hereby consents to, and the Registrar hereby makes the following orders:

1. Mr. Virani's registration is suspended for a period of 2 years, commencing on May 15, 2020, or another date agreeable to the Registrar, pursuant to section 8(1)(e) of the Act;
2. Mr. Virani will pay an administrative penalty of \$30,000;
3. Following the term of suspension, Mr. Virani's registration will be restricted as follows:
 - i. For a period of 24 months he must be under the direct supervision of the Designated Individual ("DI") or a registered submortgage broker appointed by the DI of the brokerage to which he is registered as a submortgage broker to be his supervisor ("Supervisor"), and who is satisfactory to the Registrar;
 - ii. For a period of 24 months, the DI or Supervisor must review and sign-off on all mortgage transactions involving Mr. Virani, including any mortgage transactions that Mr. Virani is indirectly involved with;
 - iii. Staff of the Registrar will be at liberty to perform an examination review of Mr. Virani's files at a time of their choosing, subsequent to the expiration of the suspension, and the reasonable costs of the review will be paid by Mr. Virani;
4. Pursuant to section 6(9) of the Act, Mr. Virani shall pay partial investigation costs in the amount of \$8,539.60; and
5. All payments will be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority, and all amounts outstanding thirty (30) days following execution of this order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996. c. 138.

C. AGREED FACTS

As a basis for this Consent Order, Mr. Virani acknowledges the following facts as correct and makes the following admissions:

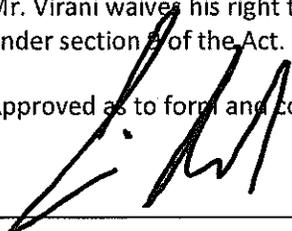
1. Mr. Virani was at all material times registered as a submortgage broker with 0866370 B.C. Ltd. dba: Dominion Lending Centres – A Better Way – Fraser. Mr. Virani was first registered as a submortgage broker in November 1990.
2. Mr. Virani has been a registered submortgage broker for approximately 30 years and has no prior disciplinary history with the Registrar of Mortgage Brokers.
3. Mr. Virani collaborated with a third party by facilitating the third party's unregistered mortgage broker activity. In particular, between April 2015 and March 2018, in respect of 16 files, Mr. Virani permitted a third party to direct the course of mortgage applications, including taking instructions from the third party to input information on mortgage applications including employment and income information and other personal information of borrowers

4. In doing so, Mr. Virani accepted personal information, employment information and supporting documents, Canada Revenue Agency Notices of Assessment, T1 Generals, and other banking documents in respect of borrowers from a third party without taking sufficient steps to verify their accuracy and authenticity for the 16 mortgage applications.
5. In 5 of the mortgage applications, the information and documents Mr. Virani submitted to lenders were false and not genuine. Mr. Virani states he was unaware that the information and documents were false and/or not genuine. Mr. Virani never met or communicated with the borrowers and received all information and documents related to the borrowers from a third party.
6. The false documents in the 5 mortgage applications described above included Canada Revenue Agency documents that inflated borrowers' annual income, in one case by approximately \$80,000. The documents also listed a tax preparer that did not in fact prepare the borrower's taxes, an address that had a borrower living in British Columbia, when the borrower actually lived in Ontario, and a false letter of employment.
7. Mr. Virani paid the third party one half of the commissions he earned on mortgage applications in which they collaborated.

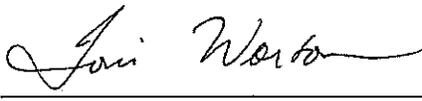
D. WAIVER

Mr. Virani waives his right to a hearing under sections 4 and 8 of the Act and waives his right to appeal under section 9 of the Act.

Approved as to form and content by:

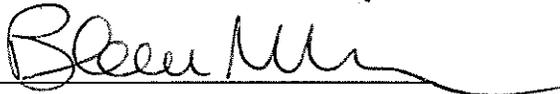

_____ this 16th day of April, 2020

OWAIS AHMED
Counsel for Adil Jafferli Virani


_____ this 17th day of April, 2020

JONI WORTON
Legal Counsel for the Staff of the Registrar of Mortgage Brokers

Issued this 21st day of April, 2020, at Vancouver, British Columbia.



Blair Morrison, Registrar of Mortgage Brokers
Province of British Columbia

Appendix F

BCFSA – In the Matter of the Mortgage Brokers Act and In the Matter of Ricky Kanwal and Zynterra Capital Corporation, Consent Order (April 2020)



BC FINANCIAL
SERVICES AUTHORITY

IN THE MATTER OF THE
Mortgage Brokers Act,
RSBC 1996, c. 313 as amended

AND

IN THE MATTER OF RICKY KANWAL

AND

ZYNTERRA CAPITAL CORPORATION

(Pursuant to sections 8, 8 (1.2), and 8 (1.4) of the *Mortgage Brokers Act*)

CONSENT ORDER

WHEREAS Ricky Kanwal ("Mr. Kanwal") was a registered submortgage broker from July 16, 2013, and his registration terminated on July 20, 2017;

WHEREAS Zynterra Capital Corporation ("Zynterra"), was registered as a mortgage broker from July 21, 2015 and its registration was terminated on July 20, 2017, at all material times Mr. Kanwal was the sole director and officer, and the designated individual registered with Zynterra;

WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing to Mr. Kanwal and Zynterra on January 24, 2018;

WHEREAS the following agreement has been reached between Mr. Kanwal, Zynterra, and the Staff of the Registrar (the "Staff");

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

1. The Registrar makes the following findings against Mr. Kanwal and Mr. Kanwal accepts the following findings made against him:
 - a) Mr. Kanwal conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the *Mortgage Brokers Act* (the "Act") in that from December 2015 to November 2016 Mr. Kanwal facilitated the unregistered mortgage broker activities of [REDACTED] [REDACTED] also known as [REDACTED] in respect of 15 borrowers and 39 mortgage applications by:

- i. Permitting ██████ to direct the course of mortgage applications, including taking instructions from ██████ regarding the appropriate lender to submit mortgage applications to, the employment and income information of borrowers, and the personal information of borrowers;
 - ii. Accepting personal information, employment information and supporting documents, Canada Revenue Agency T1 General income Tax and Benefit Returns ("T1 Generals"), Canada Revenue Agency Notices of Assessment ("NOAs"), and Confirmation of Investment Statements ("COI Statements") from ██████ without verifying their accuracy or authenticity;
 - iii. Submitting to lenders personal information, employment information and supporting documents, T1 Generals, NOAs, and COI Statements, as provided by ██████ when he knew or ought to have known that the documents were not genuine and the personal and employment information was false;
 - iv. Continuing to facilitate ██████ unregistered mortgage broker activity and submit mortgage applications to lenders on behalf of ██████ borrowers even after being informed by other lenders that the T1 Generals and NOAs, provided by Mr. Kanwal by ██████ were not genuine in respect of 13 borrowers and 33 mortgage applications;
 - b) Mr. Kanwal conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the Act in that from November 2015 to October 2016 Mr. Kanwal facilitated the unregistered mortgage broker activities of Nasir Aziz Ansari ("Mr. Ansari") in respect of two borrowers and two mortgage applications by:
 - i. Permitting Mr. Ansari to direct the course of the mortgage applications, including taking instructions from Mr. Ansari to conduct a credit check and to input information on a mortgage application including employment and income information and personal information;
 - ii. Accepting personal information, employment information and supporting documents, T1 Generals, NOAs, and TD Bank COI Statements from Mr. Ansari, without verifying their accuracy or authenticity;
 - c) Mr. Kanwal conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the Act in that he submitted various documents to lenders including: NOAs, T1 Generals, COI Statements and/or bank history printouts, and employment and income information (together the "Documents and Information") to lenders in support of 17 borrowers and 41 applications for mortgages when he knew that the Documents and Information were not genuine; and
2. The Registrar makes the following findings against Zynterra Capital Corporation, and Zynterra Capital Corporation accepts the following findings made against it:
 - a) Zynterra Capital Corporation conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the Act in that Zynterra paid amounts in excess of

\$1,000.00 to Mr. Ansari and [REDACTED] for arranging mortgages, when neither Mr. Ansari nor [REDACTED] were registered to do so contrary to sections 21 and 8(1.4) of the Act.

B. ORDERS AND PENALTY

Pursuant to sections 8, 4, and 6(9) of the Act, Mr. Kanwal and Zynterra hereby consent to, and the Registrar hereby makes the following orders:

1. Mr. Kanwal (currently unregistered) is not eligible to apply, and agrees to never re-apply for registration under the Act as either a mortgage broker or a submortgage broker, and the Registrar will not accept an application for registration by Mr. Kanwal under the Act;
2. Pursuant to section 6(9) of the Act, Mr. Kanwal will pay partial investigative costs of \$10,000; and
3. All payments will be made by cheque, bank draft, or money order payable to the BC Financial Services Authority and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, RSBC 1996, c. 138.

C. AGREED FACTS

As a basis for this Consent Order, Mr. Kanwal and Zynterra acknowledge the following facts as correct and makes the following admissions:

1. Mr. Kanwal was registered as a submortgage broker from July 16, 2013 until July 20, 2017. He was last registered as Zynterra from July 21, 2015 until July 20, 2017.
2. Zynterra was incorporated on July 2, 2015 under incorporation number BC1041611. Mr. Kanwal is the sole director and officer and is the only designated individual ever registered with Zynterra. Zynterra was registered as a mortgage broker on July 21, 2015 and its registration was terminated on July 20, 2017.
3. Neither [REDACTED] nor Nasir Aziz Ansari have ever been registered under the Act.
4. On January 28, 2016, Staff of the Registrar of Mortgage Brokers ("Staff") received a complaint from a representative of a lender which alleged that Mr. Kanwal had submitted Canada Revenue Agency documents to the lender in support of a borrower's mortgage application which appeared to not be genuine.
5. Staff received a second complaint from a different lender in May of 2016, which alleged that Mr. Kanwal had submitted a Guaranteed Investment Certificate Statement that appeared not to be genuine.
6. Mr. Kanwal admits that he facilitated the unregistered mortgage broker activities of both Mr. Ansari and [REDACTED] as set out in paragraphs A.1(a) and (b) above, in respect of a total of 17 borrowers and 41 mortgage applications to various lenders.
7. Mr. Kanwal admits that he permitted Mr. Ansari to:
 - a) meet with borrowers and collect and review personal and financial information;

- b) determine the course of the mortgage application by directing terms of the mortgage to be applied for, accepting information regarding the loan to value of the mortgage, the potential loan amount, the amount of rental income received by the borrower, direct that a credit check to be conducted for borrowers; and
 - c) collaborated with Mr. Ansari and submitted a business authorization on behalf of borrowers that he knew was false and collaborated with Mr. Ansari to submit other false income information on behalf of borrowers.
8. Mr. Kanwal admits that regarding [REDACTED] he:
- a) Took instructions from [REDACTED] regarding the appropriate lender to submit applications to, and accepted employment, income and other personal information from borrowers from [REDACTED]
 - b) Permitted [REDACTED] to meet with borrowers and collect and review personal and financial information; and
 - c) Did not verify the accuracy or authenticity of the personal information, employment information and supporting documents, T1 Generals, NOAs, and COI Statements, and submitted the Documents and Information to lenders when he knew or ought to have known that the Documents and Information were false and not genuine.
9. In seven instances, Mr. Kanwal was in possession of different versions of income tax documents that had various income amounts attributed to them. For example, in one file Mr. Kanwal was in possession of three different versions of a borrower's 2013 T1 General with an income ranging from \$18,861 to \$92,969. For the same borrower, Mr. Kanwal was in possession of two different 2013 Notices of Assessment where the total income amounts were \$69,791 and \$92,211. Mr. Kanwal also possessed two different versions of the borrowers 2014 T1 General where the total income ranged from \$15,602 to \$92,969.
10. In several of the borrower's mortgage applications, COI Statements and bank history statements were found to be not genuine, and employment and income information were found to be inaccurate.
11. Mr. Kanwal admits that he submitted false and misleading Documents and Information that were not genuine to various lenders on behalf of [REDACTED] and Mr. Ansari's borrowers, and further admits that he knew or ought to have known that the Documents and Information submitted to lenders were false.
12. Mr. Kanwal has no discipline history with the Registrar and assisted the Registrar with related investigations.
13. Zynterra Capital Corporation and Mr. Kanwal admit that they paid both [REDACTED] and Mr. Ansari amounts in excess of \$1000 for arranging mortgages when neither [REDACTED] nor Mr. Ansari were registered to do so.

D. WAIVER

Mr. Kanwal and Zynterra waive their rights to a hearing under sections 4 and 8 of the Act and waive their right to appeal under section 9 of the Act.

Approved as to form and content by:

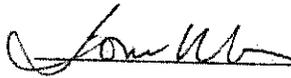


Digitally signed by Chilwin Chienhan
Cheng M146MN
Date: 2020.04.16 16:07:23 -0700
Adobe Acrobat version:
2020.006.20042

_____ this 16th day of April, 2020

CHILWIN CHENG

Counsel for Ricky Kanwal and
Zynterra Capital Corporation



_____ this 20 day of April, 2020

JONI WORTON

Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 21st day of April, 2020, at Vancouver, British Columbia.



BLAIR MORRISON

Registrar of Mortgage Brokers
Province of British Columbia

Appendix G

British Columbia – *In the Matter of the Mortgage Brokers Act and Shane Christopher Ballard, Notice of Hearing* (October 2019)



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

SHANE CHRISTOPHER BALLARD

(Pursuant to sections 8 and 8 (1.4) of the *Mortgage Brokers Act*)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or their appointee, has determined their validity.

To: Shane Christopher Ballard



TAKE NOTICE that the Registrar of Mortgage Brokers ("Registrar") will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* (the "Act") at the offices of the Registrar, located at the office of the Financial Institutions Commission at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the Act should it be determined that your conduct contravened the Act, or regulations made under the Act ("Regulations").

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

AND TAKE NOTICE that the allegations against you, **SHANE CHRISTOPHER BALLARD** are as follows:

Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

1. In his capacity as a submortgage broker, Shane Christopher Ballard (“Mr. Ballard”) conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1)(i) of the Act, in that he submitted to lenders income and banking documents and employment information, including Notices of Assessments, T1 General Income Tax and Benefit Returns, Bank Account Statements, and Letters of Employment, in support of mortgage applications on behalf of one or more of the borrowers as set out in the attached Schedule A, when he knew or ought to have known that the documents and information were not genuine.
2. In his capacity as a submortgage broker, Mr. Ballard conducted business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the Act in that he facilitated the unregistered mortgage broker activities of Jay Kanth Chaudhary (“JKC”), by carrying out one or more of the following, in respect of one or more of the borrowers set out in the attached Schedule B and their respective mortgage applications:
 - a. Permitted JKC to direct the course of mortgage applications, including taking instructions from JKC to input information on mortgage applications including employment and income information and other personal information of borrowers provided by JKC;
 - b. Accepted borrower’s personal information, employment information and supporting documents, including CRA Notices of Assessment and T1 Generals and other banking documents from JKC without verifying their accuracy or authenticity; and
 - c. Submitted to lenders mortgage applications on behalf of borrowers at the direction of JKC without having met the borrowers.
3. Contrary to sections 8(1)(f) and 17.3 of the Act, in his capacity as a submortgage broker, Mr. Ballard failed to provide to borrowers a disclosure statement, including prescribed content, that was true, plain and not misleading when he provided a Form 10 Conflict of Interest Disclosure Statement to the borrowers described in the attached Schedule B that failed to disclose that a portion of the fee for arranging the mortgage would be paid to JKC.
4. In his capacity as a submortgage broker, Mr. Ballard conducted business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the Act in that he facilitated the unregistered mortgage broker activities of JKC, by submitting to lenders, mortgage applications on behalf of JKC for one or more of the borrowers as set out in the attached Schedule C, when he had not met the borrowers.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that your conduct, as set out above, contravened the Act or the Regulations, the Registrar may make any of the orders set out in section 8 of the Act, including but not limited to, the remedies permitted pursuant to sections 8, and 8 (1.4) of the Act. In addition, the Registrar may make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6 (9) of the Act and may make any further orders under the Act as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 8th day of October, 2019

Registrar of Mortgage Brokers

A handwritten signature in black ink, appearing to be 'Chris Carter', written over a horizontal line.

Per: Chris Carter
Deputy Registrar of Mortgage Brokers
Province of British Columbia

SCHEDULE "A"

BORROWER	FILE NO.	Property Secured by Mortgage
[REDACTED]	Filogix File No. [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Coquitlam, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED], Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] North Vancouver, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] North Vancouver, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Burnaby, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Vancouver, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Burnaby, B.C.

SCHEDULE "B"

BORROWER	FILE NO.	Property Secured by Mortgage
[REDACTED]	Filogix File No. [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED] 68	[REDACTED], North Vancouver, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Maple Ridge, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED], Vancouver, B.C.
[REDACTED]	Filogix file [REDACTED]	[REDACTED] Burnaby, B.C.

SCHEDULE "C"

BORROWER	FILE NO.	Mortgage Amount
[REDACTED]	Filogix File No. [REDACTED]	\$378,917
[REDACTED]	Filogix File No. [REDACTED]	\$366,122
[REDACTED]	Filogix File No. [REDACTED]	\$511,784
[REDACTED]	Filogix File No. [REDACTED]	\$880,000
[REDACTED]	Filogix File No. [REDACTED]	\$289,044
[REDACTED]	Filogix File No. [REDACTED]	\$897,000
[REDACTED]	Filogix File No. [REDACTED]	\$767,200
[REDACTED]	Filogix File No. [REDACTED]	\$764,928
[REDACTED]	Filogix File No. [REDACTED]	\$251,514
[REDACTED]	Filogix File No. [REDACTED]	\$283,662
[REDACTED]	Filogix File No. [REDACTED]	\$688,000
[REDACTED]	Filogix File No. [REDACTED]	\$342,400
[REDACTED]	Filogix File No. [REDACTED]	\$811,378
[REDACTED]	Filogix File No. [REDACTED]	\$853,664
[REDACTED]	Filogix File No. [REDACTED]	\$385,111
[REDACTED]	Filogix File No. [REDACTED]	\$590,440
[REDACTED]	Filogix File No. [REDACTED]	\$377,856
[REDACTED]	Filogix File No. [REDACTED]	\$1,012,500
[REDACTED]	Filogix File No. [REDACTED]	\$1,130,000
[REDACTED]	Filogix File No. [REDACTED]	\$692,300
[REDACTED]	Filogix File No. [REDACTED]	\$685,752

██████████	Filogix File No. ██████████	\$562,500
██████████	Filogix File No. ██████████	\$876,775
██████████	Filogix File No. ██████████	\$864,000
██████████	Filogix File No. ██████████	\$685,752
██████████	Filogix File No. ██████████	\$685,752
██████████	Filogix File No. ██████████	\$231,322
██████████	Filogix File No. ██████████	\$685,752
██████████ ██████████	Filogix File No. ██████████	\$740,000
██████████	Filogix File No. ██████████	\$455,000
██████████	Filogix File No. ██████████	\$460,565
██████████	Filogix File No. ██████████	\$401,769
██████████	Filogix File No. ██████████	\$685,752
██████████	Filogix File No. ██████████	\$273,500
██████████	Filogix File No. ██████████	\$839,000
██████████	Filogix File No. ██████████	\$171,487
██████████	Filogix File No. ██████████	\$91,519
██████████	Filogix File No. ██████████	\$1,400,000
██████████	Filogix File No. ██████████	\$860,000
██████████	Filogix File No. ██████████	\$678,580
██████████	Filogix File No. ██████████	\$151,567
██████████	Filogix File No. ██████████	\$797,184
██████████	Filogix File No. ██████████	\$752,913
██████████	Filogix File No. ██████████	\$1,085,000
██████████	Filogix File No. ██████████	\$825,000

[REDACTED]	Filogix File No. [REDACTED]	\$540,377
[REDACTED]	Filogix File No. [REDACTED]	\$423,936
[REDACTED]	Filogix File No. [REDACTED]	\$228,334
[REDACTED]	Filogix File No. [REDACTED]	\$528,000
[REDACTED]	Filogix File No. [REDACTED]	\$617,472
[REDACTED]	Filogix File No. [REDACTED]	\$868,000
[REDACTED]	Filogix File No. [REDACTED]	\$714,240
[REDACTED]	Filogix File No. [REDACTED]	\$660,000
[REDACTED]	Filogix File No. [REDACTED]	\$712,500.00
[REDACTED]	Filogix File No. [REDACTED]	\$900,000
[REDACTED]	Filogix File No. [REDACTED]	\$325,600
[REDACTED]	Filogix File No. [REDACTED]	\$769,536
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[REDACTED]	Filogix File No. [REDACTED]	\$563,558
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[REDACTED]	Filogix File No. [REDACTED]	\$958,888
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[REDACTED]	Filogix File No. [REDACTED]	\$628,852
[REDACTED]	Filogix File No. [REDACTED]	\$565,125
[REDACTED]	Filogix File No. [REDACTED]	\$555,812
[REDACTED]	Filogix File No. [REDACTED]	\$343,952
[REDACTED]	Filogix File No. V [REDACTED]	\$368,091

R [REDACTED]	Filogix File No. [REDACTED]	\$292,500
B [REDACTED]	Filogix File No. [REDACTED]	\$1,150,000
I [REDACTED]	Filogix File No. [REDACTED]	\$757,800
I [REDACTED]	Filogix File No. [REDACTED]	\$380,000
[REDACTED]	Filogix File No. [REDACTED]	\$686,592
I [REDACTED]	Filogix File No. [REDACTED]	\$491,200
A [REDACTED]	Filogix File No. [REDACTED]	\$594,529
S [REDACTED]	Filogix File No. [REDACTED]	\$632,219
S [REDACTED]	Filogix File No. [REDACTED]	\$566,784
I [REDACTED]	Filogix File No. [REDACTED]	\$370,000
C [REDACTED]	Filogix File No. [REDACTED]	\$575,250
[REDACTED]	Filogix File No. [REDACTED]	\$351,204
[REDACTED]	Filogix File No. [REDACTED]	\$428,155
[REDACTED]	Filogix File No. [REDACTED]	\$574,400
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[REDACTED]	Filogix File No. [REDACTED]	\$304,000
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[REDACTED]	Filogix File No. [REDACTED]	\$585,960
[REDACTED]	Filogix File No. [REDACTED]	\$323,076
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[REDACTED]	Filogix File No. [REDACTED]	\$622,145

██████████	Filogix File No. ██████████	\$341,600
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██████████	Filogix File No. ██████████	\$882,000
██████████	Filogix File No. ██████████	\$2,200,000
██████████	Filogix File No. ██████████	\$472,000
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██████	Filogix File No. ██████████	\$617,600
██████████	Filogix File No. ██████████	\$1,100,000
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██████████	Filogix File No. ██████████	\$611,500
██████████	Filogix File No. ██████████	\$383,000
██████████	Filogix File No. ██████████	\$396,677
██████████	Filogix File No. ██████████	\$756,000
██████████	Filogix File No. ██████████	\$1,450,000
██████████	Filogix File No. ██████████	\$665,600
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██████████	Filogix File No. ██████████	\$1,000,000

[REDACTED]	Filogix File No. [REDACTED]	\$596,960
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[REDACTED]	Filogix File No. [REDACTED]	\$494,925
[REDACTED]	Filogix File No. [REDACTED]	\$250,000
[REDACTED]	Filogix File No. [REDACTED]	\$500,501

Appendix H

British Columbia - *In the Matter of the Mortgage Brokers Act and Nasir Aziz Ansari,*
Consent Order (July 2019)

IN THE MATTER OF THE MORTGAGE BROKERS ACT

R.S.B.C. 1996, C. 313

-AND-

NASIR AZIZ ANSARI

CONSENT ORDER

(Pursuant to sections 8 and 8(1.4) of the Mortgage Brokers Act)

WHEREAS NASIR AZIZ ANSARI has never been registered as a mortgage broker or submortgage broker under the Mortgage Brokers Act, [RSBC 1996] Chapter 313 (the "Act");

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing pursuant to sections 8 and 8(1.4) of the Act to Mr. Ansari on January 24, 2018;

AND WHEREAS the following agreement has been reached between Mr. Ansari and the Staff of the Registrar (the "Staff") and the Registrar makes the following findings and agrees to the following terms of a consent order:

A. FINDINGS

1. The Registrar makes the following findings against Mr. Ansari and Mr. Ansari accepts the following findings made against him:
 - a. Mr. Ansari conducted business as a mortgage broker or submortgage broker in British Columbia without being registered to do so contrary to sections 8(1.4) and 21 of the Act and without having been exempted from registration pursuant to section 11 of the Act in that he received compensation for doing so in an amount of \$1000.00 or more for arranging mortgages from November 2015 to October 2016.

B. ORDERS AND PENALTY

2. Pursuant to sections 8, 8(1.4), and 6(9) of the Act, Mr. Ansari hereby consents to and the Registrar hereby makes the following orders:

- a. Mr. Ansari must immediately cease acting as a mortgage broker or submortgage broker as that term is defined in the Act until and unless he becomes registered under the Act;
- b. Pursuant to section 8(1.4) of the Act, Mr. Ansari shall pay an administrative penalty of \$12,000;
- c. Pursuant to section 6(9) of the Act, Mr. Ansari shall pay investigation costs in the amount of \$1,341.72;
- d. All payments will be made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following execution of this order will represent a debt owing to government and be subject to interest pursuant to the Financial Administration Act, R.S.B.C. 1996. c. 138.

C. AGREED FACTS

3. Nasir Aziz Ansari "Mr. Ansari" was employed as a [REDACTED] with [REDACTED] from June 2006 to approximately June 2017. At all material times, Mr. Ansari was [REDACTED].
4. Mr. Ansari has never been registered as a mortgage broker or submortgage broker under the Act.
5. Between November 2015 and October 2016 Mr. Ansari conducted business as a mortgage broker or submortgage broker without being registered to do so and without being exempted from registration by arranging mortgages and receiving compensation for arranging two mortgages in collaboration with Mr. Kanwal, who at all material times was a registered submortgage broker.
6. Mr. Ansari arranged mortgages for the borrowers set out below, by working with and collaborating with Mr. Kanwal. In the course of arranging the mortgages, Mr. Ansari misrepresented borrowers' income and employment information which was submitted to lenders.
7. Mr. Ansari arranged a mortgage for the borrowers KG and BG in that he:
 - a. Met with the borrowers on behalf of Mr. Kanwal, and discussed, collected, and reviewed personal and financial information from the borrowers necessary to complete mortgage applications;
 - b. Determined the course of the mortgage application process by providing information to Mr. Kanwal regarding the loan to value of the mortgage, the potential loan

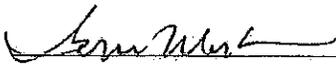
amount, and the rental income the borrower currently receives from his current residence;

- c. Requested Ricky Kanwal conduct a credit check for the borrowers;
 - d. Collaborated with Mr. Kanwal to determine if the mortgage application should state that one of the borrowers was either a hair salon owner, a horticulturist or the owner and operator of a tailoring business when the borrower was neither a salon owner, a horticulturalist, nor the owner and operator of a tailoring business;
 - e. Collaborated with Mr. Kanwal to submit a mortgage application on behalf of the borrowers supported by a business licence indicating that one of the borrowers was the owner/operator of a tailoring business when he knew or ought to have known that the business license was not genuine.
8. Mr. Ansari arranged a mortgage for the borrowers FG and NG in that he:
- a. Met with the borrowers on behalf of Mr. Kanwal and discussed, collected, and reviewed information necessary to complete mortgage applications including T1 Generals, paystubs, a letter of employment, and bank statements and forwarded that information to Mr. Kanwal to submit to lenders for mortgage approval;
 - b. Determined the course of the mortgage application process by directing Mr. Kanwal to obtain a certain type of loan with particular mortgage terms for the borrowers;
 - c. Collaborated with Mr. Kanwal to cause false information to be submitted to prospective lenders regarding the occupancy of the borrowers' property;
 - d. Collaborated with Mr. Kanwal to cause false income information to be submitted to lenders in a mortgage application that indicated the borrower was a self-employed software designer earning approximately \$77,000 per annum when in fact the borrower was neither a self-employed software designer, nor did the borrower earn \$77,000 per annum.
9. Mr. Ansari received over \$1000.00 in total compensation from Ricky Kanwal for arranging mortgages.

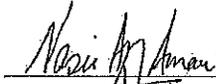
D. WAIVER

Mr. Ansari waives his right to a hearing under sections 4 and 8 of the Act and waives his right to appeal under section 9 of the Act.

Approved as to form and content by:

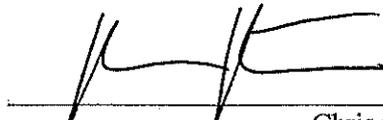
 this 18th day of July, 2019

Joni Worton
Counsel for the Staff of the Registrar of Mortgage Brokers

 this 18th day of July, 2019

Nasir Ansari

Dated in the City of Vancouver, in the Province of British Columbia, this
19th day of July, 2019


Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia

Appendix I

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Gabriel Jason Hoffart and John Stephen McKay, Consent Order (July 2019)*



**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

-AND-

IN THE MATTER OF GABRIEL JASON HOFFART AND JOHN STEPHEN MCKAY

CONSENT ORDER

(Pursuant to sections 8 and 8(1.4) of the *Mortgage Brokers Act*)

WHEREAS John Stephen McKay has never been a registered mortgage broker or submortgage broker under the *Mortgage Brokers Act*, R.S.B.C. 1996, c. 313 (the "MBA");

AND WHEREAS Gabriel Jason Hoffart ("Mr. Hoffart") has been a registered submortgage broker under the MBA since August 25, 2008;

AND WHEREAS at all material times Mr. Hoffart was concurrently registered with, and was the Designated Individual for, Symmetry 2 Mortgage Investment Corporation ("Symmetry 2 MIC") and Hoffart Metro Financial Group Ltd., dba: The Mortgage Centre – Metro Financial Group;

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of hearing on January 16, 2018;

AND WHEREAS the following agreement has been reached between Mr. McKay and Mr. Hoffart and the Staff of the Registrar;

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Hoffart, and Mr. Hoffart accepts the following findings made against him:

1. Mr. Hoffart conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the MBA in that, in his capacity as the sole submortgage broker at Symmetry 2 MIC, he:
 - a. Facilitated the unregistered mortgage broker activities of Mr. McKay by failing to conduct the day to day operation and oversight of all business matters regarding Symmetry 2 MIC and in particular by failing to supervise and oversee the mortgage broker activities of Mr. McKay, who arranged for Symmetry 2 MIC to lend money to 17 borrowers (the "Borrowers"), secured in whole or in part by mortgages (the "Mortgages"), between approximately June 14, 2013 to January 16, 2016. In particular Mr. Hoffart failed to:
 - i. ensure that all financial and mortgage records of Symmetry 2 MIC were accurate and up to date;
 - ii. ensure that the Borrowers in 17 of Symmetry 2 MIC's Mortgage files were provided with Form 10 Conflict of Interest Disclosure Statements and cost of credit disclosure statements as required by the MBA; and
 - iii. take conduct of the arrangement of new Symmetry 2 MIC Mortgages and to administer and renew existing Symmetry 2 MIC Mortgages.
2. Mr. Hoffart, in his capacity as a submortgage broker, made a statement in a record filed or provided under the MBA that was false or misleading contrary to section 8(1)(h), by providing in support of Symmetry 2 MIC's registration with the Registrar a management agreement between Symmetry 2 MIC and Hoffart Metro Financial Group Ltd. ("Hoffart Metro Financial"), a registered broker, dated June 14, 2013, which stated that Hoffart Metro Financial would provide Symmetry 2 MIC with day to day operation and oversight of all business matters when Mr. Hoffart knew or ought to have known that Hoffart Metro Financial would not provide those services to Symmetry 2 MIC.

The Registrar makes the following findings against Mr. McKay, and Mr. McKay accepts the following findings against him:

3. Mr. McKay carried on business as a mortgage broker or submortgage broker by arranging for the lending of money to the 17 Borrowers on behalf of Symmetry 2 MIC from approximately June 4, 2013 to January 16, 2016, secured in whole or in part by the Mortgages, without being registered to do so as required by section 21 and 8(1.4) of the MBA and without being exempt under section 11 of the MBA.

B. ORDERS AND PENALTY

Pursuant to sections 8(1.1), 8(1.4) and 6(9) of the MBA, Mr. Hoffart hereby consents to, and the Registrar hereby makes, the following orders:

4. Pursuant to section 8(1.1) of the MBA, Mr. Hoffart shall pay an administrative penalty of \$12,500;
5. Pursuant to section 6(9) of the MBA, Mr. Hoffart shall pay partial investigation costs in the amount of \$2,500;
6. Pursuant to section 8(1.4) of the MBA, Mr. McKay shall pay an administrative penalty of \$17,500;
7. Pursuant to section 6(9) of the MBA, Mr. McKay shall pay partial investigation costs in the amount of \$2,500;
8. Mr. McKay and Mr. Hoffart are jointly and severally liable for the full investigation costs in the amount of \$5,000.
9. All payments will be made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.

C. AGREED FACTS

As a basis for this Consent Order, Mr. McKay and Mr. Hoffart acknowledge the following facts as correct and make the following admissions:

10. Symmetry 2 MIC was registered as a mortgage brokerage under the MBA from May 5, 2004 to January 19, 2016. At all material times, Mr. John McKay served as the President of Symmetry 2 MIC.
11. Mr. McKay has never been registered as a submortgage broker under the MBA.
12. Between May 6, 2004 and October 9, 2012 [REDACTED] was the Designated Individual and sole registered submortgage broker at Symmetry 2 MIC.
13. Between approximately October 11, 2012 and February 18, 2013, there was no Designated Individual or registered submortgage broker associated with Symmetry 2 MIC.
14. Mr. Hoffart has been a registered mortgage broker under the MBA since August 25, 2008.
15. Between approximately June 14, 2013 and January 16, 2016, Mr. Hoffart was the Designated Individual and sole registered submortgage broker at Symmetry 2 MIC.

16. Since January 2, 2013, Mr. Hoffart has also been registered as a submortgage broker with his own brokerage, Hoffart Metro Financial. Mr. Hoffart is the President of Hoffart Metro Financial.
17. On June 14, 2013, Mr. Hoffart signed a Broker Management Agreement between Symmetry 2 MIC and Hoffart Metro Financial (the "broker"), which stated that "the broker would be responsible for the underwriting of all mortgages into which [Symmetry 2 MIC] would invest and the continued administration and management thereafter" (the "Agreement").
18. The Agreement further stated that the broker would provide "the day to day operation and oversight of all business matters related to the ongoing operation of the MIC" and that "[t]he MIC will be "passive" and the all mortgage dealings will be dealt exclusively through the broker."
19. On or about June 15, 2013, the Agreement was filed with the Registrar.
20. Between June 14, 2013 and January 16, 2016, Mr. Hoffart and his brokerage, Hoffart Metro Financial, did not satisfy the terms of the Agreement. Mr. Hoffart and Hoffart Metro Financial were not actively involved in the business operation or lending activities of Symmetry 2 MIC.
21. Mr. Hoffart knew or ought to have known that Hoffart Metro Financial would not provide the services described in the Agreement to Symmetry 2 MIC.
22. Between June 14, 2013 and January 16, 2016, Mr. McKay arranged 17 mortgages (the "Mortgages") without being registered to do so as required by section 21 and 8(1.4) of the MBA and without being exempt under section 11 of the MBA.
23. Mr. McKay did not provide the Borrowers involved in the Mortgages with Form 10 Conflict of Interest Disclosure Statements and cost of credit disclosure statements as required by the MBA.
24. Between June 14, 2013 and January 16, 2016, Mr. Hoffart failed to supervise and oversee Symmetry 2 MIC's ongoing day to day operations and mortgage lending activities, including the arrangement and renewal of the Mortgages. In particular, Mr. Hoffart failed to:
 - a. ensure that all financial and mortgage records of Symmetry 2 MIC were accurate and up to date;
 - b. ensure that the Borrowers in 17 of Symmetry 2 MIC's Mortgage files were provided with Form 10 Conflict of Interest Disclosure Statements and cost of credit disclosure statements as required by the MBA;
 - c. take conduct of the arrangement of new Symmetry 2 MIC Mortgages and to administer and renew existing Symmetry 2 MIC Mortgages.

25. Mr. Hoffart did not meet with the Borrowers involved in the Mortgages or know that Mr. McKay was continuing to arrange mortgages without Mr. Hoffart's involvement or oversight.
26. Mr. Hoffart did not receive compensation from Symmetry 2 MIC during his tenure as the Designated Individual for Symmetry 2 MIC.
27. Mr. Hoffart cooperated fully with the investigation conducted by the Registrar's Staff.
28. Mr. Hoffart has no disciplinary history with the Registrar.

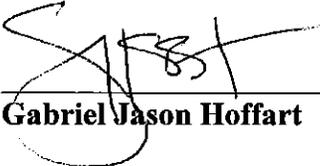
D. WAIVER

29. Mr. McKay and Mr. Hoffart waive their right to a hearing under sections 4 and 8 of the MBA and waive their right to appeal under section 9 of the MBA.

E. COUNTERPARTS

30. This Order may be executed in any number of counterparts, each of which shall be deemed to be an original, and all such counterparts, when executed and taken together, shall constitute one and the same instrument.

Approved as to form and content by:


 _____ this 2nd day of July, 2019
Gabriel Jason Hoffart

_____ this _____ day of _____, 2019
John Stephen McKay


 _____ this 5th day of July, 2019
Mark Witten
 Legal Counsel for the Staff of the
 Registrar of Mortgage Brokers

Issued this 12 day of July
 at Vancouver, British Columbia



 Chris Carter, Acting Registrar
 of Mortgage Brokers
 Province of British Columbia

Appendix J

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Frank James Walford and Loan Depot Canada* (February 2019)



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF DEAN FRANK JAMES WALFORD AND LOAN DEPOT
CANADA

(Pursuant to sections 8 and 8(1.4) of the *Mortgage Brokers Act*)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or his appointee, has determined their validity.

To: DEAN FRANK JAMES WALFORD

[REDACTED]

And To: LOAN DEPOT CANADA

[REDACTED]

TAKE NOTICE that the Registrar of Mortgage Brokers ("Registrar") will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* ("MBA") at the offices of the Registrar, located at the Financial Institutions Commission at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the MBA should it be determined that your conduct contravened the MBA, or regulations made under the MBA ("Regulations").

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

AND TAKE NOTICE that the allegations against you, DEAN FRANK JAMES WALFORD, are as follows:

1. Contrary to section 8(1.4) of the MBA, DEAN FRANK JAMES WALFORD carried on business as a mortgage broker or submortgage broker without being registered to do so as required by section 21(1)(a) of the MBA, and without being exempted from registration pursuant to section 11 of the MBA by:
 - a. Directing the course of mortgage applications on behalf of five or more borrowers including giving instructions or directions to one or more Registrants as to the employment and income information of the borrowers, the merits of the mortgage applications, borrower qualifications, and providing personal information of borrowers to Registrants.
 - b. Conducting one or more of the following activities on behalf of any one or more of the borrowers:
 - i. Accepting the personal information of borrowers for the purposes of obtaining financing on their behalf;
 - ii. Obtaining documents and information from borrowers to support their mortgage applications;
 - iii. Collecting personal information of borrowers and forwarding that information to one or more Registrants;
 - iv. Acting as a liaison between the borrowers and Registrants and referring borrowers to a Registrant;
 - v. Ordering appraisals for multiple borrowers to support mortgage applications;
 - vi. Vetting borrowers' qualifications for mortgages;
 - vii. Receiving remuneration in excess of \$1,000 for arranging mortgages; and
 - viii. Submitting documents to a potential lender on behalf of a borrower which were later determined not to be authentic and which resulted in economic loss to the lender.
 - c. Held himself out to the public as a mortgage broker by identifying himself as a mortgage broker to borrowers and by maintaining a profile on [Linkedin.com](https://www.linkedin.com) wherein he held himself out as offering services of a mortgage broker.

- d. Contrary to section 8(2) of the MBA, after the issuance of a Cease and Desist Order by the Registrar of Mortgage Brokers on September 12, 2011, he continued to carry on the business of a mortgage broker or submortgage broker, in that he:
 - i. Obtained multiple credit bureau reports pertaining to specific borrowers;
 - ii. Submitted mortgage applications to lenders on behalf of borrowers, of which 90 mortgage applications related to properties in British Columbia; and
 - iii. Created mortgage applications of borrowers of which 114 mortgage applications pertained to properties in British Columbia.

AND TAKE NOTICE that the allegations against you, LOAN DEPOT CANADA, are as follows:

2. Contrary to section 8(1.4) of the MBA, Loan Depot Canada carried on business as a mortgage broker in British Columbia without being registered to do so as required by section 21(1)(a) of the MBA, and without being exempted from registration pursuant to section 11 of the MBA by permitting DEAN FRANK JAMES WALFORD to hold himself out as a mortgage broker or submortgage broker with Loan Depot Canada while neither were registered under the MBA.
3. Contrary to section 8(2) of the MBA, Loan Depot Canada carried on the business of a mortgage broker despite the issuance of a Cease and Desist Order by the Registrar of Mortgage Brokers on September 12, 2011, in that it:
 - a. Obtained multiple credit bureau reports pertaining to specific borrowers;
 - b. Submitted mortgage applications to lenders on behalf of borrowers, of which 90 mortgage applications related to properties in British Columbia; and
 - c. Created mortgage applications of borrowers of which 114 mortgage applications pertained to properties in British Columbia.

AND TAKE FURTHER NOTICE that the Registrar will determine if you would be disentitled to registration if you were an applicant under section 4 of the MBA, pursuant to section 8(1)(e) of the MBA.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the MBA and/or the Regulations, the Registrar may make any of the orders set out in section 8 of the MBA, including but not limited to, the remedies permitted pursuant to sections 8(1), 8(1.1), 8(1.4) and 8(2) of the MBA. In addition, the Registrar may make an order against either of you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the MBA, and may make any further orders under the MBA as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to either of you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 1st day of February, 2019

Registrar of Mortgage Brokers



Per: Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia

Appendix K

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Grant
Brian Curtis* (April 2019)



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF GRANT BRIAN CURTIS
(Pursuant to section 8 including sections 8(1) and 8(1.2) of the *Mortgage Brokers Act*)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or his appointee, has determined their validity.

To: GRANT BRIAN CURTIS



TAKE NOTICE that the Registrar of Mortgage Brokers ("Registrar") will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* ("MBA"), including sections 8(1) and 8(1.2), at the offices of the Registrar, located at the Financial Institutions Commission at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the MBA should it be determined that your conduct contravened the MBA, or regulations made under the MBA ("Regulations").

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

Appendix K

AND TAKE NOTICE that the allegations against **GRANT BRIAN CURTIS** are as follows:

1. In his capacity as a submortgage broker, Grant Brian Curtis (“Mr. Curtis”) conducted business in a manner that is prejudicial to the public interest, contrary to section 8(1)(i) and 8(1.2) of the MBA, in that he facilitated the unregistered mortgage broker activities of Loan Depot Canada (LCD) and Dean Frank James Walford (“Mr. Walford”), when he carried out one or more of the following:
 - a. Permitted Mr. Walford to direct the course of mortgage applications, including taking instructions from Mr. Walford to input information on mortgage applications, including employment, income, credit checks and other personal information of the borrowers provided by Mr. Walford despite having had notice, by way of an Industry Alert dated October 23, 2014 that, on September 12, 2011, the Registrar of Mortgage Brokers had issued a Cease and Desist Order relating to the unregistered mortgage activity of LDC and Mr. Walford;
 - b. Accepting borrowers’ personal, employment and financial information and supporting documents as provided by Mr. Walford without contacting borrowers to verify, or otherwise verifying, the accuracy or authenticity of the documents and information provided;
 - c. Submitting borrowers’ personal, employment and financial information and supporting documents as provided by Mr. Walford to lenders in support of mortgage applications;
 - d. Permitting Mr. Walford and LDC to carry on business as a submortgage broker or mortgage broker by permitting Mr. Walford on behalf of LDC to arrange and obtain property appraisal reports and perform credit checks in support of mortgage applications which Mr. Curtis submitted to lenders;
 - e. Permitting Mr. Walford on behalf of LDC to complete mortgage applications, and negotiate mortgage commitment agreements that Mr. Curtis arranged to have submitted to lenders;
 - f. Some or all of the above activities were carried out for one or more of the following borrowers and their respective first and, in one case, second mortgage applications:
 - i. [REDACTED] in respect of the purchase of [REDACTED] and a mortgage application dated September 21, 2016 and a second mortgage application which funded December 5, 2016;
 - ii. [REDACTED] in respect of the purchase of [REDACTED] and a mortgage application dated January 23, 2017;
 - iii. [REDACTED] and [REDACTED] in respect of their purchase of [REDACTED] and a mortgage application dated February 21, 2017;

iv. [REDACTED] in respect of her purchase of [REDACTED] and a mortgage application dated April 16, 2016; and

v. [REDACTED] in respect of his purchase of [REDACTED] and a mortgage application dated June 30, 2016.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the MBA or the Regulations, the Registrar may make any of the orders set out in section 8 of the MBA, including but not limited to, the remedies permitted pursuant to section 8(1.2) of the MBA. The Registrar may also make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the MBA, and may make any further orders under the MBA as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 5th day of April, 2019

Registrar of Mortgage Brokers



Per: Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia

Appendix L

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Tanya Ann Smith, Notice of Hearing* (April 2019)



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF TANYA ANN SMITH (Pursuant to section 8 including 8(1) of the
Mortgage Brokers Act)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or his appointee, has determined their validity.

To: TANYA ANN SMITH



TAKE NOTICE that the Registrar of Mortgage Brokers (“Registrar”) will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* (“MBA”), including section 8(1), at the offices of the Registrar, located at the Financial Institutions Commission at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the MBA should it be determined that your conduct contravened the MBA, or regulations made under the MBA (“Regulations”).

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

Appendix L

AND TAKE NOTICE that the allegations against **TANYA ANN SMITH** are as follows:

1. In her capacity as a submortgage broker, Tanya Ann Smith (“Ms. Smith”) conducted business in a manner that is prejudicial to the public interest, contrary to section 8(1)(i) of the MBA, in that she facilitated the unregistered mortgage broker activities of Loan Depot Canada (LDC) and unregistered mortgage broker activities of Dean Frank James Walford (“Mr. Walford”), when she carried out one or more of the following:
 - a. Permitted Mr. Walford to direct the course of mortgage applications, including submitting borrowers’ personal, employment and financial information and supporting documents as provided by Mr. Walford to lenders in support of mortgage applications, despite having had notice, by way of an Industry Alert dated October 23, 2014 that, on September 12, 2011, the Superintendent of Mortgage Brokers had issued a Cease and Desist Order relating to the unregistered mortgage activity of LDC and Mr. Walford;
 - b. Permitting Mr. Walford and LDC to carry on as a submortgage broker or mortgage broker by permitting Mr. Walford LDC to arrange and obtain property appraisal reports and perform credit checks in support of mortgage applications;
 - c. Permitting Mr. Walford on behalf of LDC to collect personal information from the borrowers including employment and financial information in order to complete mortgage applications which Ms. Smith provided to lenders;
 - d. Some or all of the above activities were carried out for one or more of the following borrowers and their respective mortgage applications:
 - i. [REDACTED] in respect of the purchase of [REDACTED] and a mortgage application dated September 21, 2016;
 - ii. [REDACTED] in respect of the purchase of [REDACTED] and a mortgage application dated January 23, 2017;
 - iii. [REDACTED] and [REDACTED] in respect of their purchase of [REDACTED] and a mortgage application dated February 21, 2017;
 - iv. [REDACTED] in respect of her purchase of [REDACTED] and a mortgage application dated April 16, 2016; and
 - v. [REDACTED] in respect of his purchase of [REDACTED] and a mortgage application dated June 30, 2016.

AND TAKE FURTHER NOTICE that the Registrar will determine if you would be disentitled to registration if you were an applicant under section 4 of the MBA, pursuant to section 8(1)(e) of the MBA.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the MBA or the Regulations, the Registrar may make any of the orders set out in section 8 of the MBA, including but not limited to, the remedies permitted pursuant to sections 8(1), 8(1.1), 8(1.4) and 8(2) of the MBA. The Registrar may also make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the MBA, and may make any further orders under the MBA as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 5th day of April, 2019

Registrar of Mortgage Brokers



Per: Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia

Appendix M

British Columbia - *In the Matter of the Mortgage Brokers Act and Jay Kanth Chaudhary,
Cease and Desist Order (May 2019)*



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996 C. 313

-AND-

JAY KANTH CHAUDHARY

CEASE AND DESIST ORDER

(Pursuant to sections 8(1.4) and 8(2) of the *Mortgage Brokers Act*)

Upon review of the evidence and submissions set out in:

1. The report and evidence submitted by staff of the Registrar of Mortgage Brokers ("Staff");
2. The certified transcript of an interview with registered submortgage broker Shane Ballard ("S.B.");
3. The certified transcript of an interview with [REDACTED] ("M.K.") and [REDACTED] ("R.E."); and
4. The certified transcript of an interview with real estate licensee [REDACTED] ("H.K.").

I MAKE THE FOLLOWING FINDINGS AND ORDER:

Registration History

5. Jay Kanth Chaudhary ("Mr. Chaudhary") was registered as a submortgage broker as follows:
 - a. between April 25, 2007 and December 21, 2007 with GMC Global Mortgage Corp., and

- b. between January 4, 2008 and October 20, 2008 with Finder Financial Services Ltd.
6. Mr. Chaudhary is not currently registered as a mortgage broker or a submortgage broker and he has not been registered since October 20, 2008.
7. On October 16, 2008, Mr. Chaudhary was suspended by the then Acting Registrar of Mortgage Brokers for one hundred and twenty (120) days, pursuant to section 8(2) of the *Mortgage Brokers Act* (the "Act"), for conducting business in a manner that was prejudicial to the public interest in breach of the Act by failing to conduct any due diligence or "know your client" procedures and by knowingly submitting false information to lenders for them to act upon as if that information was genuine.
8. Mr. Chaudhary did not renew his registration at the completion of his suspension.

The Investigation

9. The Office of the Registrar of Mortgage Brokers ("Office of the Registrar") received specific complaints from two sources regarding Mr. Chaudhary. Between July 2017 and October 2017, an individual identified as [REDACTED] ("A.J.") sent several emails to Staff alleging Mr. Chaudhary was carrying on unregistered mortgage broker activities. On March 13, 2018, [REDACTED] with BlueShore Financial ("BlueShore") sent a formal written complaint against a registered submortgage broker. The complaint alleged that an internal audit of mortgage files submitted to BlueShore by the broker raised a suspicion that some of the files included falsified documents.

A.J. Complaints

10. The complaints by A.J. are summarized as follows:
 - a. In July 2017, Staff received email communications from A.J. alleging Mr. Chaudhary was conducting unregistered mortgage broker activity and that Mr. Chaudhary used registered mortgage brokers to submit his mortgage applications to lenders which included falsified supporting documents;
 - b. On September 27, 2017, A.J. sent Staff a further email, repeating the July 2017 allegations and stating that Mr. Chaudhary worked with mortgage brokers as well as a group of real estate licensees who cooperated with him in arranging mortgage applications based on falsified documentation;
 - c. On October 3, 2017, A.J. sent Staff an email with a pdf attachment he alleged represented examples of the transactions involving falsified information and documents in which Mr. Chaudhary was involved. The pdf attachment was titled "DEALS" and included 14 Multiple Listing Service (MLS) listings for recently sold properties. Staff conducted title searches on each of the properties and determined that three of the properties had mortgages funded by CMLS and one

had a mortgage funded by MCAP. In this email, A.J. alleged that Mr. Chaudhary was also known as “Mike”.

11. Staff contacted the lenders, CMLS and MCAP, and requested the files related to the four addresses. On October 13, 2017, Staff received a copy of the three files funded by CMLS and determined they were all submitted by S.B., a registered submortgage broker.
12. On December 18, 2017, after a further request, Staff received copies of 26 additional mortgage files submitted to CMLS by S.B. between August 2016 and November 2017, of which 23 resulted in mortgages being funded by CMLS.
13. Staff reviewed the 26 mortgage files provided by CMLS and noted as follows:
 - a. 25 of the 26 mortgage applications submitted by S.B. to CMLS included CRA tax documents provided to the lender as income verification. A review of these documents indicated they were altered;
 - b. The files that contained altered documents were referred to S.B. by Mr. Chaudhary.

BlueShore Complaint

14. In its March 13, 2018 complaint, BlueShore advised Staff as follows:
 - a. Between December 2017 and January 2018, BlueShore received three mortgage applications from S.B. where the authenticity of the income documentation was questioned;
 - b. In January 2018, BlueShore conducted an internal audit of mortgage files submitted by S.B. including contacting the accountant of record on the Canada Revenue Agency (CRA) T1 General Income Tax and Benefit Return forms (T1 General) and the T2125 Statement of Business or Professional Activities forms (T2125) submitted as income verification on S.B.’s mortgage files;
 - c. This audit showed that of the 48 files S.B. submitted to BlueShore between 2012 and 2017, 15 files had discrepancies in the financial records provided. These files were funded by BlueShore and seven of the 15 were insured by either Canada Mortgage and Housing Corporation (CMHC) or Genworth.
15. Based on the A.J. allegations, the review of the CMLS mortgage applications and the information provided by BlueShore, Staff concluded Mr. Chaudhary referred the borrowers to S.B. and that Mr. Chaudhary had conducted mortgage broker activities on the files referred to S.B.

Order to Enter S.B.’s residence

16. On August 8, 2018, the Acting Registrar of Mortgage Brokers (“Acting Registrar”) signed an Order under section 6(7.1) of the Act to enter the premises of S.B. On August 9, 2018, a Form 8 Order to Enter was endorsed by a Judicial Justice of the Peace to be

executed on August 16, 2018. Staff attended S.B.'s home on that day and executed the Order.

17. On August 16, 2018, Staff interviewed S.B. who stated the following:
 - a. He was aware that CMLS had issues with documentation submitted with his files;
 - b. A registrant, [REDACTED] ("K.C."), [REDACTED] raised issues with files that S.B. submitted to Verico;
 - c. Most of his files now go to TD or Scotiabank;
 - d. He was aware that he had been removed from both MCAP's and CMLS' approved mortgage list;
 - e. He identified his phone number as XXXXXX4602 and fax as XXXXXX1515.
18. Staff seized several items from the premises including two laptops, a MacBook Air, an iPhone 7 and 75 mortgage files. The electronic devices were provided [REDACTED] ("EF") to conduct a forensic examination of the devices.
19. EF's examination of S.B.'s iPhone 7 uncovered the following:
 - a. 1068 SMS text messages between S.B.'s phone and a cellular number associated with Mr. Chaudhary between December 12, 2017 and June 11, 2018. These texts related to mortgage broker activities such as discussing mortgage broker applications, mortgage application status updates and sharing of mortgage documents;
 - b. An email dated June 11, 2018, in which Mr. Chaudhary advised S.B. that he was changing his number to XXXXXX8733 which was the same contact number in S.B.'s phone for a "Mike Kumar";
 - c. A contact for an individual named Jay Michaels with an email address of jmfinancing@hotmail.com, which was later identified by Staff as an email used by Mr. Chaudhary. These emails from Jay Michaels referenced income, pay statements and job letters of different borrowers;
 - d. A message S.B. sent to K.C. in which S.B. advised K.C. that "Mike Kumar" was one of his referral sources and "Mike is an accountant with a vast network".

Order to Enter Mr. Chaudhary's residences

20. On January 30, 2019, the Acting Registrar signed two applications for an Order to Enter under section 6(7.1) of the Act relating to Mr. Chaudhary's known premises including [REDACTED] and [REDACTED]. On February 1, 2019, a Judicial Justice of the Peace endorsed the two Form 8 Order to Enter authorizations to be executed on February 12, 2019.

- [REDACTED]
21. On February 12, 2019, Staff attended [REDACTED] with uniformed Vancouver Police Department (“VPD”) officers. Individuals at the premises identified themselves and one individual indicated that she called Mr. Chaudhary “Jay”, but his business name was “Mike”.
 22. Staff located and removed correspondence addressed to Mr. Chaudhary as well as several items including four phones, a MacBook Air, and a Sentry safe along with numerous documents.
 23. The electronic devices were provided to EF to conduct a forensic examination of the devices.

- [REDACTED]
24. On February 12, 2019, Staff attended [REDACTED] with uniformed VPD officers. Staff was provided with access to the premises by the building manager.
 25. The premises was unoccupied. Staff observed that one of the bedrooms was set up as an office with a desk, computers and printer/fax machines. Staff indicated that the premises did not appear to be used as a residence.
 26. On the desk, sitting on top of a mortgage file, was a [REDACTED] dated January 28, 2019 that appeared to belong to Mr. Chaudhary. Above the desk, there were numerous yellow sticky notes on the upper cabinet which included a note referencing “Jay’s” phone numbers, both business and personal, which included the phone number XXXXXX8733, but that number was crossed out and a number was inserted below. Another sticky note was labeled “Jay previous numbers” one of which, XXXXXX8701, was the same number that S.B. used to communicate with Mr. Chaudhary.
 27. Numerous electronic devices and documents were located and removed by Staff from this premises. The electronics devices were delivered to EF for analysis and further examination. The analysis and examination of the electronic devices is ongoing.
 28. On February 25, 2019, a Summons to Produce was served on the rental agent for the [REDACTED] premises. On February 26, 2019, Staff received a Rental Application Form dated November 6, 2017; a Residential Tenancy Agreement dated November 10, 2017; and a Parking Space Licence dated November 14, 2017. Each of these documents indicated the parties to the agreements were the rental agent for the property and Jay Chaudhary.

S.B. mortgage applications

29. As part of the investigation into Mr. Chaudhary, Staff reviewed mortgage applications S.B. submitted to various lenders between 2016 and 2018. Those files included:

██████████ ("P.V.") mortgage and CMLS

30. S.B. submitted a mortgage application on behalf of a borrower, P.V. to a lender and that mortgage was funded on November 14, 2016. P.V. advised Staff that his father, ██████████ ("L.V."), was buying the property and funding the down payment with the intention to assign the contract to his son.
31. L.V. advised Staff that Mr. Chaudhary was recommended to him as a mortgage broker during the purchase of a property for his daughter, ██████████ ("N.L."), some 15 months previously. P.V. and L.V. met with Mr. Chaudhary at a coffee shop to review the documents. L.V. communicated with Mr. Chaudhary through an email address, 3rinvestments@gmail.com, which Staff determined was linked to a company, J3R Financials & Trading Services ("J3R Financials"), operating as a sole proprietorship registered in the name of Mr. Chaudhary with an address of a property Mr. Chaudhary owned since August 30, 2016.
32. ██████████ ("R.H."), the real estate licensee acting in the transaction, advised she did not know "Jay" but sent the Contract of Purchase and Sale to "Jay" at the same email address L.V. used to communicate with Mr. Chaudhary.
33. L.V. produced a returned cheque paid to J3R Financials in the sum of \$4,829 as the fee for arranging the P.V. mortgage which was calculated as 1% of the mortgage principal.
34. A commission statement located on S.B.'s MacBook Air, supported by an email from S.B. indicated S.B. paid "Mike" a \$1,250 referral fee for P.V.'s mortgage.
35. Mr. Chaudhary provided the income verification documents of P.V. to S.B. including T1 Generals for 2014 and 2015 which S.B. submitted to the lender in support of P.V.'s mortgage application.
36. An accounting firm, ██████████ ("N&A") was identified on the T1 Generals used to support that mortgage application. Staff interviewed ██████████ ("D.N."), a principal of the accounting firm, and confirmed that P.V. was not a client of the firm and N&A had not prepared the returns. D.N. also noted discrepancies in the documents not consistent with how N&A prepares T1 Generals.
37. S.B. submitted the P.V. mortgage application with the altered tax documents on behalf of Mr. Chaudhary to CMLS which funded the mortgage. S.B. never met, communicated, or obtained information from P.V. or L.V. and S.B. paid Mr. Chaudhary the sum of \$1,250.00 for the referral.
38. L.V. advised Staff that Mr. Chaudhary had also arranged the mortgage financing for his daughter, N.L. and her husband ██████████ (D.L.) in December 2016 in relation to a Maple Ridge property. The mortgage broker who submitted the mortgage application to the lender on Mr. Chaudhary's behalf was a registrant, ██████████ ("A.E."). L.V. produced a copy of his returned check dated December 19, 2016 written to Mr. Chaudhary in the sum of \$8,500. L.V. stated that this was paid to Mr. Chaudhary as a 1% mortgage fee for arranging his daughter's mortgage.

M.K. / A.K. mortgage and MCAP

39. On November 27, 2017, Staff received a copy of a mortgage file from Verico. The file contained an October 2017 application for a mortgage from S.B. on behalf of M.K. and her father, [REDACTED] ("A.K.").
40. On July 10, 2018, Staff received a copy of a mortgage application from MCAP. This application had been submitted by S.B. in October 2017 on behalf of M.K. and A.K. This application was declined by MCAP due to concerns regarding the income and tax documents submitted in support of the application.
41. The tax documents of both M.K. and A.K. indicated they were prepared by the accounting firm, [REDACTED], ("A.F.T.G.") at an address on Lincoln Avenue, Coquitlam.
42. On September 17, 2018, Staff attended at the address provided on the tax documents, which was the address of [REDACTED] ("A.F.G."). Staff interviewed [REDACTED] ("A.M."), [REDACTED], and confirmed A.F.G. did not prepare M.K. or A.K.'s income tax returns for 2015 and 2016 nor were they clients of the firm. He also pointed out that the name of the firm was not as stated in the returns Staff obtained from MCAP.
43. Staff reviewed S.B.'s electronic mortgage files and located an E-File folder containing the mortgage documents S.B. sent to MCAP in October 2017 on behalf of M.K. and A.K.
44. On November 19, 2018, Staff interviewed M.K. and her husband, R.E. who stated as follows:
 - a. M.K. and her father A.K. were on the mortgage application as R.E. was unemployed and on disability;
 - b. M.K.'s real estate agent, [REDACTED] ("A.D.") referred her to a mortgage broker "Mike" who she subsequently learned was Mr. Chaudhary. They met with "Mike" on one occasion in a coffee shop to sign the mortgage papers but were unable to do so as "Mike" had brought the wrong documents;
 - c. They provided their income support documents to A.D.'s assistant who they believed forwarded the documents to "Mike";
 - d. "Mike" had many phone numbers, but he did not answer the number M.K. had for him. A.D. had a number that "Mike" would answer, and they once had a conference call with "Mike" at A.D.'s office;
 - e. M.K. paid "Mike" with a cheque for \$6,300 made out to a business name, 3rinvestments which was 1% of the value of the mortgage;

- f. Initially A.D. told them they had a mortgage approval although they could not remember signing documents except with a notary. Later the notary informed them the mortgage funding collapsed but A.D. and “Mike” would find them other financing;
 - g. They understood that other lenders were approached. A.D. told them “Mike” arranged a BMO mortgage. They met with the BMO representative, who had a statement showing they had a bank balance of [REDACTED]. This was not true;
 - h. M.K. was a customer with RBC. RBC Head Office informed her that a mortgage application had been made to CIBC on her behalf. CIBC called RBC to confirm the information in the application. The information was not correct.
45. Staff reviewed the documents that S.B. submitted to lenders on M.K.’s behalf with M.K. M.K. stated:
- a. Neither she nor her father were self employed as indicated in the documents;
 - b. The 2015 and 2016 NOAs/T1Generals were not the documents she provided to A.D. and did not accurately reflect her correct employment or income;
 - c. The RBC bank account statement was not from her account and did not accurately reflect her balance or banking history;
 - d. She never altered or changed any of the documents she provided to A.D. or her assistant.
46. Between September and November 2017, M.K. had several email communications with “Mike” at 3rinvestments@gmail.com in which she provided income and employment information to “Mike”.
47. M.K.’s mortgage file was located at Mr. Chaudhary’s residence at [REDACTED]. The file was labelled M.K.P. and referenced the first name of A.D. The file contained:
- a. Five mortgage applications and supporting documents for M.K. and A.K.;
 - b. Emails between S.B. and Jay Michaels, which Staff believe to be an alias of Mr. Chaudhary, in which S.B. was asking for income information and documents to support M.K.’s mortgage applications;
 - c. Of the five applications, including both typed and handwritten versions, each application contained different information with varying amounts for the down payments and stated income, including two applications showing down payments of \$150,000 and \$180,000, which was contrary to M.K.’s statement to Staff;
 - d. A.K.’s 2016 Tax Return Summary of T5007 Statement of Benefits indicating a total income of [REDACTED]. The version submitted to MCAP by S.B. stated an income of [REDACTED].

██████████ ("H.K.") mortgage and Scotiabank

48. During the execution of the Order to Enter S.B.'s residence on August 16, 2018, Staff examined S.B.'s MacBook Air, located an electronic mortgage file and viewed the following transaction:
 - a. A mortgage application submitted by S.B. on behalf of H.K. to Scotiabank which funded a mortgage for H.K. secured by a property on Barnet Road ("Barnet");
 - b. The file included the T1 Generals for 2015 and 2016 indicating H.K.'s income tax returns were prepared by ██████████ ("P.A. Ltd.").
49. On August 29, 2018, Staff interviewed ██████████ ("R.H."), ██████████ ██████████ of P.A. Ltd. who confirmed H.K. was a client and P.A. Ltd. prepared H.K.'s income tax returns.
50. R.H. reviewed the tax documents found in S.B.'s file which were submitted to Scotiabank by S.B. and confirmed P.A. Ltd. did not create those particular documents, and that they were not accurate.
51. On September 11, 2018, P.A. Ltd. was served with a Summons to produce the 2015 and 2016 T1 Generals prepared for H.K. The original documents produced by P.A. Ltd. differ from the documents contained in the S.B. mortgage file as follows:
 - a. The original tax documents for 2015 show a total income of ██████████ whereas the S.B. documents show an annual income of ██████████;
 - b. The original tax documents for 2016 show a total income of ██████████0 whereas the S.B. documents show a total income of ██████████.
52. On October 17, 2018, H.K., responding to a September 12, 2018 Summons to Attend and Produce Records, was interviewed by Staff and advised as follows:
 - a. H.K. lived in the Barnet property;
 - b. He used the services of a mortgage broker named ██████████ ("G.D."), although he was not sure of the spelling of the last name;
 - c. He provided Staff with G.D.'s phone number;
 - d. He provided G.D. with two years of T1 Generals, NOAs and three months of bank statements. G.D. filled out the mortgage applications by hand;
 - e. He used G.D. to obtain financing for the purchase of a property on Suffolk as well as the Barnet property;
 - f. All meetings with G.D. were in person;

- g. The documents in S.B.'s mortgage file which showed that H.K. had [REDACTED] in savings at the time of the purchase of the Barnet property were not accurate as he had approximately [REDACTED] in savings from the sale of another property at that time;
 - h. Some of the documents had his genuine signature, and other documents did not;
 - i. P.A. Ltd. did his tax returns and accounting and the tax documents located in S.B.'s file for him were not his and were not the documents he had provided to G.D.
53. Staff reviewed S.B.'s email account which included email communication between S.B. and Mr. Chaudhary. In April and May 2018 there were communications specifically relating to the H.K. mortgage application including a pdf of H.K.'s tax information sent from Mr. Chaudhary to S.B. One email indicated S.B. paid "Mike" a referral fee of \$3,700.00 for H.K.'s file.
 54. Two files relating to H.K. were located at Mr. Chaudhary's [REDACTED] premises. One was labelled H.K. "Refinance" and one was labeled H.K. "Purchase". Each file had different versions of H.K.'s tax information.
 55. Staff reviewed text messages from 2017 between S.B. and K.C., obtained from S.B.'s iPhone as a result the execution of the Order to Enter S.B.'s residence on August 16, 2018. In these messages, S.B. referenced G.D. as a financial advisor who S.B. had met that spring and referred "a couple" of files to S.B.
 56. On October 16, 2017, S.B. sent K.C. a photocopy of a business card for G.D. indicating G.D. worked for Vancouver Financing Solution Services with an address on Homer Street and a phone number.
 57. K.C. provided Staff with the names of borrowers referred by G.D. to S.B. with mortgages funded through Verico. Staff reviewed S.B.'s mortgage files and confirmed the borrowers identified by K.C. as referrals from G.D. were borrowers Mr. Chaudhary referred to S.B. [REDACTED] ("S.R.") / [REDACTED] ("H.R.") mortgage and RMG mortgages ("RMG")
 58. During the February 12, 2019 execution of the Order to Enter the [REDACTED] premises, a mortgage file relating a mortgage application to RMG on behalf of S.R. and H.R. was found on the desk in a room that appeared to be used as an office, along with the [REDACTED] belonging to Mr. Chaudhary.
 59. The file contained both the application to RMG as well as an RMG mortgage commitment dated February 8, 2019 signed by the borrowers. Staff observed there were three different versions of the mortgage application. One version consisted of two pages, one for S.R. and one for H.R., both pages were marked at the top "ATT; Mike". S.R.'s application indicated that S.R.'s annual salary was [REDACTED] but this number was crossed out and "[REDACTED]" written above. Another version just had the borrower's information and some handwritten notes.

60. The third version was a mortgage application dated February 7, 2019 to DLC Elite Lending indicating the broker was a registrant, [REDACTED] ("K.E.M."). On this application, S.R.'s annual income was [REDACTED] and it showed that S.R. had previously been employed in an auto shop with an income of [REDACTED]. However, S.R.'s tax documents on file showed that in 2016, S.R. earned [REDACTED] from the auto shop.
61. Staff subsequently contacted RMG and made RMG aware the application may contain altered documents. RMG cancelled the application on February 20, 2019. However, Staff determined this transaction closed based on a mortgage funded by another lender, Westminster Savings, supported by the same altered documents stating an inflated income.
62. On March 27, 2019, a Summons was issued to Westminster Savings to obtain this file and Staff determined the file was referred to Westminster Savings by [REDACTED] ("Sa.B.") at BMO.

General

63. Staff reviewed S.B.'s mortgage files between 2015 and 2018 and determined that Mr. Chaudhary's referrals to S.B. resulted in 165 mortgages funded resulting in compensation to Mr. Chaudhary as follows:

Year	Number of mortgages	Commission	Total Mortgage Funding
2015	35	\$57,100.00	\$21,670,000.00
2016	49	\$83,900.00	\$32,970,000.00
2017	57	\$97,900.00	\$35,733,000.00
2018	24	\$44,000.00	\$17,625,000.00

64. Based on a review of those files and related investigations, Mr. Chaudhary used a number of pseudonyms, had several email addresses, and frequently changed phone numbers to communicate with mortgage brokers and submortgage brokers to conduct his unregistered mortgage broker activities.
65. Staff's review of the files located at [REDACTED] and [REDACTED] as well as the transactions which were part of the S.B. investigation indicate Mr. Chaudhary had a large network of registered submortgage brokers in addition to S.B. as well as real estate licensees that he used to facilitate his unregistered mortgage broker activities.
66. Staff reviewed an excel spread sheet which was retrieved from an external memory device found in the [REDACTED] premises. This spread sheet summarized Mr. Chaudhary's unregistered mortgage activities since 2009. There are references to multiple transactions per year and identified at least 20 submortgage brokers and real estate licensees in addition to S.B. as referral sources for the transactions.

67. According to that document, from 2009 to mid 2018, Mr. Chaudhary worked on 875 files, generated \$5,283,347 in client fees and \$642,344 referral fees paid by the registered submortgage brokers who submitted the applications to lenders on his behalf, and arranged \$511,558,206 in mortgage loans.

Applicable Legislation

68. The applicable sections of the Act are as follows:

A. Section 1:

"mortgage" includes every instrument by which

(a) land in British Columbia, or

(b) for the purposes only of paragraphs (c) and (f) of the definition of "mortgage broker", sections 14.1 and 17.4 and Division 3 of Part 2, land, whether or not in British Columbia, is, in any manner, conveyed, assigned, pledged or charged as security for the payment of money or money's worth to be reconveyed, reassigned or released on satisfaction of the debt, but does not include an agreement for sale of or a right to purchase land or an interest in land;

"mortgage broker" means a person who does any of the following:

(a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;

(b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;

(c) carries on a business of buying and selling mortgages or agreements for sale;

(d) in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;

(e) during any one year, lends money on the security of 10 or more mortgages;

(f) carries on a business of collecting money secured by mortgages;

"submortgage broker" means any person who, in British Columbia, actively engages in any of the things referred to in the definition of mortgage broker and is employed, either generally or in a particular case, by, or is a director or a partner of, a mortgage broker;

- B. Section 8(1)** After giving a person registered under this Act an opportunity to be heard, the registrar may do one or more of the following:

(a) suspend the person's registration;

- (b) cancel the person's registration;
 - (c) order the person to cease a specified activity;
 - (d) order the person to carry out specified actions that the registrar considers necessary to remedy the situation, if, in the opinion of the registrar, any of the following paragraphs apply:
 - (e) the person would be disentitled to registration if the person were an applicant under section 4;
 - (f) the person is in breach of this Act, the regulations or a condition of registration;
 - (g) the person is a party to a mortgage transaction that is harsh and unconscionable or otherwise inequitable;
 - (h) the person has made a statement in a record filed or provided under this Act that, at the time and in the light of the circumstances under which the statement was made, was false or misleading with respect to a material fact or that omitted to state a material fact, the omission of which made the statement false or misleading;
 - (i) the person has conducted or is conducting business in a manner that is otherwise prejudicial to the public interest;
 - (j) the person is in breach of a provision of Part 2 or 5 of the *Business Practices and Consumer Protection Act* prescribed under section 9.1 (2).
- C. Section 8(1.4)** After giving a person an opportunity to be heard, the registrar may do one or more of the following:
- (a) order the person to cease a specified activity;
 - (b) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
 - (c) order the person to pay an administrative penalty of not more than \$50,000, if, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.
- D. Section 8(2)** If the length of time that would be required to give the person an opportunity to be heard under subsection (1) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may suspend registration without giving the person an opportunity to be heard.
- E. Section 11(1)** The registration provisions of this Act do not apply to any of the following while acting as mortgage brokers or submortgage brokers under their proper names:
- (a) insurance companies;

(b) savings institutions;

(c) a member of the Law Society of British Columbia entitled to practise as a solicitor in British Columbia if the loan transaction is made in the course of and as part of the member's practice;

(d) any person acting for the government or for an agency of the government;

(e) a liquidator, receiver, trustee in bankruptcy or a person acting under the authority of any court or an executor or trustee acting under the terms of a will or marriage settlement.

(2) The registration provisions of this Act do not apply to any of the following:

(a) an employee, or director, of a person exempted from registration under subsection (1) (a) or (b) or paragraph (b) of this subsection;

(b) a person lending money, directly or indirectly, on the security of land to provide housing for the person's employees;

(c) any other person or class of persons exempted from registration by the registrar.

F. Section 21(1) Unless exempted under section 11, a person must not do any of the following:

(a) carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;

(b) carry on business as a mortgage broker otherwise than in the person's registered name or elsewhere than at or from the person's registered address;

(c) advertise or in any other way indicate that the person is a mortgage broker or submortgage broker other than under their registered name of the mortgage broker;

(d) employ as a submortgage broker any person not registered under this Act.

Analysis

69. The regulatory framework set out in the Act is designed to ensure that the public is protected from misconduct. Only those individuals suitable for registration are entitled to be registered under the Act, and once registered they are subject to the provisions of the Act.

70. Section 21 of the Act prohibits a person from carrying on business as a mortgage broker or submortgage broker without being registered under the Act. Both "mortgage broker" and "submortgage broker" are defined terms as set out above and includes holding out as a mortgage broker and collecting more than \$1,000 in fees in any one year as remuneration.

71. The Commercial Appeals Commission (the predecessor to the Financial Services Tribunal) has considered the definition of “arranging mortgages” for the purpose of determining whether certain activities fell within the definition of submortgage broker in the Act.
72. In *Horizon Financial Services Ltd. v. British Columbia (Registrar of Mortgage Brokers)*, [1990] B.C.C.O. No 4 (“Horizon”), the Commission found that the intent of the Act is to license every person and company involved in an essential way in the process of arranging mortgages.
73. *Legge (c.o.b. Mortgageline) v. British Columbia (Registrar of Mortgage Brokers)*, [1995] B.C.C.O. No 13 and *Horizon* considered indicia of arranging mortgages (and in turn holding out as a mortgage broker who arranges mortgages) which included promoting services, direct communication with clients explaining mortgages, mortgage products, mortgage documents and/or disclosure statements, taking mortgage applications, and obtaining supportive documentation.
74. Staff provided clear evidence that Mr. Chaudhary was carrying on business as a mortgage broker or submortgage broker and holding himself out as a mortgage broker or submortgage broker even though he was not registered as a mortgage broker or submortgage broker. The investigation shows Mr. Chaudhary was carrying on a business of “arranging mortgages” as follows:
 - a. Mr. Chaudhary conducted unregistered mortgage broker activity since 2012;
 - b. Mr. Chaudhary leased, maintained and operated a separate office space in a residential building where he conducted mortgage broker activity;
 - c. Mr. Chaudhary used registered submortgage brokers to facilitate his unregistered mortgage broker activities by having them submit mortgage applications on Mr. Chaudhary’s behalf to lenders. Mr. Chaudhary’s referrals to S.B. resulted in 165 mortgages funded between 2015 and 2018 for which S.B. paid Mr. Chaudhary \$282,900;
 - d. Mr. Chaudhary’s mortgage files show that the information he arranged to be submitted to lenders included false tax documents and bank statements that inflated the borrowers’ income and savings as well as false employment information;
 - e. Mr. Chaudhary was paid referral fees by the submortgage brokers who submitted his mortgage applications to lenders and the borrowers paid him a fee directly for arranging their mortgages. Borrowers did not meet with the submortgage brokers used by Mr. Chaudhary and, in most cases, appear not to have known of this arrangement;

f. Mr. Chaudhary was actively carrying on business as a mortgage broker at the time of the execution of the Order to Enter on February 12, 2019 in that there was a mortgage application dated February 8, 2019 which had been submitted to a lender, RMG, on behalf of S.R. and H.R. by another registered submortgage broker, K.E.M., on a desk in Mr. Chaudhary's residence. The lender issued a mortgage commitment on the same date.

75. Staff provided evidence that Mr. Chaudhary continues to be engaged in unregistered mortgage broker activity despite the actions taken by the Office of the Registrar. While RMG, once advised of the actions of the Office of the Registrar, withdrew its funding commitment, the evidence shows the transaction closed based on a mortgage funded by another lender, Westminster Savings, supported by the same falsified documents. Mr. Chaudhary continues to be the subject of an ongoing Office of the Registrar investigation.

Conclusion

76. The evidence is clear Mr. Chaudhary engaged in ongoing unregistered mortgage broker activity which puts the public and lenders at risk.

77. Therefore, I find that Mr. Chaudhary was carrying on business as a mortgage broker or submortgage broker, while not registered to do so in contravention of section 21 of the Act. As such, his conduct may be subject to the remedies set out in section 8(1.4) of the Act. There is no evidence that Mr. Chaudhary would be exempt from the registration requirements under section 11 of the Act.

78. The size and scale of Mr. Chaudhary's unregistered mortgage broker activities, supported by a network of regulated individuals, represents a significant risk to the integrity of the real estate and financial services marketplace.

79. Mr. Chaudhary led borrowers into thinking he was a mortgage broker dealing directly with lenders when, in fact, he had a network of registered mortgage brokers who arranged the mortgages with lenders on Mr. Chaudhary's behalf. Mr. Chaudhary produced altered documents to support inflated financial information in mortgage applications and provided them to registered submortgage brokers to submit to lenders. In doing so, he placed borrowers at risk of being placed into mortgages they cannot afford and lenders at risk of making loans they might not otherwise have made.

80. In addition, Mr. Chaudhary, as a former registrant from 2006 to 2008, ought to understand the importance of registration as a cornerstone of a regulated industry. He was previously suspended for one hundred and twenty days for conducting business in breach of the Act in a manner that was prejudicial to the public interest by failing to conduct any due diligence or "know your client" procedures and by knowingly submitting false information to lenders for them to act upon as if that information was genuine. He has continued in these activities while unregistered.

81. Mr. Chaudhary has deliberately attempted to avoid detection in his unregistered mortgage broker activities by using pseudonyms, multiple phone numbers, different email addresses and companies as well as a network of registered submortgage brokers to facilitate his unregistered activity by submitting mortgage applications to lenders on his behalf.
82. I agree with Staff that a hearing into Mr. Chaudhary's conduct would require approximately 25 witnesses and at least 15 days to complete, which could not be realistically scheduled for at least nine months. Given the length of time required to hold a hearing, this delay would likely result in further non-compliance with the Act, which would harm the reputation of the mortgage broker industry, expose lenders to the risk of making loan decisions based on false information and would be detrimental to the public interest. This supports an order to be made pursuant to section 8(2) of the Act.

I AM THEREFORE OF THE OPINION THAT the length of time that would be required to hold a hearing and make orders under section 8(1.4) of the Act would likely result in further non-compliance with the provisions of the Act and therefore be prejudicial to the public interest.

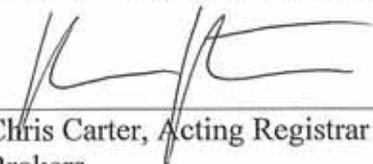
AND I AM THEREFORE OF THE OPINION it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the MBA so the public is protected against further non-compliance with the Act.

I HEREBY ORDER, pursuant to section 8(1.4)(a) and 8(2) of the Act that Jay Kanth Chaudhary to immediately:

CEASE AND DESIST from carrying on business as a mortgage broker or submortgage broker, from acting as or holding out as a mortgage broker or submortgage broker in British Columbia and from conducting any unregistered mortgage broker activity in the Province of British Columbia in any capacity, effective immediately, unless and until he becomes registered to do so under the provisions of the Act.

TAKE NOTICE THAT Jay Kanth Chaudhary may, under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 23 day of May 2019
At Vancouver, British Columbia


Chris Carter, Acting Registrar of Mortgage Brokers

Notice to: Jay Kanth Chaudhary



Financial Services Tribunal

Appendix N

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Vinta Devi Lal, Notice of Hearing* (October 2018)



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF VINITA DEVI LAL
(Pursuant to sections 8 and 8 (1.4) of the *Mortgage Brokers Act*)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or their appointee, has determined their validity.

To: Vinita Devi Lal



TAKE NOTICE that the Registrar of Mortgage Brokers ("Registrar") will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* ("MBA") at the offices of the Registrar, located at the office of the Financial Institutions Commission at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the MBA should it be determined that your conduct contravened the MBA, or regulations made under the MBA ("Regulations").

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

AND TAKE NOTICE that the allegations against you are as follows:

Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca

Appendix N

1. Contrary to section 8 (1.4) of the MBA, you carried on business as a mortgage broker or submortgage broker without being registered to do so as required by the MBA, and without being exempted from registration pursuant to section 11 of the MBA by:
 - a. Directing the course of mortgage applications on behalf of one or more of the borrowers set out in the attached schedule "A" (collectively, the "Borrowers"), including giving instructions or directions to one or more of the following registered mortgage brokers or submortgage brokers:
 - i. Prem Lata Devi Singh; and
 - ii. [REDACTED]
(collectively, the "Registrants")

regarding the appropriate lender to submit a mortgage application to, the employment and income information required of Borrowers, the merits of mortgage applications, Borrower qualifications, or providing the personal information of Borrowers to the Registrants;

- b. Conducting one or more of the following activities on behalf of any one or more of the Borrowers:
 - i. Collecting personal information of the Borrowers and forwarding that information to one or more of the Registrants;
 - ii. Providing one or more of the Registrants with the Borrowers' employment information and supporting documents, including T1 General Income Tax Returns and Canada Revenue Agency Notices of Assessment, many of which were not genuine;
 - iii. Acting as a liaison between one or more of the Registrants and the Borrowers, and referring Borrowers to a Registrant;
 - iv. Vetting Borrowers' qualifications for mortgages; and
 - v. Accepting fees from one or more of the Registrants or any of the Borrowers for arranging mortgages on behalf of Borrowers; and
- c. Collecting the income documents and personal information of other potential borrowers and forwarding those documents and information to Anil Kumar Singh, a former registrant under the MBA.

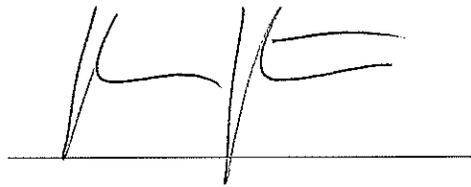
AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the MBA and/or the Regulations, the Registrar may make any of the orders set out in section 8 of the MBA, including but not limited to, the remedies permitted pursuant to sections 8 (1.4) and 8 (2) of the MBA. In addition, the Registrar may make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6 (9) of the MBA and may make any further orders under the MBA as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 5th day of October 2018

Registrar of Mortgage Brokers

A handwritten signature in black ink, appearing to be 'K/C', written over a horizontal line.

Per: Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF VINITA DEVI LAL

SCHEDULE "A" to NOTICE OF HEARING

Borrower	Registrant
[REDACTED]	Prem Singh
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]

Appendix O

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Prem Lata Devi Singh, Notice of Hearing* (September 2018)



IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended

-AND-

IN THE MATTER OF PREM LATA DEVI SINGH
(Pursuant to section 8 including 8(1.2) of the *Mortgage Brokers Act*)

NOTICE OF HEARING

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. The allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or their appointee, has determined their validity.

To: PREM LATA DEVI SINGH

[REDACTED]
[REDACTED]

PREM LATA DEVI SINGH

[REDACTED]
[REDACTED]

TAKE NOTICE that the Registrar of Mortgage Brokers ("Registrar") will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* ("MBA"), including section 8(1.2) at the offices of the Registrar, located at the Financial Institutions Commission at **2800 - 555 West Hastings Street in Vancouver, British Columbia** to provide you with an opportunity to be heard prior to the Registrar making any order under the MBA should it be determined that your conduct contravened the MBA, or regulations made under the MBA ("Regulations").

The hearing will commence at a date to be determined by the parties, and if no agreement is reached within one month of the date of this notice, the hearing date will be determined by the Registrar.

AND TAKE NOTICE that the allegations against you are as follows:

1. In your capacity as a submortgage broker, you conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the MBA by facilitating the unregistered mortgage broker activities of Vinita Lal (“VL”), by carrying out one or more of the following:
 - a. Permitting VL to direct the course of mortgage applications, including taking instructions from VL to input information on mortgage applications including employment and income information and other personal information;
 - b. Accepting and submitting to lenders, personal information, employment information and supporting documents, Canada Revenue Agency Notices of Assessment and T1 General Income Tax Returns (“CRA Documents”) and other banking documents from VL without verifying their accuracy or authenticity;
 - c. The above activities were carried out for one or more of the following borrowers and their respective mortgage applications:
 - i. [REDACTED], in respect of Filogix file [REDACTED]
 - ii. [REDACTED], in respect of Filogix file [REDACTED]
 - iii. [REDACTED], in respect of Filogix file [REDACTED];
 - iv. [REDACTED], in respect of Filogix file [REDACTED]
 - v. [REDACTED], in respect of Filogix file D [REDACTED];
 - vi. [REDACTED], in respect of Filogix file [REDACTED]
 - vii. [REDACTED], in respect of Filogix file [REDACTED];
 - viii. [REDACTED], in respect of Filogix file D [REDACTED]
 - ix. [REDACTED], in respect of Filogix file [REDACTED]
 - x. [REDACTED], in respect of Filogix file D [REDACTED]
 - xi. [REDACTED], in respect of Filogix file [REDACTED]
 - xii. [REDACTED], in respect of Filogix file [REDACTED]; and
 - xiii. [REDACTED], in respect of Filogix file D [REDACTED].

2. In your capacity as a submortgage broker, you conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the MBA by:
 - a. Submitting the following misleading information, including altered CRA Documents, to MCAP in support of the income of borrower [REDACTED], when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]
 - i. Filogix mortgage application [REDACTED] states that [REDACTED] was a self-employed [REDACTED] with an average annual income of [REDACTED] over the years 2010 and 2011;
 - ii. 2010 Notice of Assessment indicating [REDACTED]’s total income to be [REDACTED]; and
 - iii. 2011 Notice of Assessment and T1 General Income Tax Return indicating [REDACTED] total income to be [REDACTED]

which you knew or ought to have known to be false as [REDACTED]'s 2011 true net income was [REDACTED]

- b. Submitting the following misleading information, including altered CRA Documents, to Scotiabank in support of the income of borrower [REDACTED] when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]:

- i. Filogix mortgage application [REDACTED] states that [REDACTED] was a self-employed [REDACTED] with an average annual income of \$ [REDACTED] over the years 2010 and 2011;
- ii. 2010 Notice of Assessment and T1 General Income Tax Return for [REDACTED] [REDACTED] indicating a total income of [REDACTED];
- iii. 2011 Notice of Assessment and T1 General Income Tax Return for [REDACTED] [REDACTED] indicating a total income of [REDACTED].

which you knew or ought to have known to be false as [REDACTED]'s genuine CRA Documents show his total income for 2010 to be \$ [REDACTED] and his total income for 2011 to be [REDACTED]

- c. Submitting the following misleading information, including CRA Documents, to Scotiabank in support of the income of borrower [REDACTED] when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]

- i. Filogix mortgage application [REDACTED] states that [REDACTED] was self-employed in the [REDACTED] with an average annual income of [REDACTED] over the years 2010 and 2011;
- ii. 2010 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2010 to be [REDACTED];
- iii. 2011 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2011 to be [REDACTED].

which you knew or ought to have known to be false as [REDACTED]'s genuine 2011 Notice of Assessment shows his total income for 2011 to be [REDACTED].

- d. Submitting the following misleading information, including altered CRA Documents, to TD Canada Trust in support of the income of borrower [REDACTED] when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]

- i. Filogix mortgage application [REDACTED] stating that [REDACTED] was self-employed in the [REDACTED] industry with an average annual income of [REDACTED];
- ii. 2010 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2010 to be \$ [REDACTED];
- iii. 2011 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2011 to be \$ [REDACTED].

which you knew or ought to have known to be false as [REDACTED] genuine Notice of Assessment for 2010 shows a total income of [REDACTED], which was provided to a colleague in the same brokerage. In addition, the employment information provided to your colleague varies significantly from that which you submitted to TD Canada Trust.

- e. Submitting the following misleading information, including altered CRA Documents, to TD Canada Trust in support of the income of borrower [REDACTED], when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]
 - i. Filogix mortgage application [REDACTED] stating that [REDACTED] was self-employed as a [REDACTED] with an average annual income of [REDACTED]
 - ii. 2010 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2010 to be [REDACTED]
 - iii. 2011 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2011 to be [REDACTED]

which you knew or ought to have known to be false as [REDACTED]; genuine Notice of Assessment for 2011 shows a total income of [REDACTED]

- f. Submitting the following misleading information, including altered CRA Documents, to MCAP in support of the income of borrower [REDACTED], when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]
 - i. Filogix mortgage application [REDACTED] stating that [REDACTED] was self-employed as a [REDACTED] with an average annual income of [REDACTED];
 - ii. 2010 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2010 to be [REDACTED]
 - iii. 2011 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2011 to be [REDACTED]

which you knew or ought to have known to be false as [REDACTED]; true net income for 2010 was [REDACTED].

- g. Submitting the following misleading information, including altered CRA Documents, to B2B Bank in support of the income of borrower [REDACTED], when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]
 - i. Filogix mortgage application [REDACTED] stating that [REDACTED] was self-employed as a [REDACTED] with an average annual income of \$[REDACTED]
 - ii. 2012 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2012 to be [REDACTED]

- iii. 2013 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2013 to be [REDACTED]

which you knew or ought to have known to be false as [REDACTED] true net income for 2013 was [REDACTED].

- h. Submitting the following misleading information, including altered CRA, to MCAP in support of the income of borrower [REDACTED] when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]

- i. Filogix mortgage application [REDACTED] stating that [REDACTED] was self-employed as a [REDACTED] with an average annual income of [REDACTED]
- ii. 2012 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2012 to be [REDACTED]
- iii. 2013 Notice of Assessment and T1 General Income Tax Return stating [REDACTED] total income for 2013 to be [REDACTED]

which you knew or ought to have known to be false as [REDACTED] genuine Notice of Assessment for 2012 shows a total income of [REDACTED] and his genuine Notice of Assessment for 2013 shows a total income of [REDACTED].

- i. Submitting the following misleading information, to MCAP in support of the income of borrower [REDACTED], when you knew or ought to have known that the information was misleading and did not represent the true income of [REDACTED]:

- i. Filogix mortgage application [REDACTED] stating that [REDACTED] was self-employed as a [REDACTED] with an average annual income of [REDACTED];
- ii. Stated to the lender that [REDACTED] total income for 2010 to be [REDACTED]
- iii. Stated to the lender that [REDACTED] total income for 2011 to be [REDACTED];

which you knew or ought to have known to be false as [REDACTED] genuine Notice of Assessment for 2010 shows a total income of [REDACTED] and her 2011 Notice of Assessment shows a total income of [REDACTED].

- 3. In your capacity as a submortgage broker, you conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the MBA by failing to take sufficient or any steps to verify the accuracy of income information which you submitted to lenders in the following additional 51 mortgage applications:

- a. [REDACTED] in respect of Filogix file [REDACTED]
- b. [REDACTED], in respect of Filogix file [REDACTED]
- c. [REDACTED] in respect of Filogix file [REDACTED];
- d. [REDACTED], in respect of Filogix file [REDACTED]
- e. [REDACTED], in respect of Filogix file [REDACTED];

- f. [REDACTED] in respect of Filogix file I [REDACTED]
- g. [REDACTED], in respect of Filogix file I [REDACTED];
- h. [REDACTED], in respect of Filogix file [REDACTED]
- i. [REDACTED] in respect of Filogix file I [REDACTED]
- j. [REDACTED] in respect of Filogix file I [REDACTED]
- k. [REDACTED], in respect of Filogix file I [REDACTED]
- l. [REDACTED], in respect of Filogix file I [REDACTED]
- m. [REDACTED], in respect of Filogix file I [REDACTED]
- n. [REDACTED]; in respect of Filogix file I [REDACTED]
- o. [REDACTED], in respect of Filogix file I [REDACTED]
- p. [REDACTED] in respect of Filogix file I [REDACTED]
- q. [REDACTED] in respect of Filogix file I [REDACTED];
- r. [REDACTED] in respect of Filogix file I [REDACTED]
- s. [REDACTED] in respect of Filogix file I [REDACTED]
- t. [REDACTED] in respect of Filogix file I [REDACTED]
- u. [REDACTED] in respect of Filogix file I [REDACTED]
- v. [REDACTED] in respect of Filogix file I [REDACTED];
- w. [REDACTED] in respect of Filogix file I [REDACTED]
- x. [REDACTED] in respect of Filogix file I [REDACTED]
- y. [REDACTED] in respect of Filogix file [REDACTED]
- z. [REDACTED] in respect of Filogix file I [REDACTED]
- aa. [REDACTED], in respect of Filogix file I [REDACTED]
- bb. [REDACTED], in respect of Filogix file D [REDACTED]
- cc. [REDACTED] in respect of Filogix file D [REDACTED]
- dd. [REDACTED], in respect of Filogix file I [REDACTED];
- ee. [REDACTED], in respect of Filogix file I [REDACTED]
- ff. [REDACTED] in respect of Filogix file I [REDACTED]
- gg. [REDACTED], in respect of Filogix file I [REDACTED]
- hh. [REDACTED], in respect of Filogix file I [REDACTED];
- ii. [REDACTED] in respect of Filogix file I [REDACTED]
- jj. [REDACTED], in respect of Filogix file I [REDACTED];
- kk. [REDACTED], in respect of Filogix file I [REDACTED];
- ll. [REDACTED], in respect of Filogix file I [REDACTED];
- mm. [REDACTED], in respect of Filogix file D [REDACTED]
- nn. [REDACTED], in respect of Filogix file I [REDACTED];
- oo. [REDACTED] in respect of Filogix file I [REDACTED]
- pp. [REDACTED], in respect of Filogix file D [REDACTED]
- qq. [REDACTED], in respect of Filogix file [REDACTED]
- rr. [REDACTED], in respect of Filogix file [REDACTED];
- ss. [REDACTED], in respect of Filogix file I [REDACTED];
- tt. [REDACTED], in respect of Filogix file [REDACTED];
- uu. [REDACTED], in respect of Filogix file I [REDACTED];
- vv. [REDACTED] in respect of Filogix file I [REDACTED];
- ww. [REDACTED], in respect of Filogix file [REDACTED]
- xx. [REDACTED], in respect of Filogix file I [REDACTED]; and,
- yy. [REDACTED], in respect of Filogix file I [REDACTED]

AND TAKE FURTHER NOTICE that the Registrar will determine if you would be disentitled to registration if you were an applicant under section 4 of the MBA, pursuant to section 8(1)(e) of the MBA.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that any of your conduct, as set out above, contravened the MBA and/or the Regulations, the Registrar may make any of the orders set out in section 8 of the MBA, including but not limited to, the remedies permitted pursuant to sections 8(1), 8(1.1), 8(1.2), 8(1.4) and 8(2) of the MBA. In addition, the Registrar may make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the MBA, and may make any further orders under the MBA as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the full right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Issued at the City of Vancouver, BC this 27 day of September 2018

Registrar of Mortgage Brokers



Per: Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia

Appendix P

British Columbia - *In the Matter of the Mortgage Brokers Act and Anil Kumar Singh,*
Consent Order (September 2018)

**IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, C. 313**

-AND-

ANIL KUMAR SINGH

CONSENT ORDER

(Pursuant to section 8(1) of the *Mortgage Brokers Act*)

WHEREAS Anil Kumar Singh ("Mr. Singh") has been registered as a submortgage broker since May 3, 2010;

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued an Amended Notice of Hearing to Mr. Singh on August 20, 2018;

AND WHEREAS the following agreement has been reached between Mr. Singh and the Staff of the Registrar (the "Staff");

AND WHEREAS the Designate of the Registrar of Mortgage Brokers (the "Registrar's Designate") agrees to the following terms of a consent order:

FINDINGS

1. The Registrar's Designate makes the following findings against Mr. Singh, and Mr. Singh accepts the following findings made against him:
 - a. Mr. Singh conducted business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the *Mortgage Brokers Act* (the "Act") in that he submitted misleading information, including altered Canada Revenue Agency ("CRA") documents, to lenders in support of mortgage applications when he ought to have known the documents were altered and therefore did not represent the true income of the borrower.

ORDERS

2. Pursuant to sections 8, 4, and 6(9) of the Act, Mr. Singh hereby consents to and the Registrar's Designate hereby makes the following orders:
 - a. Mr. Singh's registration as a submortgage broker is cancelled pursuant to section 8(1)(b) of the Act, effective from the date the Registrar's Designate signs this Consent Order;
 - b. Mr. Singh is not eligible to apply, and the Registrar will not accept an application for registration from Mr. Singh under the Act, for a period of ten (10) years from the date the Registrar's Designate signs this Consent Order. Mr. Singh hereby agrees not to apply for registration under the Act for ten (10) years from the date the Registrar signs this Consent Order;
 - c. Should Mr. Singh apply for registration as a submortgage broker or mortgage broker and his application is approved by the Registrar, his registration is restricted as follows:
 - i. For a period of 2 years he must be under the direct supervision of the Designated Individual ("DI") or a registered submortgage broker appointed by the DI of the brokerage to which he is registered as a submortgage broker to be his supervisor ("Supervisor"), and who is satisfactory to the Registrar; and
 - ii. For a period of 2 years, the DI or Supervisor must review and sign-off on all mortgage transactions involving Mr. Singh, including any mortgage transactions that Mr. Singh is indirectly involved with.
 - d. Pursuant to section 6(9) of the Act Mr. Singh will pay partial investigative costs of \$3000; and
 - e. All payments will be made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.

AGREED FACTS

Background

3. Mr. Singh has been registered as a submortgage broker pursuant to the *Act* since May 3, 2010. At all material times, Mr. Singh was registered with 0815778 B.C. Ltd. dba: Dominion Lending Centres Leading Edge.
4. Between May 2012 and May 2013, Mr. Singh submitted at least seventeen (17) mortgage applications to lenders that contained misleading income information.
5. In each case,
 - a. the mortgage application stated the borrower was self-employed;
 - b. the borrower's true income was significantly overstated on the mortgage application by \$38,000 to \$95,000, the overstated income being equal to or greater than 500% of the borrower's true income in many cases; and
 - c. the borrower's overstated income was supported by tax documents that Mr. Singh ought to have known were altered.
6. For some or all of the mortgage applications in question, Mr. Singh failed to obtain tax documents and income information directly from the borrower, and instead accepted these documents and information from a third party, whom he believed to be a realtor. Mr. Singh states that he did not alter the tax documents.
7. The income information provided by the borrowers and third party contained contradictions and was suspect on its face, and Mr. Singh failed take reasonable steps to verify the accuracy of the income information in the circumstances.
8. For example, in one case a lender asked Mr. Singh for clarification about a discrepancy in a borrower's employment information, and Mr. Singh responded to the lender without first making reasonable inquiries to appropriately address the lender's concern.

Due Diligence

9. Mr. Singh failed to conduct sufficient due diligence on the income information related to several other borrowers, resulting in his submission of misleading information to lenders.

Discipline History

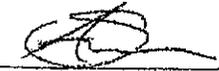
10. Mr. Singh has no discipline history with the Registrar of Mortgage Brokers.

WAIVER

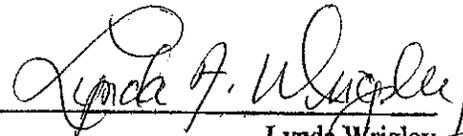
Mr. Singh waives his right to a hearing under sections 4 and 8 of the *Act* and waives his right to appeal under section 9 of the *Act*.

Approved as to form and content by:


_____ this 25th day of September, 2018
Andrea K. Glen
Counsel for the Staff of the Registrar of Mortgage Brokers


_____ this 25th day of September, 2018
Paul Sekhon
Counsel for Anil Kumar Singh

Dated in the City of VANCOUVER, in the Province of British Columbia, this
28 day of SEPTEMBER, 2018


Lynda Wrigley
Designate of the Registrar of Mortgage Brokers
Province of British Columbia

Appendix Q

British Columbia - *In the Matter of the Mortgage Brokers Act and Gordon Stephen Lemon, Consent Order (May 2018)*



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, C. 313

-AND-

GORDON STEPHEN LEMON

CONSENT ORDER

(Pursuant to section 8(1.2) of the *Mortgage Brokers Act*)

WHEREAS Gordon Stephen Lemon (“Mr. Lemon”) was registered as a submortgage broker on October 21, 2011 and his registration was suspended on February 11, 2014;

AND WHEREAS at all material times Mr. Lemon was concurrently registered with, and was the Designated Individual for each of MIC Canada Mortgage Investment Corp. (“MICCAN”), SWS Mortgage Investment Corp. (“SWS”) and TIB Mortgage Investment Corporation (BC0901508) (“TIB”);

AND WHEREAS Northstone Investment Fund Inc. (“Northstone”) was incorporated on April 18, 2013, and Mr. Lemon was the president and director of Northstone, which was never registered under the *Mortgage Brokers Act*, R.S.B.C. 1996, c. 313 (the “Act”);

AND WHEREAS on February 11, 2014, the Registrar issued a cease and desist order (“Cease Order”) against Northstone and Mr. Lemon, pursuant to which, (1) Mr. Lemon’s registration was suspended and he was ordered to cease promoting Northstone in British Columbia, and (2) Northstone was ordered to cease and desist holding itself out as a mortgage broker, and to cease and desist engaging in unregistered mortgage broker activity until it became registered;

Ministry of Attorney General

Legal Services Branch
Vancouver Office

Location:
1301 – 865 Hornby Street
Vancouver BC V6Z 2G3

Telephone: 604 660-3093
Facsimile: 604 660-2636

AND WHEREAS the following agreement has been reached between Mr. Lemon and the Staff of the Registrar of Mortgage Brokers (the "Staff");

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Lemon, and Mr. Lemon accepts the following findings made against him:

1. Mr. Lemon conducted business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the *Act* in that he failed to properly carry out his obligations as the designated individual and sole submortgage broker of TIB. In particular, Mr. Lemon failed to:
 - (a) ensure that a loan by TIB in the amount of \$154,000 (the "Loan") granted to ██████████ ██████████ of SWS and MICCAN, was properly secured by mortgages to be registered over multiple properties as required by a mortgage commitment dated March 22, 2012; and
 - (b) properly document his authority and keep proper records of the second advance of the Loan in the amount of \$72,0000.00 to ██████████ ██████████, a company owned by ██████████, when ██████████ was not a borrower to the Loan.
2. Mr. Lemon, while a registered submortgage broker under the *Act*, and while a director of Northstone, conducted business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the *Act* by permitting the unregistered mortgage broker activity of Northstone in that Northstone held itself out as a mortgage investment corporation as follows:

- (a) Mr. Lemon executed and Northstone filed an offering memorandum dated December 20, 2013 stating that Northstone was in the business of investing in mortgages and would operate as a mortgage investment corporation (“MIC”);
- (b) Northstone advertised itself as a MIC operating within the scheme of the *Act* on its website; and
- (c) Northstone sponsored an Investment Alternatives Conference scheduled to be held February 15, 2014 in Vancouver, British Columbia.

B. ORDERS AND PENALTY

Pursuant to sections 8, 8(1.2), 4, and 6(9) of the *Act*, Mr. Lemon hereby consents to and the Registrar hereby makes the following orders:

- 3. Mr. Lemon’s registration of a submortgage broker is suspended for 3 years, commencing February 11, 2014;
- 4. Mr. Lemon agrees never to reapply to be a Designated Individual, for any mortgage broker, pursuant to section 8(1)(e) of the *Act*;
- 5. Should Mr. Lemon apply for registration as a submortgage broker or mortgage broker and his application is approved by the Registrar; his registration is restricted to carrying on business as a mortgage broker or submortgage broker as follows:
 - a. Mr. Lemon may only arrange mortgages on behalf of borrowers and where the lender or lenders are to the best of his knowledge not a related party to Mr. Lemon;
 - b. Mr. Lemon may not solicit investments into mortgages;

c. Mr. Lemon may not handle trust funds in relation to any mortgage business;

6. Pursuant to section 6(9) of the *Act* Mr. Lemon will pay partial investigative costs of \$2,500; and
7. All payments will be made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.

C. AGREED FACTS

8. Mr. Lemon was registered as a submortgage broker pursuant to the *Act* from October 21, 2011 to February 11, 2014.
9. On February 28, 2012, MICCAN, SWS and TIB were registered as mortgage brokers under the *Act* (together the "MICs") and Mr. Lemon was registered as the Designated Individual and sole submortgage broker for each of the MICs.
10. [REDACTED] and [REDACTED] were at all material times directors of SWS and MICCAN; and Mr. Lemon and [REDACTED] were directors of TIB.
11. On February 5, 2013, Mr. Lemon cancelled the registration of the MICs, resigned from TIB and ceased to be TIB's designated individual.
12. On February 6, 2013 Mr. Lemon became registered as a submortgage broker with another brokerage.
13. On April 18, 2013, Northstone was incorporated and Mr. Lemon was the president and a director of Northstone. Northstone was never registered under the *Act*.

14. On or about November 22, 2013, Staff of the Registrar ("Staff") received a complaint against Mr. Lemon regarding a loan in the amount of \$154,000 (the "Loan") from TIB to [REDACTED], and a payment of \$20,000 to a construction company owned by [REDACTED].
15. Mr. Lemon was also involved with Northstone as a director and president. Northstone was not registered under the *Act*, and was not exempt from the registration requirements under the *Act*.
16. On March 22, 2012, Mr. Lemon, as underwriter for TIB, approved the Loan to Mr. [REDACTED]. The Loan was also approved by TIB's lending committee, on the basis that it was to be secured by way of a mortgage registered over multiple properties. Although not set out in the mortgage commitment, it appears that the Loan was to be advanced in two stages; a first advance of \$82,000 and a subsequent advance of \$72,000.
17. The first advance of the Loan was made by Mr. Lemon, as underwriter, on March 31, 2012. To advance the funds, Mr. Lemon simply transferred funds from TIB's account with TIB's bank card to Mr. [REDACTED]'s bank account.
18. The second advance of the Loan was made by Mr. Lemon, as underwriter, on June 12, 2012 in the amount of \$72,000, and was paid to [REDACTED] Inc., a company owned by Mr. [REDACTED], and not a borrower pursuant to the mortgage commitment. Mr. Lemon transferred funds from TIB's account using TIB's bank card. Mr. Lemon admits he only had verbal authorization, not written authorization from Mr. [REDACTED] to pay the funds to [REDACTED] Inc.
19. Mr. Lemon states that he had been assured by others at TIB that a mortgage would promptly be registered over Mr. [REDACTED]'s multiple properties, but admits that as the Designated Individual and sole submortgage broker he was responsible for ensuring that the mortgages be registered prior to agreeing to advance the first and second advances of the Loan.

20. Ultimately, there were no mortgages registered over any of the properties to be secured by the Loan, and one of the properties was never owned by Mr. [REDACTED], a fact Mr. Lemon was unaware of.
21. On May 1, 2012, Mr. Lemon caused a payment of \$20,000 to be made to [REDACTED] Management Ltd. ("[REDACTED]"), a company owned by Mr. [REDACTED]. Mr. Lemon states that the \$20,000 payment represented the redemption of shares from a shareholder in TIB. Mr. Lemon states that the shareholder had hired [REDACTED] to build a home for the shareholders, and that he called the shareholders to get their authorization to transfer the funds to [REDACTED]. Mr. Lemon did not get the authorization in writing, but states that the transaction was later documented in writing.
22. Mr. Lemon states that he had no interest, directly or indirectly, in the Loan or the payment made to [REDACTED].
23. Mr. Lemon was the president and director of Northstone, and was registered as a submortgage broker under the *Act* during all material times.
24. On December 13, 2013, Northstone issued an offering memorandum stating that Northstone was in the business of investing in mortgages and will operate as a mortgage investment corporation ("MIC"). Mr. Lemon states that no money was ever raised pursuant to the offering memorandum by Northstone.
25. Through its website, Northstone advertised that it was a MIC operating within the scheme of the *Act*, when it was not registered and there were no exceptions available to Northstone regarding registration.
26. In approximately February 2014, Northstone arranged to be a sponsor of the Investment Alternatives Conference. Mr. Lemon intended to be a presenter at that conference, and Mr. Lemon states that the purpose of his presentation was to educate the public about investments in mortgage investment corporations generally and to raise the public profile of Northstone.

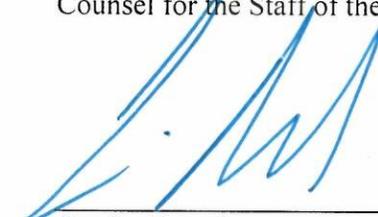
27. Mr. Lemon has no discipline history with the Registrar of Mortgage Brokers.

D. WAIVER

Mr. Lemon waives his right to a hearing under sections 4 and 8 of the *Act* and waives his right to appeal under section 9 of the *Act*.

Approved as to form and content by:


_____ this 22nd day of May, 2018
Andrea K. Glen
Counsel for the Staff of the Registrar of Mortgage Brokers


_____ this 22nd day of May, 2018
Owais Ahmed
Counsel for Gordon Stephen Lemon

Dated in the City of West Vancouver, in the Province of British Columbia, this
28 day of May, 2018



Lynda Wrigley
Designate of the Registrar of Mortgage Brokers
Province of British Columbia

Appendix R

British Columbia - *In the Matter of the Mortgage Brokers Act and Justin Phu Pham,
Cease and Desist Order* (December 2017)



**IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996 C. 313**

-AND-

JUSTIN PHU PHAM

-AND-

VERICO JP ELITE MORTGAGE INC. dba JP ELITE MORTGAGE

CEASE AND DESIST ORDER

(Pursuant to sections 8(1.4) and 8(2) of the Mortgage Brokers Act)

Upon review of the evidence and submissions set out in:

1. The report and evidence submitted by staff of the Registrar of Mortgage Brokers ("Staff");
2. The certified transcript of an interview with Justin Pham; and
3. The certified transcript of an interview with T.B.

I MAKE THE FOLLOWING FINDINGS AND ORDER:

Registration History

1. Verico JP Elite Mortgage Inc. dba JP Elite Mortgage ("JP Elite") was registered as a mortgage broker from December 20, 2010 until December 19, 2016.
2. Justin Pham ("Mr. Pham") was first registered as a submortgage broker on October 5, 2004. He was last registered with JP Elite, and his registration expired on October 5, 2016.

3. On October 27, 2011, Mr. Pham became the Designated Individual (“DI”) for JP Elite, and continued in that role until Mr. Pham’s registration expired. On April 21, 2015, Mr. Pham became the sole director of JP Elite.
4. From October 5, 2016 until December 19, 2016, JP Elite did not have any registered submortgage brokers.
5. On August 5, 2016, Staff sent an email to Mr. Pham reminding him that his registration was up for renewal and would be expiring on October 4, 2016.
6. On October 3, 2016, Staff sent an email to Mr. Pham advising that they have received Mr. Pham’s application for renewal, but that it was deficient and more documents were required before the application could be processed further.
7. On October 4, 2016, Mr. Pham’s registration expired. Staff sent an email to Mr. Pham again advising that Mr. Pham’s application was deficient and could not be processed until further documents were received.
8. Further emails were sent on October 11, 2016, October 18, 2016, October 25, 2016, and November 1, 2016 to Mr. Pham by Staff advising that his application could not be processed until further documents were received.
9. On October 20, 2016, Staff sent an email to Mr. Pham reminding him that JP Elite’s registration would expire on December 19, 2016, and a renewal application for JP Elite was required.
10. On December 19, 2016, JP Elite’s registration expired.
11. On December 31, 2016, Staff sent an email to Mr. Pham reminding him that JP Elite’s annual filing was due on January 30, 2017.
12. On February 28, 2017, Staff sent Mr. Pham an email informing him that JP Elite’s registration had expired, and that no renewal application for JP Elite had been received. Mr. Pham was advised that: *“As the registration for Verico JP Elite Mortgage Inc. dba: JPElite Mortgage has expired, please be advised that neither the company nor any submortgage brokers may conduct any mortgage broker activity.”*
13. On May 11, 2017, Staff emailed Mr. Pham and informed him that they had received an application for registration of JP Elite, but the application was deficient in that the application fee was returned due to insufficient funds, and that the name “Verico” was removed with the BC Corporate Registry.
14. Further email reminders were sent by Staff regarding JP Elite’s deficient application on May 30, 2017, June 23, 2017, and July 26, 2017.
15. On March 3, 2017 and May 5, 2017, Staff notified Mr. Pham by email that both he and JP Elite were prohibited from conducting mortgage broker activities until all deficiencies with respect to their renewal applications were satisfied.

16. In total, 14 emails were sent to Pham by Staff regarding Pham's and JP Elite's registration status, between August 5, 2016 and July 26, 2017.
17. Mr. Pham was also licensed under the *Real Estate Services Act* ("RESA") to provide trading services as follows:
 - a. March 17, 2011 to March 16, 2013;
 - b. March 19, 2013 to March 18, 2015;
 - c. March 25, 2015 to March 24, 2017; and
 - d. May 29, 2017 to August 18, 2017.

The Investigation

18. Since Mr. Pham's registration expired, Staff received three complaints regarding Mr. Pham:
 - a. On November 4, 2016, a real estate licensee complained that Mr. Pham charged his client a prohibited (upfront) fee. However, the client later informed Staff that the payment he made to Mr. Pham was not an upfront fee, but rather a partial repayment of a deposit he lost when he was unable to complete a real estate transaction;
 - b. On August 3, 2017, a notary public complained that a client had obtained mortgage financing through Pham and she could not reach Mr. Pham. The client did not want to file a complaint against Mr. Pham; and
 - c. On August 23, 2017, a real estate licensee ("T.B.") contacted Staff to ask if Mr. Pham was a registered mortgage broker, as his client stated that Mr. Pham was arranging financing for the purchase of property, and was also representing the buyer as a real estate licensee for the purchase of the property (the "August 23, 2017 Complaint").
19. The client in the November 4, 2016 complaint and the August 23, 2017 complaint is the same individual ("K.V.").
20. On August 23, 2017, T.B. stated to Staff that Mr. Pham:
 - a. Wrote an offer on behalf of K.V. for the purchase of property in Abbotsford, BC (the "Abbotsford Property");
 - b. Informed T.B. that he (Mr. Pham) was a mortgage broker and that he was involved in helping K.V. obtain financing to purchase the Abbotsford Property;
 - c. Mr. Pham assured T.B. that K.V. was approved for mortgage financing;

- d. Mr. Pham sent T.B. a number of emails indicating that he was a mortgage broker, and to provide assurance that K.V. was approved for mortgage financing;
 - e. Mr. Pham provided T.B. with the name of the notary (“S.K.”) and told T.B. that mortgage instructions had been sent to S.K.; and
 - f. T.B. contacted S.K. who told him that she was not K.V.’s notary with respect to the purchase of the Abbotsford Property and that she does not accept business from Pham.
21. T.B. provided Staff with the following emails from Mr. Pham, to provide assurances to T.B. that K.V. had financing in place to purchase the Abbotsford property:
- a. An email from Mr. Pham, dated August 22, 2017 that attached email correspondence from senior credit analyst (“A.L.”) of a Lender to Mr. Pham as follows (in part):
 - i. On May 25, 2017, A.L. wrote the following to Mr. Pham:
Subject: Re:

*“Hi Justin,
Your deal has been reviewed.
Please provide the offer and MLS up front.”*
 - ii. On June 2, 2017, A.L. wrote the following to Mr. Pham:
Subject: Re:

*“Hi Justin,
Your deal is now approved.
Have a great day.”*
 - b. Emails to T.B. from Mr. Pham, regarding the purchase of the Abbotsford property by K.V., dated May 15, 2017, May 16, 2017, May 23, 2017, May 24, 2017, and June 11, 2017 containing a signature block indicating that Pham was a “Mortgage Consultant Partner” with JP Elite.
 - c. Email dated May 15, 2017, sent by Mr. Pham to T.B. attaching a contract of purchase and sale for the Abbotsford property. The contract provided as follows:
 - i. The contract of purchase and sale was prepared by Pham and was undated;
 - ii. Mr. Pham was the buyer’s agent;
 - iii. The subject property was , Abbotsford;
 - iv. The buyers were K.V. and L.T.;
 - v. The sellers were P.N. and L.N.;

- vi. The contract of purchase and sale contained a “subject to financing clause”; and
 - vii. The completion date was June 29, 2017.
- d. An email sent by Mr. Pham to T.B. dated May 16, 2017 attaching an updated contract of purchase and sale for the Abbotsford property signed by the buyers, but not the sellers, with the following changes:
- i. The contract was dated May 16, 2017; and
 - ii. The subject to financing clause was modified to state:

Subject to a new first mortgage being made available to the Buyer by May 23, 2017. Prior to removal of this subject the Buyer agrees to provide the buyers (sic) Agent with written confirmation of unconditional approval from the Buyers (sic) lending institution.

(T.B. later provided Staff with a fully executed copy of the contract)
- e. A Fraser Valley Real Estate Board – Removal of “Subject to Clause” form indicating that the subject to financing clause was removed on May 23, 2017.
21. A review of the contract for the Abbotsford property indicates that Mr. Pham’s client, V.K., may have removed the subject to financing condition before Pham obtained approval from Pham’s lender. It also appears that Mr. Pham may not have been licensed under RESA when he was acting as the buyer’s agent for the purchase of the Abbotsford Property.
22. A.L. was contacted by Staff on August 23, 2017, and stated:
- a. When she approved K.V.’s mortgage application, she was unaware that Mr. Pham was not registered as a submortgage broker in British Columbia; and
 - b. After she approved K.V.’s mortgage application, someone had placed a note in their system indicating that Pham was no longer registered as a submortgage broker without advising her;
 - c. K.V.’s mortgage instructions were not sent out to the notary/lawyer;
 - d. A.L. advised Mr. Pham that K.V. was required to provide the lender with additional documentation; and
 - e. Even if the lender were to receive all of the required documentation on that day, the lender would not be in a position to fund the mortgage on time.

23. On August 23, 2017, Staff interviewed T.B. who stated the following:
 - a. He was the listing agent for the Abbotsford Property;
 - b. Mr. Pham introduced himself as K.V.'s real estate representative and mortgage broker when he presented an offer he wrote on behalf of K.V. for the Abbotsford Property, and the subject to financing clause was removed on May 23, 2017;
 - c. Sometime after August 22, 2017 Mr. Pham advised T.B. that Mr. Pham was not a licensed real estate agent, and confirmed that he was a mortgage broker;
 - d. As recently as August 22, 2017 Mr. Pham held himself out as a submortgage broker, and provided an email from K.V.'s lender to provide assurance that K.V. had obtained financing; and
 - e. Mr. Pham advised T.B. that K.V.'s notary was S.K. When T.B. attempted to verify that S.K. was T.B.'s notary, S.K. stated that she did not accept business from Pham.
24. K.V. ultimately obtained a mortgage from a different lender with a 1 year term, at a rate of 8.95%. Mortgage documents indicated that K.V. was also charged a fee of \$13,500 for the mortgage. K.V. purchased the Abbotsford Property.
25. Filogix, an online platform used by submortgage brokers to submit mortgage applications to lenders, confirmed with Staff that B2B Bank approved K.V. for a 5 year mortgage with an interest rate of 2.89% on June 2, 2017; and on June 21, 2017 approved K.V. for a 5 year mortgage with an interest rate of 3.04%. On August 25, 2017 B2B Bank declined K.V.'s application for financing.
26. On August 4, 2017 Filogix confirmed that Mr. Pham had an active Filogix account indicating recent activity.
27. On September 4, 2017 Filogix confirmed that from October 6, 2016 to August 2, 2017, when Mr. Pham was not a registered submortgage broker, Mr. Pham:
 - a. created 47 mortgage applications in Filogix;
 - b. Mr. Pham accessed and/or conducted credit checks associated with 51 mortgage applications; and
 - c. Mr. Pham submitted a total of 15 mortgage applications to various lenders, the most recent being July 12, 2017.
28. Of the 15 mortgage applications submitted by various lenders, 6 of them were submitted to one particular lender. That lender confirmed that they funded a mortgage application for S.R. on July 28, 2017 that was submitted to them by Mr. Pham. The lender further confirmed that they paid \$8,131.21 to JP Elite for the referral of S.R.'s mortgage application on August 3, 2017.

29. On October 18, 2017 Staff interviewed Mr. Pham who stated that:
- a. he believed he was registered, and was therefore permitted to arrange mortgages even if JP Elite's mortgage registration remained pending;
 - b. he agreed to change his voicemail so that it no longer indicated he is a submortgage broker with JP Elite;
 - c. he was aware that his submortgage broker registration lapsed on October 5, 2016; and
 - d. he decided to "jump the gun" as he thought JP Elite would be registered, and even though he was not provided with confirmation of his registration, thought he was allowed to conduct submortgage broker activities as it was just a matter of time.
30. Before the interview could be concluded, Mr. Pham indicated that he had to leave for medical reasons, and agreed to a further interview the following day. Mr. Pham contacted Staff on October 19, 2017 stating he could not attend for an interview. Further attempts to re-schedule the interview were made but ultimately no further interview was conducted.

Applicable Legislation

31. The Applicable sections of the *Mortgage Brokers Act* (Act) are as follows:

a. **Section 1:**

"mortgage" includes every instrument by which

- (a) land in British Columbia, or
- (b) for the purposes only of paragraphs (c) and (f) of the definition of "mortgage broker", sections 14.1 and 17.4 and Division 3 of Part 2, land, whether or not in British Columbia, is, in any manner, conveyed, assigned, pledged or charged as security for the payment of money or money's worth to be reconveyed, reassigned or released on satisfaction of the debt, but does not include an agreement for sale of or a right to purchase land or an interest in land;

"mortgage broker" means a person who does any of the following:

- (a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- (b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;
- (c) carries on a business of buying and selling mortgages or agreements for sale;
- (d) in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;

- (e) during any one year, lends money on the security of 10 or more mortgages;
- (f) carries on a business of collecting money secured by mortgages;

"submortgage broker" means any person who, in British Columbia, actively engages in any of the things referred to in the definition of mortgage broker and is employed, either generally or in a particular case, by, or is a director or a partner of, a mortgage broker;

- b. **8(1)** After giving a person registered under this Act an opportunity to be heard, the registrar may do one or more of the following:
 - (a) suspend the person's registration;
 - (b) cancel the person's registration;
 - (c) order the person to cease a specified activity;
 - (d) order the person to carry out specified actions that the registrar considers necessary to remedy the situation, if, in the opinion of the registrar, any of the following paragraphs apply:
 - (e) the person would be disentitled to registration if the person were an applicant under section 4;
 - (f) the person is in breach of this Act, the regulations or a condition of registration;
 - (g) the person is a party to a mortgage transaction that is harsh and unconscionable or otherwise inequitable;
 - (h) the person has made a statement in a record filed or provided under this Act that, at the time and in the light of the circumstances under which the statement was made, was false or misleading with respect to a material fact or that omitted to state a material fact, the omission of which made the statement false or misleading;
 - (i) the person has conducted or is conducting business in a manner that is otherwise prejudicial to the public interest;
 - (j) the person is in breach of a provision of Part 2 or 5 of the *Business Practices and Consumer Protection Act* prescribed under section 9.1 (2).
- c. **8(1.4)** After giving a person an opportunity to be heard, the registrar may do one or more of the following:
 - (a) order the person to cease a specified activity;
 - (b) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
 - (c) order the person to pay an administrative penalty of not more than \$50,000, if, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.

- d. **8(2)** If the length of time that would be required to give the person an opportunity to be heard under subsection (1) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may suspend registration without giving the person an opportunity to be heard.

- e. **11(1)** The registration provisions of this Act do not apply to any of the following while acting as mortgage brokers or submortgage brokers under their proper names:
 - (a) insurance companies;
 - (b) savings institutions;
 - (c) a member of the Law Society of British Columbia entitled to practice as a solicitor in British Columbia if the loan transaction is made in the course of and as part of the member's practice;
 - (d) any person acting for the government or for an agency of the government;
 - (e) a liquidator, receiver, trustee in bankruptcy or a person acting under the authority of any court or an executor or trustee acting under the terms of a will or marriage settlement.

- (2) The registration provisions of this Act do not apply to any of the following:
 - (a) an employee, or director, of a person exempted from registration under subsection (1) (a) or (b) or paragraph (b) of this subsection;
 - (b) a person lending money, directly or indirectly, on the security of land to provide housing for the person's employees;
 - (c) any other person or class of persons exempted from registration by the registrar.

- f. **21(1)** Unless exempted under section 11, a person must not do any of the following:
 - (a) Carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;
 - (b) Carry on business as a mortgage broker otherwise than in the person's registered name or elsewhere than at or from the person's registered address;
 - (c) Advertise or in any other way indicate that the person is a mortgage broker or submortgage broker other than under their registered name of the mortgage broker;
 - (d) Employ as a submortgage broker any person not registered under this Act.

Conclusions

- 32. The regulatory framework set out in the Act ensures that the public is protected from misconduct. Only those individuals suitable for registration are entitled to be registered under the Act, and once registered they are subject to the provisions of the Act.

33. Section 21 prohibits a person from carrying on business as a mortgage broker or submortgage broker without being registered under the Act. Both “mortgage broker” and “submortgage broker” are defined terms as set out above, and include holding out as a mortgage broker and collecting more than \$1,000 in fees in any one year as remuneration for arranging mortgages for others.
34. Staff have provided clear evidence that Pham and JP Elite were carrying on business as a mortgage broker or submortgage broker and holding out as a mortgage broker or submortgage broker while not registered to do so.
35. The Commercial Appeals Commission (the predecessor to the Financial Services Tribunal) has considered the definition of “arranging mortgages” for the purpose of determining whether certain activities fell within the definition of submortgage broker in the Act.
36. In *Horizon Financial Services Ltd. v. British Columbia (Registrar of Mortgage Brokers)*, [1990] B.C.C.O. No 4 (“Horizon”), the Commission found that the intent of the Act is to license every person and company involved in an essential way in the process of arranging mortgages.
37. *Legge (c.o.b. Mortgageline) v. British Columbia (Registrar of Mortgage Brokers)*, [1995] B.C.C.O. No 13 and *Horizon* considered indicia of arranging mortgages (and in turn holding out as a mortgage broker who arranges mortgages) which included promoting services, direct communication with clients explaining mortgages, mortgage products, mortgage documents and/or disclosure statements, taking mortgage applications, and obtaining supportive documentation.
38. Staff provided clear evidence that Mr. Pham was carrying on business as a mortgage broker or submortgage broker and holding himself out as a mortgage broker or submortgage broker even though he was not registered as a mortgage broker or submortgage broker. The evidence is clear that Mr. Pham was “arranging mortgages” and holding himself out as a mortgage broker as follows:
 - a. Mr. Pham submitted a mortgage application to a lender on behalf of K.V. well after his registration lapsed, and despite numerous notifications from staff informing him that his and JP Elite’s registration was about to lapse, had lapsed, and that applications for renewal were deficient and would not be processed further until the deficiencies were corrected;
 - b. Mr. Pham held himself out as a submortgage broker by sending emails with his signature block indicating he was a “Mortgage Consultant Partner” with JP Elite after his registration lapsed;
 - c. Mr. Pham Informed T.B. that he was K.V.’s mortgage broker;
 - d. Mr. Pham created 47 mortgage applications in Filogix during the time he was not registered;

- e. Mr. Pham submitted a total of 15 mortgage applications to various lenders during the time he was not registered; and
 - f. On July 12, 2017 Mr. Pham submitted a mortgage application to a lender on behalf of S.R. which subsequently funded and to which Mr. Pham received a commission of \$8,131.21 for the referral of S.R.'s application.
39. Staff also provided clear evidence that JP Elite was carrying on business as a mortgage broker while not registered as such. In particular:
- a. Mr. Pham sent out emails indicating he was a Mortgage Consultant Partner at JP Elite, when JP Elite was not registered; and
 - b. A lender's commission statement indicates that JP Elite was the brokerage that originated the mortgage application for S.R. when JP Elite was not registered.
40. Therefore I find Mr. Pham was carrying on business as a mortgage broker or submortgage broker, while not registered to do so in contravention of section 21 of the Act. As such, his conduct may be subject to the remedies set out in section 8(1.4) of the Act. There is no evidence that Mr. Pham would be exempt from the registration requirements under section 11 of the Act.
41. I further find JP Elite to be carrying on business as a mortgage broker, while not being registered to do so, in contravention of section 21 of the Act. As such, its conduct may be subject to the remedies set out in section 8(1.4) of the Act. There is no evidence that JP Elite would be exempt from the registration requirements under section 11 of the Act.
42. Mr. Pham's conduct is very serious in that while he was not registered, he acted dishonestly with a real estate licensee stating that mortgage instructions had been sent to a notary when they had not been sent, and by providing assurances to a real estate licensee about the availability of financing for his client when financing was not available. It also appears that in order to save a transaction, one of his clients may have accepted a high interest rate mortgage.
43. In addition, Mr. Pham is a former registrant, and therefore ought to understand the importance of registration as a cornerstone of a regulated industry. He was given numerous notices from Staff regarding the status of both his and JP Elite's registration renewal. Regardless, he continued to act for clients knowing he was not registered.
44. I agree with staff that a hearing into Mr. Pham's and JP Elite's conduct would require approximately 10 witnesses and at least 5 days to complete which could not be realistically scheduled for a number of months. Given Mr. Pham's deceitful conduct, recent unwillingness to engage with Staff, and the potential for public harm, I find that a delay would be prejudicial to the public interest, and this supports an order to be made pursuant to section 8(2) of the Act.

I AM THEREFORE OF THE OPINION THAT the length of time that would be required to hold a hearing and make orders under section 8(1.4) of the Act would likely result in further non-compliance with the provisions of the Act and therefore be prejudicial to the public interest.

AND I AM THEREFORE OF THE OPINION it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the Act so the public is protected against further non-compliance with the Act.

I HEREBY ORDER, pursuant to section 8(1.4)(a) and 8(2) of the Act, that Justin Phu Pham and Verico JP Elite Mortgage Inc. dba JP Elite Mortgage immediately:

CEASE AND DESIST from carrying on business as a mortgage broker or submortgage broker, from acting as or holding out as a mortgage broker or submortgage broker in British Columbia, and from conducting any unregistered mortgage broker activity in the Province of British Columbia in any capacity, effective immediately, unless and until they become registered to do so under the provisions of the Act.

TAKE NOTICE THAT Justin Phu Pham and Verico JP Elite Mortgage Inc. dba JP elite Mortgage may under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 22 day of December, 2017
At Vancouver, British Columbia


Chris Carter,
Acting Registrar of Mortgage Brokers

Notice to: Justin Phu Pham



Notice to: JP Elite
210 – 4603 Kingsway
Burnaby, BC V5H 4M4

Notice to: Financial Services Tribunal
4th Floor – 747 Fort Street
Victoria, BC V8W 9V1

Appendix S

British Columbia - *In the Matter of the Mortgage Brokers Act and In the Matter of Peter Pak-Hung Lee, Consent Order* (November 2017)



**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

-AND-

**IN THE MATTER OF PETER PAK-HUNG LEE
(Pursuant to section 8(1.2) of the *Mortgage Brokers Act*)**

CONSENT ORDER

WHEREAS Peter Pak-Hung Lee (“Mr. Lee”) had been a registered submortgage broker since October 12, 2010 and his registration was terminated on June 27, 2017. At the material times, Mr. Lee was registered with Canadian Mortgage Experts Inc. dba: Dominion Lending Centres Canadian Mortgage Experts (CME);

AND WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) issued a Notice of hearing on September 29, 2017 (the “Notice of Hearing”);

AND WHEREAS the following agreement has been reached between Mr. Lee and the Staff of the Registrar;

AND WHEREAS the Registrar agrees to the following terms of a consent order:

Registrar of Mortgage Brokers

2800-555 West Hastings Street
Vancouver, BC V6B 4N6
Telephone: 604-660-3555
Facsimile: 604-660-3365
<http://www.flc.gov.bc.ca>

A. FINDINGS

The Registrar makes the following findings against Mr. Lee, and Mr. Lee accepts the following findings made against him:

1. Mr. Lee conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the *Mortgage Brokers Act* [RSBC 1996] Chapter 313 (the "Act") in that he:
 - a. altered a letter of confirmation of employment dated February 21, 2017, provided by his client's employer, to make it appear that his client (D.S.) was a full time, permanent employee; when in fact D.S. was a full time, temporary employee, without the knowledge or consent of D.S. or the employer; and
 - b. submitted the altered employment letter to a prospective lender on behalf of D.S., with the intent that the prospective lender would act on it as though it were genuine.

B. ORDERS AND PENALTY

Pursuant to section 8(1.2) of the *Mortgage Brokers Act*, R.S.B.C. 1996, c. 313 (the "Act"), Mr. Lee hereby consents to, and the Registrar hereby makes the following orders:

1. Mr. Lee is not eligible to re-apply for registration under the Act, for a period of 2 (two) months from the date of execution of this Order, and the Registrar will not accept an application by Mr. Lee for registration until after 2 (two) months from the date of execution of this Order.
2. Pursuant to section 6(9) of the *Act*, Mr. Lee shall pay investigation costs in the amount of \$3,195.53.

3. All payments will be made by cheque, bank draft or money order payable to the Ministry of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.

C. AGREED FACTS

As a basis for this Consent Order, Mr. Lee acknowledges the following facts as correct and makes the following admissions:

1. On February 22, 2017 Mr. Lee submitted a mortgage application to a lender on behalf of his client D.S.
2. As part of the application, D.S. arranged for his employer to provide a letter confirming his employment. The employer wrote a letter dated February 21, 2017 that stated, in part:

This is to confirm that [REDACTED] has been employed with [REDACTED] since September 19, 2016 and holds the position of [REDACTED] on a full time temporary basis. The tentative end date for this assignment is September 17, 2017. (emphasis added)

3. Before submitting the letter to the prospective lender, Mr. Lee altered the letter without his client's nor the employer's consent, to read in part:

This is to confirm that [REDACTED] has been employed with [REDACTED] since September 19, 2016 and holds the position of [REDACTED] on a full time basis. (emphasis added)

4. Mr. Lee submitted the altered employment letter to the lender with the expectation that the lender would rely on the contents of the altered employment letter.

5. Shortly after the mortgage application was submitted CME was notified that the submitted employment letter was false. Mr. Lee admitted to CME that he altered the letter, and CME terminated his employment as a submortgage broker with CME.
6. Shortly after the mortgage application was submitted, Mr. Lee also received a call from D.S., who told him that he had been fired from his job for submitting a false employment letter.
7. Mr. Lee apologized immediately to D.S. On March 3, 2017, Mr. Lee wrote a letter to D.S.'s employer acknowledging that he altered the letter independently and without the knowledge or consent of D.S.
8. D.S.'s employer confirmed with Staff that they received the letter, and immediately reinstated D.S. to his position.

Other Factors

9. Mr. Lee has no prior discipline history with the Registrar.
10. Mr. Lee fully admitted his conduct to Staff, to CME and to D.S.'s employer. He also took immediate steps to address the harm he created by altering the employment letter.
11. Mr. Lee's employment with CME was terminated on March 2, 2017 as a direct result of this matter.
12. Mr. Lee's subsequent brief registration with TMG The Mortgage Group Canada (TMG) commencing June 6, 2017 was terminated on June 27, 2017 as a direct result of this matter.

13. Mr. Lee has been already excluded from practicing as a submortgage broker for just over seven months as a direct result of his conduct, which together with a two month suspension will total nine months of exclusion from industry.

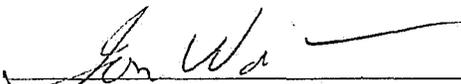
D. WAIVER

Mr. Lee waives his right to a hearing under sections 4 and 8 of the *Act* and waives his right to appeal under section 9 of the *Act*.

Approved as to form and content by:


_____ this 7th day of NOVEMBER, 2017

Peter Pak-Hung Lee


_____ this 7th day of November, 2017

Joni Worton

Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 8th day of November
at Vancouver, British Columbia



**Chris Carter, Acting Registrar
of Mortgage Brokers
Province of British Columbia**

Appendix T

British Columbia - *In the Matter of the Mortgage Brokers Act and Jorawar Singh Gosal,*
Consent Order (September 2018)



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, C. 313

-AND-

JORAWAR SINGH GOSAL
(Pursuant to section 8(1) of the Mortgage Brokers Act)

CONSENT ORDER

WHEREAS Jorawar Singh Gosal (“Mr. Gosal”) was registered as a submortgage broker from October 10, 2003 to July 24, 2015. At all material times he was registered with Gold Mortgages Inc., dba: Dominion Lending Centres Gold Financial Services;

AND WHEREAS the following agreement has been reached between Mr. Gosal and the Staff of the Registrar of Mortgage Brokers (the “Staff”);

AND WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Gosal, and Mr. Gosal accepts the following finding made against him:

1. Mr. Gosal conducted business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the *Mortgage Brokers Act* (the “Act”) in that he altered borrowers’ Canada Revenue Agency documents and presented these documents to lenders as part of mortgage applications, thereby misrepresenting the income of the borrowers.

B. ORDERS AND PENALTY

Pursuant to section 8(1.2) of the *Act*, Mr. Gosal hereby consents to and the Registrar hereby makes the following orders:

Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
Facsimile: 604 660-3365
www.fic.gov.bc.ca
Appendix T

1. That Mr. Gosal (currently unregistered) is not eligible to apply, and the Registrar will not accept an application for registration by Mr. Gosal under the *Act*, for a period of ten (10) years from the date the Registrar signs this Consent Order. Mr. Gosal hereby agrees not to apply for registration under the *Act* for ten (10) years from the date the Registrar signs this Consent Order.
2. Pursuant to section 6(9) of the *Act* Mr. Gosal will pay partial investigative costs of \$4,000; and
3. All payments will be made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.

C. AGREED FACTS

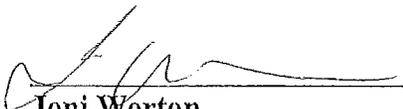
1. Mr. Gosal was registered as a submortgage broker pursuant to the *Act* from October 10, 2003 until July 24, 2015. At all material times, Mr. Gosal was registered with Gold Mortgages Inc., dba: Dominion Lending Centres Gold Financial Services.
2. On or about December 3, 2014 the Registrar received a complaint from a manager at a credit union that a mortgage application submitted by Mr. Gosal in July 2014, on behalf of a borrower seeking mortgage financing, included Canada Revenue Agency documents that appeared to be false.
3. The manager stated that the borrower's mortgage was funded on July 15, 2014, based on the documents submitted by Mr. Gosal in the July 2014 application. However, a number of months later, the borrower approached the financial institution for a line of credit. The borrower resubmitted the CRA documents, in which the client's income was significantly lower than indicated in the July 2014 application.
4. Specifically, in the July 2014 application the borrower's 2012 Notice of Assessment showed an income of \$61,615, and the 2013 Notice of Assessment showed an income of \$59,157. Both years showed that approximately \$16,000 was owed to the Canada Revenue Agency.
5. When the borrower applied for the line of credit, he produced his 2012 Notice of Assessment that showed an income of \$41,618 and the 2013 Notice of Assessment showed an income of \$49,157. The borrower abandoned his application when the credit union requested further documents.
6. Mr. Gosal admits that he altered the borrower's 2012 and 2013 Notices of Assessment without the borrower's knowledge or consent in order to secure more favourable mortgage terms from the credit union.
7. Mr. Gosal further admits that he had altered the Notices of Assessment of another client; however no funding had been obtained on behalf of that client.

8. Mr. Gosal further admits that he had falsified the Notices of Assessment for several other clients, who received loans from financial institutions based on falsified documents.
9. Mr. Gosal has no discipline history with the Registrar of Mortgage Brokers.

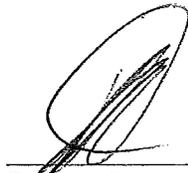
D. WAIVER

Mr. Gosal waives his right to a hearing under sections 4 and 8 of the *Act* and waives his right to appeal under section 9 of the *Act*.

Approved as to form and content by:

 this 31 of March, 2016
Joni Worton
Counsel for the Staff

CONSENTED TO BY:

 this 16 of March, 2016
Robert Doran
Counsel for Jorawar Singh Gosal

Dated at the City of Vancouver, in the Province of British Columbia, this 1 day of April, 2016


Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

Appendix U

British Columbia - *In the Matter of the Mortgage Brokers Act and Ranminder Kaur Gill,*
Cease and Desist Order (January 2016)



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996 C. 313

-AND-

RANMINDER KAUR GILL
(also known as Rani Kaur Gill)

CEASE AND DESIST ORDER

(Pursuant to sections 8(1.4) and 8(2) of the *Mortgage Brokers Act*)

Upon review of the evidence and submissions set out in:

1. The report submitted by staff of the Registrar of Mortgage Brokers ("Staff");
2. The investigation report submitted by an Investigation Firm; and
3. The transcript of an audio and video recording of a meeting conducted by an investigator with the Investigation Firm.

I MAKE THE FOLLOWING FINDINGS AND ORDER:

Background

1. Ranminder (Rani) Kaur Gill (Ms. Gill) is not currently registered as a submortgage broker under the Mortgage Brokers Act, (the "Act"), and she was not registered at all material

Registrar of Mortgage Brokers

2800-555 West Hastings
Vancouver, BC V6B 4N6
Telephone: 604 660-3555
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times as set out below. Ms. Gill was previously registered as a submortgage broker with [REDACTED], from November 27, 2009 through to November 25, 2013.

2. On January 21, 2015, Ms. Gill contacted the Office of the Registrar of Mortgage Brokers inquiring about whether an unregistered person could collect a referral fee from a mortgage broker, as she was having difficulty collecting a referral fee.
3. After an exchange of emails with Staff, it appeared that Ms. Gill might be carrying on business as a mortgage broker or submortgage broker without being registered as required by the Act. In an email to Staff dated February 17, 2015, Ms. Gill stated that she does most of the “client side” work, and the broker she refers business to submits the application to a lender and negotiates with the lender:

i (sic) do most of the work from the client side because most of them don't speak English. he (sic) just submit the application to the lender and speaking and negotiationg (sic) with the lenders. i (sic) stay in touch with the client getting the paper work signed from them getting all the info from them.

4. On March 4, 2015, Ms. Gill advised Staff by email that she supplied a mortgage application to [REDACTED], a registered submortgage broker with [REDACTED] on behalf of [REDACTED], in relation to their property located in Vancouver, BC.
5. Staff then engaged the services of an Investigation Firm to assist with further investigation regarding Ms. Gill's activities as they related to the Act. The Investigation Firm assigned two private investigators to conduct the investigation (together the “Investigators” and individually the “Investigator”).

Investigation

6. On May 28, 2015, the Investigators obtained copies of correspondence between [REDACTED] and Ms. Gill which stated that:

- a. [REDACTED] refused to compensate Ms. Gill in excess of \$1000 for a referral fee as any amount in excess of \$1000 would not be in accordance with FICOM Bulletin 10-004; and
 - b. [REDACTED] advised Ms. Gill that she should be registered under the Act.
7. The Investigator also obtained a copy of the [REDACTED] mortgage application and appraisal that was emailed to [REDACTED] from Ms. Gill on November 18, 2014.
8. On June 2, 2015, Staff conducted an internet search and found an advertisement dated February 14, 2015. The advertisement was placed in the "Indo-Canadian Voice Realty" by Ms. Gill and [REDACTED], a real estate licensee. The advertisement included Ms. Gill's photograph, her name (Rani Gill) and her contact information. It also included the following statements:
 - a. When everyone says "NO" Call Rani Gill and get your mortgage done;
 - b. For all your mortgage needs;
 - c. Private Mortgage, First, 2nd, & 3rd Mortgage;
 - d. Commercial loan 3.53%;
 - e. New Immigrants, First time home Buyers, Self Employed, Low Income, Bad Credit?;
and
 - f. We do it all.
9. [REDACTED] has been licensed with the Real Estate Council of British Columbia since September 9, 2011.
10. On June 4, 2015 the Investigator contacted [REDACTED] on the pretext that he was looking to purchase a rental property. Subsequently, the Investigator arranged to meet with [REDACTED] who stated that [REDACTED], Ms. Gill, a mortgage broker, would also attend. The Investigator recorded the meeting. At the meeting on June 19, 2015:

- a. The Investigator stated he wished to purchase an investment property, that he would rent to others;
- b. Ms. Gill stated that on the mortgage application, she would disclose to the lender that the Investigator intended to live in the investment property, even though the Investigator stated he did not intend to live in the property. She advised the Investigator to change his mailing address, "in the papers". Ms. Gill stated to the Investigator that by doing so, he would save money when he went to sell the investment property, and he would get a better deal from the bank if he stated he intended to live there;
- c. Ms. Gill further advised the Investigator that if he was "going to be short [on the down payment] and you need to borrow, then we tell them, okay, then we make a gift letter. Then we tell them my parents, or whatever, they're going to give us a gift";
- d. Ms. Gill held herself out to the Investigator as if she was a registered submortgage broker and carrying on the business of a submortgage broker by:
 - i. Stating that she is a mortgage broker;
 - ii. Stating that she currently works for [REDACTED];
 - iii. Stating that she is paid by lenders;
 - iv. Discussing various mortgage products available, including various rates and terms, and the required down payment needed;
 - v. Asking for identification from the Investigator and attempting to take a mortgage application from him;
 - vi. Stating that if financing was not available from a bank, she would be able to obtain financing from a private lender;

- vii. Advising how long it would take to obtain financing, depending on how straightforward the application was; and
 - viii. Stating that she deals with lenders across Canada and has been in the mortgage industry for 8 years, that she does not work for a bank, but has connections with various banks.
- e. During the meeting the Investigator obtained the following documents from Ms. Gill:
- i. Ms. Gill's business card, indicating she is a "mortgage professional" with [REDACTED]; and
 - ii. Promotional fridge magnet indicating that Ms. Gill is a mortgage specialist with [REDACTED] (Ms. Gill clarified in the meeting that she no longer works for [REDACTED], but currently works for [REDACTED]).
11. On June 20, 2015 the Investigator received an email from Ms. Gill which attached a [REDACTED] mortgage application.
12. On November 5, 2015, Staff obtained a copy of an advertisement featuring Ms. Gill in the October 31, 2015 edition of the "Indo-Canadian Voice Realty". The advertisement invited readers to "Call Ms. Gill and get your mortgage done" and had the word "Mortgage" in large font.

Applicable Legislation

13. **Section 1** of the Act provides the following definitions:

"mortgage broker" means a person who does any of the following:

- a. carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- b. holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;

- c. carries on a business of buying and selling mortgages or agreements for sale;
- d. in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;
- e. during any one year, lends money on the security of 10 or more mortgages;
- f. carries on a business of collecting money secured by mortgages.

“submortgage broker” means any person who, in British Columbia, actively engages in any of the things referred to in the definition of mortgage broker and is employed, either generally or in a particular case, by, or is a director or a partner of, a mortgage broker.

14. **Section 21(1)** of the Act provides as follows:

Unless exempted under section 11, a person must not do any of the following:

- a. carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;
- b. carry on business as a mortgage broker otherwise than in the person’s registered name or elsewhere than at or from the person’s registered address;
- c. advertise or in any other way indicate that the person is a mortgage broker or submortgage broker other than under the registered name of the mortgage broker;
- d. employ as a submortgage broker any person not registered under this Act.

15. **Section 11** of the Act provides:

- (1) The registration provisions of this Act do not apply to any of the following while acting as mortgage brokers or submortgage brokers under their proper names:
 - a. insurance companies;
 - b. savings institutions;
 - c. a member of the Law Society of British Columbia entitled to practice as a solicitor in British Columbia if the loan transaction is made in the course of and as part of the members practice;
 - d. any person acting for the government or for an agency of the government;
 - e. a liquidator, receiver, trustee in bankruptcy or a person acting under the authority of any court or an executor or trustee acting under the terms of a will or marriage settlement.
- (2) The registrations provisions of this Act do not apply to any of the following:
 - a. an employee, or director, or a person exempted from registration under subsection (1) (a) or (b) or paragraph (b) of this subsection;
 - b. a person lending money, directly or indirectly, on the security of land to provide housing for the person's employees;
 - c. any other person or class of persons exempted from registration by the registrar.

16. **Section 8(1.4)** of the Act provides:

After giving a person an opportunity to be heard, the registrar may do one or more of the following:

- a. order the person to cease a specified activity;

b. order the person to carry out specified actions that the registrar considers necessary to remedy the situation;

c. order the person to pay an administrative penalty of not more than \$50,000,

if, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.

17. **Section 8(2)** of the Act provides that:

If the length of time that would be required to give a person an opportunity to be heard under subsection (1), (1.2), (1.3) or (1.4) would, in the registrar's opinion be prejudicial to the public interest, the registrar may, without giving the person an opportunity to be heard, suspend a registration under subsection (1)(a) or (1.3)(a) or make an order under subsection (1)(c) or (d), (1.2)(a), (1.3)(c) or (d) or (1.4)(a) or (b).

18. **Section 8(3)** of the Act states:

If under subsection (2) the registrar suspends registration or makes an order without giving a person an opportunity to be heard, the registrar must promptly send written notification of the suspension or order to the person and to the tribunal.

Conclusions

19. The regulatory framework set out in the Act ensures that the public is protected from certain conduct. Only those individuals suitable for registration are entitled to be registered under the Act, and once registered they are subject to the provisions of the Act.

20. Section 21 prohibits a person from carrying on business as a mortgage broker or submortgage broker without being registered under the Act. Both "mortgage broker" and "submortgage broker" are defined terms as set out above.

21. Two decisions of the Commercial Appeals Commission, *Legge (c.o.b. Mortgageline) v. British Columbia (Registrar of Mortgage Borkers)*, [1995] B.C.C.O. No 13, and *Horizon*

Financial Services Ltd. v. British Columbia (Registrar of Mortgage Brokers), [1990] B.C.C.O. No 4 ("Horizon") have considered the meaning of "arranging mortgages" for the purpose of determining whether certain activities fell within the definition of submortgage broker in the Act. In Horizon, the Commission found that:

The Commission is satisfied that the intent of the Act is to licence every person and company involved in an essential way in the process of arranging mortgages.

22. Some of the indicia of arranging mortgages in both cases were: promotion of services, direct communication with clients explaining mortgages, mortgage products, mortgage documents and/or disclosure statements, taking mortgage applications, and obtaining supporting documentation.
23. Staff provided clear evidence that Ms. Gill was carrying on business as a mortgage broker or submortgage broker and holding herself out as a mortgage broker or submortgage broker. The evidence is very clear that Ms. Gill engaged in many activities that would be considered "arranging mortgages".
24. On two occasions, Ms. Gill placed an advertisement in a local newspaper advertising her business and services as a mortgage professional and a mortgage specialist. The advertisements, (one as recent as October 31, 2015) clearly invite the public to contact Ms. Gill "For all of your mortgage needs" and further state, "When everyone says "No" call Rani Gill and get your mortgage done." Both advertisements offer services in respect of:
 - a. Private mortgages;
 - b. First, 2nd, and 3rd Mortgages;
 - c. Commercial Loans 3.53%; and
 - d. New Immigrants, First time Home buyers, Self Employed, Low Income, Bad Credit.
25. Ms. Gill provided Staff with information that she was making referrals to a submortgage broker for which she expected to be paid. However, documents received from the

submortgage broker show that Ms. Gill was arranging the mortgage, not simply making a referral.

26. In an email to Staff, Ms. Gill stated that she does most of the work from the client side because most clients do not speak English. Ms. Gill stated that she stays in touch with the clients, gets paper work signed, and collects all of the information from them.
27. The evidence provided by an Investigation Firm further supports that Ms. Gill was engaging in activities for which registration under the Act is required:
 - a. Ms. Gill stated to the Investigator that she was a mortgage broker, was currently working with [REDACTED], was paid by lenders, and worked with various lenders across Canada;
 - b. Ms. Gill provided the Investigator with a business card advertising herself as a mortgage professional with [REDACTED];
 - c. Ms. Gill provided the Investigator with a fridge magnet advertising herself as a mortgage specialist with [REDACTED];
 - d. Ms. Gill explained various mortgage products available to the Investigator; and
 - e. Ms. Gill provided a copy of a [REDACTED] mortgage application to the Investigator, and discussed the supporting documentation required to complete the application.
28. Therefore I find Ms. Gill to be carrying on business as a mortgage broker or submortgage broker, in contravention of section 21 of the Act. As such, her conduct may be subject to the orders set out in section 8(1.4) of the Act.
29. There is no evidence to suggest that Ms. Gill would be exempt from the registration requirements under section 11 of the Act.
30. In addition, I find that the following actions by Ms. Gill were particularly egregious and that her conduct places the public at further risk:

- a. Offering to falsely disclose to a lender that a potential borrower would reside in the property when she knew the borrower had no intention of doing so; and
 - b. Offering to provide a gift letter to submit to the lender, indicating that down payment funds were a gift, and not a loan, when she knew this would be false.
31. I agree with Staff that this conduct demonstrates a willingness to deceive lenders when submitting mortgage applications to them. Not only are lenders put at risk of providing mortgage funds based on inaccurate information, but borrowers may find themselves in a mortgage they cannot afford.
32. Ms. Gill's conduct is more concerning given that she was a prior registrant, and therefore ought to know and understand not only the registration requirements of the Act, but also the obligations of registrants to ensure that disclosure to lenders is true, plain and not misleading. Ms. Gill not only demonstrated a willingness to be deceitful, dishonest, and misleading with lenders, she encouraged a potential client to do so as well.
33. Ms. Gill has continued to advertise her mortgage broker services as recently as October 31, 2015. As a former registrant she knows or ought to know that she must be registered to provide these services. Ms. Gill was also advised by a registered mortgage broker from whom she was seeking a referral fee that she required registration, and he provided her with a bulletin issued by the Registrar outlining those requirements. Despite this information, she has continued to offer her services as a mortgage broker or submortgage broker by advertisement.
34. I agree with Staff that a hearing into Ms. Gill's conduct would require a number of witnesses and at least three days of hearing which could not be realistically scheduled for approximately three months. Given Ms. Gill's promotion of her services through public advertisements, and her willingness to engage in deceitful conduct, I find that a delay would be prejudicial to the public interest. This supports an order to be made pursuant to section 8(2) of the Act.

I AM THEREFORE OF THE OPINION THAT the length of time that would be required to hold a hearing and make orders under section 8(1.4) of the Act would likely result in further non-compliance with the provisions of the Act and therefore be prejudicial to the public interest.

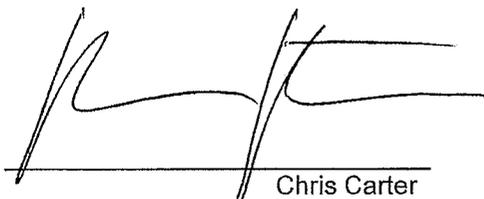
AND I AM THEREFORE OF THE OPINION it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the Act so the public is protected against further non-compliance with the Act.

I HEREBY ORDER, pursuant to sections 8(1.4)(a) and 8(2) of the Act that Ranminder Kaur Gill, also known as Rani Gill:

CEASE AND DESIST engaging in unregistered mortgage broker activity in the Province of British Columbia, effective immediately, unless and until she becomes registered to do so under the provisions of the Act.

TAKE NOTICE THAT: Ranminder Kaur Gill, also known as Rani Gill, may under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 22nd day of January, 2016
At Vancouver, British Columbia

A handwritten signature in black ink, appearing to read 'Chris Carter', written over a horizontal line.

Chris Carter
Registrar of Mortgage Brokers,
Acting under designation, dated December 11, 2015

Notice to: Ranminder Kaur Gill,
also known as Rani Gill



Notice to: Financial Services Tribunal
4th Floor – 747 Fort Street
Victoria, BC V8W 9V1

Appendix V

British Columbia - *In the Matter of the Mortgage Brokers Act and Kambiz Ali Mahinsa,*
Consent Order (November 2015)



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313

-AND-

KAMBIZ (KAM) ALI MAHINSA

CONSENT ORDER

The following agreement has been reached between Kambiz (Kam) Ali Mahinsa ("Mr. Mahinsa") and the Staff of the Registrar of Mortgage Brokers (the "Staff"), and the Registrar of Mortgage Brokers (the "Registrar") agrees to the following terms of a consent order:

A. ORDERS

Mr. Mahinsa consents to, and the Registrar makes the following orders that:

- (1) Pursuant to section 8(1.1) of the *Mortgage Brokers Act* (the "Act"), Mr. Mahinsa will pay an administrative penalty of \$13,000 for conducting business as a sub-mortgage broker in a manner that is otherwise prejudicial to the public interest contrary to section 8(1)(i) of the *Act*.
- (2) Pursuant to section 6(9) of the *Act*, Mr. Mahinsa will pay partial investigation costs of \$1,000.
- (3) All payments made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following the execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 38.

Registrar of Mortgage Brokers

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Vancouver, BC V6B 4N6
Telephone: 604-660-3555
Facsimile: 604-660-3365
<http://www.fic.gov.bc.ca>

(4) Pursuant to section 8(1)(d) of the *Act*, the following conditions are attached to Mr. Mahinsa's registration:

- a. Mr. Mahinsa will not be eligible to be a designated individual for any mortgage broker, including any mortgage broker business operated by him, for a period of two (2) years from the date of execution of this order;
- b. The designated individual of the mortgage broker to which Mr. Mahinsa is registered will review and sign off on all mortgage broker transactions in which Mr. Mahinsa is involved for a period of one (1) year from the date of execution of this order;
- c. The designated individual will submit to the Registrar's office, on a quarterly basis, a listing of all mortgage broker transactions in which Mr. Mahinsa is involved for a period of one (1) year from the date of execution of this order; and
- d. At the discretion of the Staff, Mr. Mahinsa will be subject to random examinations of his mortgage broker files.

B. FACTS AND ADMISSIONS

As the basis for this Consent Order, Mr. Mahinsa acknowledges the following facts as correct and makes the following admissions:

Background

- a. Mr. Mahinsa is currently registered as a sub-mortgage broker under the *Act* with registered mortgage brokerage 1031234 BC Ltd. dba Dominion Lending Centres - Clear Trust Mortgages A Better Way;
- b. Mr. Mahinsa was registered as a sub-mortgage broker with Yespros Mortgages Inc. ("Yespros") from April 2, 2009 to June 5, 2014 and was the designated individual for Yespros from May 11, 2012 to April 27, 2014; and
- c. Mr. Mahinsa fully cooperated with the Staff's investigation and provided information to Staff when requested to do so.

Breaches

Mr. Mahinsa conducted business in a manner that is otherwise prejudicial to the public interest when based on a review of mortgage applications submitted on

behalf of six (6) borrowers, Mr. Mahinsa:

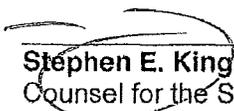
- a. failed to investigate whether borrowers owned other properties in addition to the properties disclosed in mortgage applications when he knew or ought to have known that the borrowers owned other properties; and/or
- b. failed to advise lenders in mortgage applications that borrowers were concurrently seeking financing for the purchase other properties when he knew or ought to have known that borrowers were seeking financing for the purchase of other properties; and/or
- c. prepared mortgage applications for submission to lenders on the basis that the properties would be owner occupied by borrowers at the time the application was submitted when he knew or ought to have known that this was not the case; and/or
- d. completed and submitted mortgage applications concurrently to different lenders where the borrower's income and employment history varied significantly.

[INTENTIONALLY LEFT BLANK]

C. WAIVER

Mr. Mahinsa waives his right to a hearing under section 8 of the Act and waives his right to appeal under section 9 of the Act.

Approved as to form and content by:

 this 16 of November, 2015
Stephen E. King
Counsel for the Staff

CONSENTED TO BY:

 this 26 of November, 2015
Shafik Bhalloo
Counsel for Kambiz (Kam) Ali Mahinsa

Dated at the City of Vancouver, in the Province of British Columbia,
this 22 day of December, 2015


Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

Appendix W

British Columbia - *In the Matter of the Mortgage Brokers Act and Mehrdad Nevis,*
Consent Order (November 2015)



**IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313**

-AND-

**MEHRDAD NEVIS
aka ROD NEVIS**

CONSENT ORDER

The following agreement has been reached between Mehrdad Nevis aka Rod Nevis ("Mr. Nevis") and the Staff of the Registrar of Mortgage Brokers (the "Staff"), and the Registrar of Mortgage Brokers (the "Registrar") agrees to the following terms of a consent order:

A. ORDERS

Mr. Nevis consents to, and the Registrar makes, the following orders that:

- (1) Pursuant to section 8(1.1) of the *Mortgage Brokers Act* (the "Act"), Mr. Nevis will pay an administrative penalty of \$10,000 for conducting business in a manner prejudicial to the public interest contrary to section 8(1)(i) of the Act.
- (2) Pursuant to section 6(9) of the *Act*, Mr. Nevis will pay partial investigative costs of \$1,500.
- (3) All payments will be made by cheque, bank draft or money order payable to the Minister of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be

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subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.

- (4) Pursuant to section 8(1)(d) of the *Act*, the following conditions are attached to Mr. Nevis' registration:
- a. Mr. Nevis will not be eligible to be a designated individual for any mortgage broker, including any mortgage broker business operated by him, for a period of two (2) years from the date of execution of this order;
 - b. The designated individual of the mortgage broker to which Mr. Nevis is registered will review and sign off on all mortgage broker transactions in which Mr. Nevis is involved for a period of one (1) year from the date of execution of this order;
 - c. The designated individual will submit to the Registrar's office, on a quarterly basis, a listing of all mortgage broker transactions in which Mr. Nevis is involved for a period of one (1) year from the date of execution of this order; and
 - d. At the discretion of Staff, Mr. Nevis will be subject to random examinations of his mortgage broker files.

B. FACTS AND ADMISSIONS

As the basis for this Consent Order, Mr. Nevis acknowledges the following facts as correct and makes the following admissions:

Background

- a. Mr. Nevis is currently registered as a sub-mortgage broker under the *Act* with registered mortgage brokerage Yespros Mortgages Inc. ("Yespros");
- b. Mr. Nevis has been registered as a sub-mortgage broker with Yespros from October 2, 2005 to June 1, 2012 and from October 10, 2012 to the present;
- c. Mr. Nevis has been responsible for training new and existing sub-mortgage brokers at Yespros. That training includes instructions on how to assemble mortgage applications, along with supporting documentation, for submission to lenders on behalf of borrowers; and

- d. Mr. Nevis fully cooperated with Staff's investigation and provided information to Staff when requested to do so.

Breaches

Mr. Nevis conducted business in a manner prejudicial to the public interest when:

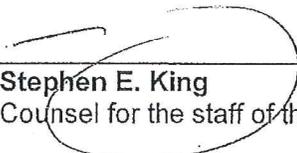
- a. Based on a review of mortgage applications submitted in the case of four (4) borrowers, Mr. Nevis:
 - i. failed to investigate whether borrowers owned other properties in addition to the properties disclosed in mortgage applications when he knew or ought to have known that the borrowers owned other properties; and/or
 - ii. failed to advise lenders in mortgage applications that borrowers were concurrently seeking financing for the purchase of other properties when he knew or ought to have known that borrowers were seeking financing for the purchase of other properties; and/or
 - iii. prepared mortgage applications for submission to lenders on the basis that the properties would be owner occupied by borrowers at the time the application was submitted when he know or ought to have known that this would not be the case; and/or
 - iv. prepared mortgage applications for submission to different lenders over a short period of time, for the same borrower, where there was unexplained variations in residency, rental income and/or ownership of properties.

[INTENTIONALLY LEFT BLANK]

C. WAIVER

Mr. Nevis waives his right to a hearing under section 8 of the *Act* and waives his right to appeal under section 9 of the *Act*.

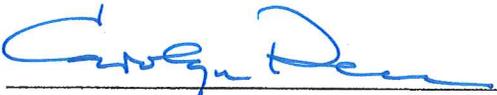
Approved as to form and content by:

 this 5 of November, 2015
Stephen E. King
Counsel for the staff of the Registrar of Mortgage Brokers

CONSENTED TO BY:

 this 3 of November, 2015
Angelika M. Podgorska
Counsel for Mehrdad (Rod) Nevis

Dated at the City of Vancouver, in the Province of British Columbia,
this 9th day of November, 2015


Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

Appendix X

British Columbia - In the Matter of the Mortgage Brokers Act and Margaret Schulz and W.I. Mortgage Pros Ltd. Doing business as Dominion Lending Centres Mortgage Pros, Consent Order (May 2015)



Financial
Institutions
Commission

IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313

And

Margaret Schulz and W.I. Mortgage Pros Ltd. doing business as
Dominion Lending Centres Mortgage Pros

CONSENT ORDER

The following agreement has been reached between Margaret Schulz ("Schulz") and W.I. Mortgage Pros Ltd. doing business as Dominion Lending Centres Mortgage Pros ("WI") and the Registrar of Mortgage Brokers (the "Registrar").

A. Orders:

Schulz and WI consent to and the Registrar makes the following orders:

1. Pursuant to section 8(1) of the *Mortgage Brokers Act*, R.S.B.C. 1996, c. 313 (the "*Act*"), Schulz shall not be eligible to apply for registration for a period of five (5) years after the date of execution of this Order.
2. Pursuant to section 8(1.1) of the *Act*, Schulz and WI, jointly and severally, shall pay an administrative penalty in the amount of \$37,500.00.
3. Pursuant to section 6(9) of the *Act*, Schulz and WI, jointly and severally, shall pay investigation costs in the amount of \$5,000.00, immediately upon execution of this Order.
4. All payments will be made by cheque, bank draft or money order payable to the Ministry of Finance and all amounts outstanding thirty (30) days following execution of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, R.S.B.C. 1996, c. 138.
5. Schulz will not be considered for registration unless and until the penalty and costs in this Order are paid, in full. This term is not intended to limit in any way the Registrar's ability to enforce the terms of this Order.

Registrar of Mortgage Brokers

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B. Facts and Admissions:

As a basis for this Consent Order, Schulz acknowledges the following facts as correct and makes the following admissions:

Background

1. Schulz had been almost continuously registered as a submortgage broker in British Columbia from July 5, 2005 to March 31, 2015.
2. Verico Mortgage Pros Ltd., or WI, was incorporated in February 4, 2008 and changed its name to WI on September 4, 2009.
3. Schulz was registered as a submortgage broker with WI and was the sole director of WI from March 19, 2008 to March 31, 2015.
4. In and around 2009 and 2010, Schulz was a close business associate of [REDACTED] ("RF") and was aware of RF's mounting debts with respect to properties he was involved in as well as the decreasing value of those properties.
5. On January 6, 2011, Schulz and WI executed a consent order to pay an administrative penalty pursuant to s. 8(1.1) of the *Act* and investigation costs pursuant to s. 6(9) of the *Act* for failure to appropriately handle trust funds, pursuant to the *Regulations*, and failure to respond to the Staff of the Registrar's inquiries, contrary to s. 8(1)(i) of the *Act*.
6. On March 27, 2015, Schulz endorsed a Statutory Declaration Respecting Wind-up of Mortgage Broker, terminating WI's mortgage broker registration.

Breaches

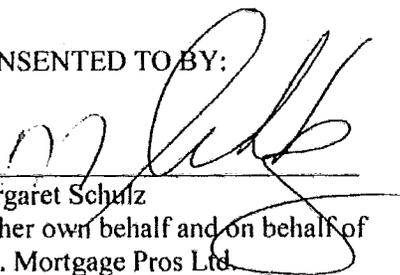
7. Schulz conducted business in a manner prejudicial to the public interest and contrary to s. 8(1)(i) of the *Act* when she:
 - a. Failed to provide proper disclosure and information to an unsophisticated client in relation to a mortgage transaction involving RF, pursuant to sections 17.1 to 17.4 of the *Act*.
 - b. Submitted several mortgage applications to lenders without disclosing that the client:
 - i. Was concurrently seeking financing to purchase other properties and/or
 - ii. Owned other properties, the existence of which Schulz was or ought to have been aware of.

- c. Submitted mortgage applications to lenders on behalf of borrowers on the basis that the properties would be owner-occupied by the borrower, when it was known or ought to have been known that the properties would not be owner-occupied.
- d. Failed to disclose to lenders the existence of conflicts of interest and possible conflicts of interest, including family and employment relationships between the borrower and vendor of the property.
- e. Completed and submitted mortgage applications concurrently where the client's income varied on applications to different lenders.
- f. Misstated facts to staff of the Registrar in response to their inquiries.

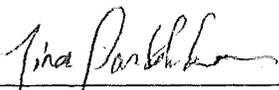
C. Waiver:

Schulz waives her right to a hearing under sections 4 and 8 of the *Act* and waives her right to appeal under section 9 of the *Act*.

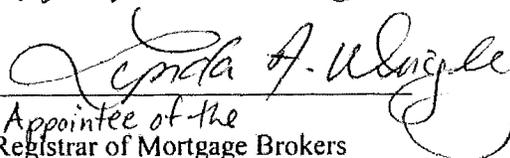
CONSENTED TO BY:


Margaret Schulz
On her own behalf and on behalf of
W.I. Mortgage Pros Ltd.

APPROVED AS TO FORM AND CONTENT:


Tina Patbhakar
Legal Counsel to the Staff of the
Registrar of Mortgage Brokers

Issued, this 22 day of May 2015
at Vancouver, British Columbia


Appointee of the
Registrar of Mortgage Brokers
Province of British Columbia

Appendix Y

*British Columbia - In the Matter of the Mortgage Brokers Act and Elham Amirmoazami,
Orders under Sections 8 and 6 of the Mortgage Brokers Act (October 2013)*



**IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313**

-AND-

**ELHAM AMIRMOAZAMI
aka ELLIE MOAZAMI**

**ORDERS UNDER SECTIONS 8 and 6 OF
THE MORTGAGE BROKERS ACT (the "Act")**

Elham Amirmoazami aka Ellie Moazami ("Ms. Amirmoazami") and the Staff of the Registrar of Mortgage Brokers ("Staff") consent to, and the Registrar of Mortgage Brokers (the "Registrar") makes the following orders:

A. ORDERS

1. Elham Amirmoazami aka Ellie Moazami ("Ms. Amirmoazami"), will pay \$45,000 as an administrative penalty for carrying on business as a sub-mortgage broker in a manner that is prejudicial to the public interest contrary to s. 8(1.2) of the *Act*, for carrying on business as a sub-mortgage broker while not registered under the *Act* contrary to s. 8(1.4), and investigative costs pursuant to s. 6(9) of the *Act*.

B. FACTS AND ADMISSIONS

As the basis for this Order, Ms. Amirmoazami acknowledges the following facts as correct and makes the following admissions:

1. she submitted eight mortgage applications, including, supporting information and documentation, to lenders with employment, financial and other information that she knew or ought to have known was false;
2. she handled numerous documents used to support mortgage applications that she knew or ought to have known were improperly altered to falsely inflate the applicant's capacity to borrow;
3. she failed to conduct reasonable due diligence into the financial circumstances of her clients by not confirming financial information which was on its face unusual and/or suspect in the circumstances;

- 4. she acted in a manner that would cause lenders to be misled in underwriting and approving mortgage applications; and
- 5. she participated in arranging four mortgages and received remuneration for her role in arranging those mortgages while not registered as a sub-mortgage broker.

C. WAIVER

- 1. Ms. Amirmoazami waives her right to appeal this Order pursuant to s. 9 of the Act.

Approved as to form and content by:

 this 15 of October, 2013
Stephen E. King
 Counsel for the staff of the Registrar of Mortgage Brokers

CONSENTED TO BY:

 this 11 of Oct, 2013
Elham Amirmoazami aka Ellie Moazami

Dated at the City of Vancouver, in the Province of British Columbia, this 24 day of October, 2013


Carolyn Rogers
 Registrar of Mortgage Brokers
 Province of British Columbia

Appendix Z

British Columbia - *In the Matter of the Mortgage Brokers Act and Shoallah Sadeghi,
Consent Order (September 2013)*



IN THE MATTER OF THE MORTGAGE BROKERS ACT

R.S.B.C. 1996, c. 313

-AND-

SHOAULLAH SADEGHI

CONSENT ORDER

The following agreement having been reached between and consented to by Shoallah Sadeghi and the Staff of the Registrar of Mortgage Brokers (Staff), the Registrar of Mortgage Brokers (Registrar) agrees to the following terms of a consent order:

A. ORDERS

Mr. Sadeghi consents to and the Registrar makes the following orders:

1. Mr. Sadeghi is not eligible to re-apply to be registered under the Mortgage Brokers Act, R.S.B.C 1996, c. 313 (*Act*) for a period of five years from the date this order is duly executed; and
2. the Registrar's costs pursuant to s. 6(9) of the *Act* associated with the investigation of Mr. Sadeghi and the Notice of Hearing against Mr. Sadeghi are waived.

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B. FACTS AND ADMISSIONS

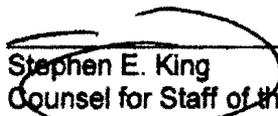
- 3. During the material time, Mr. Sadeghi was registered as a submortgage broker under the Act with Yespros Mortgages Inc. (Yespros).

- 4. Contrary to s. 8(1)(e) of the Act, Mr. Sadeghi conducted himself in a manner that would make him disentitled to registration if he was an applicant under s. 4 of the Act by authoring an employment letter on [REDACTED] letterhead for [REDACTED] S [REDACTED] (S [REDACTED] in support of S [REDACTED] s application for mortgage financing, knowing that the information contained in the letter was not true.

C. WAIVER

- 5. Mr. Sadeghi waives his right to a hearing under s. 8(1.2) of the Act and waives his right to an appeal under s. 9 of the Act.

Approved as to form and content by:

 this 3 of September 2013
Stephen E. King
Counsel for Staff of the Registrar of Mortgage Brokers

And by:

 this 15 of Aug, 2013.
Shoallah Sadeghi

DATED at Vancouver, British Columbia, this 11 day of Sept, 2013.


Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

Registrar of Mortgage Brokers

2800-555 West Hastings Street
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Appendix A1

British Columbia - *In the Matter of the Mortgage Brokers Act and Gobi Nava, Cease and Desist Order* (July 2012)



IN THE MATTER OF THE MORTGAGE BROKERS ACT

R.S.B.C. 1996, c. 313

-AND-

GOBI NAVA

CEASE and DESIST ORDER

(Pursuant to s.8(1.4) of the *Mortgage Brokers Act*)

I am advised, and based on the materials submitted by staff of the Registrar of Mortgage Brokers ("Staff"), I am of the opinion that:

Background

1. No person by the name of Gobi Nava ("Nava") has ever been registered as a mortgage broker or submortgage broker in British Columbia.

February 2011 Complaint

2. On February 1, 2011, Constable [REDACTED] of the Nanaimo RCMP contacted Staff by email about Nava. In support of his complaint, B [REDACTED] also provided a number of documents. The following is a summary of the information provided by B [REDACTED]:
- (a) He was investigating a mortgage Nava obtained by L [REDACTED] M [REDACTED] ("M [REDACTED]") for the purchase of [REDACTED] (the "[REDACTED] Property").
 - (b) The sale price of the [REDACTED] Property was \$350,000. M [REDACTED] was only able to secure financing for \$280,000, in addition to a down payment of \$10,000, which was placed in trust with the realtor, R [REDACTED] B [REDACTED] ("B [REDACTED]").
 - (c) As M [REDACTED] was unable to obtain sufficient financing for the purchase, the seller [who Staff learned was T [REDACTED] V [REDACTED] D [REDACTED] ("D [REDACTED]")] referred her to Nava for assistance.
 - (d) Nava initially represented himself as a mortgage broker.
 - (e) Nava brokered a deal whereby D [REDACTED] would provide a loan of \$62,000.00 to cover the balance of the sale price. M [REDACTED] agreed, and Nava asked her for a down payment of \$15,000, which he wanted deposited into a bank account in the name of "Mr. Troop". M [REDACTED] complied. [REDACTED] provided a Bank of Montreal receipt dated December 16, 2010 showing that a \$15,000 transfer had been made from "L [REDACTED] C [REDACTED] M [REDACTED]". The debit memorandum reads "DOWN PYMT FOR PRIVATE MORT." Handwritten notes read "To Mr. Toor."
 - (f) After several weeks of no activity, Nava advised M [REDACTED] that she had an outstanding cell phone bill, and asked her to send him \$2,500 so that he could "fix" her credit. [REDACTED] provided a Money Mart receipt dated December 9, 2010 showing this transfer from M [REDACTED] to Nava.
 - (g) More time passed, and there was still no financing in place.
 - (h) The completion date for the purchase of the [REDACTED] Property was pushed back several times. In the interim, M [REDACTED] was allowed to move into the [REDACTED] Property, agreeing to pay rent.

- (i) Nava contacted M [REDACTED] and asked that she pay the rent to him directly, in the amount of \$2,000. M [REDACTED] negotiated this amount down to \$1,250 and ended up transferring that amount to an HSBC account as directed by Nava. [REDACTED] provided two HSBC deposit slips, both dated January 18, 2011, showing deposits totaling \$1,250 being made into an account in the name of "NAVA G."
- (j) As more time passed, M [REDACTED] requested an update, at which time Nava told B [REDACTED] that he was not a mortgage broker, but rather had connections with private investors. Nava also indicated that M [REDACTED] needed to meet with him to cosign loan documents with the sellers of the [REDACTED] Property.
- (k) M [REDACTED] checked her credit report and determined that her outstanding cell phone bill had not been paid. She also determined that no money had been transferred to the sellers of the [REDACTED] Property for either the down payment or the rent.
- (l) On January 30, 2011, M [REDACTED] and B [REDACTED] contacted Nava. At that time, Nava indicated to B [REDACTED] that he was with a registered mortgage broker, securing a loan for M [REDACTED]. Nava assured B [REDACTED] that the money which M [REDACTED] had given to him was being held in trust.

Investigation

- 3. On May 14, 2012, Staff conducted a search of the records of the BC Land Titles Office and determined the following for the [REDACTED] Property:
 - (a) M [REDACTED] and G [REDACTED] M [REDACTED] C [REDACTED] ("C [REDACTED]") became registered owners on March 25, 2011.
 - (b) A first mortgage was registered by V.W.R. Capital Corp. ("VWR Capital") on March 25, 2011 in the amount of \$266,250.
 - (c) A second mortgage was registered by D [REDACTED] on March 25, 2011 in the amount of \$72,000.
- 4. On April 7, 2011, B [REDACTED] provided investigator Colin Chin ("Chin") with a series of emails he had exchanged with Nava in connection with M [REDACTED]' mortgage

application. The email provided indicated that Nava was collecting documents from E [REDACTED] to support M [REDACTED]' and C [REDACTED] mortgage application. Examples are as follows:

- (a) On August 20, 2010, B [REDACTED] emailed Nava pay slips, tax information, CIBC Pre-Approved Mortgage Certificate and the listing for the [REDACTED] Property.
 - (b) On August 20, 2010, B [REDACTED] emailed Nava a copy of the contract of purchase and sale for the [REDACTED] Property.
 - (c) On August 22, 2010, B [REDACTED] emailed Nava a copy of a will, confirming M [REDACTED]' inheritance.
 - (d) On August 22, 2010, B [REDACTED] emailed Nava photocopies of C [REDACTED] and M [REDACTED] identification.
 - (e) On November 18, 2010, B [REDACTED] emailed Nava a Bank of Montreal "Customer Snapshot" for M [REDACTED]' account.
 - (f) On November 19, 2010, B [REDACTED] emailed Nava a copy of the "new" contract of purchase and sale for the [REDACTED] Property dated November 19, 2010.
 - (g) On December 14, 2010, B [REDACTED] emailed Nava the deficiency list and signed addendum for the [REDACTED] Property.
 - (h) On December 16, 2010, B [REDACTED] emailed Nava a copy of the certified cheque and deposit receipt for the \$10,000 down payment on the [REDACTED] Property.
 - (i) On December 22, 2010, Nava was copied on an email from an appraiser, attaching a copy of the appraisal report for the [REDACTED] Property.
 - (j) On December 23, 2010, B [REDACTED] emailed Nava a copy of two commitment letters (one from Cove Mortgage Ltd., and one from Antrim Investments Ltd.), both of which were signed by M [REDACTED] and C [REDACTED]
5. On April 7, 2011, Chin contacted V.W.R. Capital and was advised that M [REDACTED] application had been submitted to them by G [REDACTED] D [REDACTED] ("D [REDACTED]"), a registered submortgage broker in British Columbia with The Mortgage Group ("TMG").
 6. On April 8, 2011, Chin contacted Cove Mortgage Ltd. ("Cove") and was advised that Medeiros' application had been submitted to them by G [REDACTED] S [REDACTED]

J. [REDACTED] ("J. [REDACTED]"), a registered submortgage broker in British Columbia with Centum Mortgage Concept Inc.

7. On April 8, 2011, Chin contacted Antrim Investments Ltd. and was told that they had no record of who submitted Medeiros' mortgage application to them.
8. On April 14, 2011, Chin met with B. [REDACTED] who advised as follows:
 - (a) He was the listing realtor of the [REDACTED] Property.
 - (b) He advised the seller of the [REDACTED] Property that M. [REDACTED] was having difficulty obtaining financing. The seller in turn gave B. [REDACTED] Nava's phone number which he passed on to M. [REDACTED].
 - (c) Nava initially told B. [REDACTED] that he was a mortgage broker.
 - (d) Nava asked B. [REDACTED] to obtain information from M. [REDACTED] (such as photo identification, income tax returns, notices of assessment, bank statements) for him.
 - (e) Nava needed to know M. [REDACTED]' address, date of birth and Social Insurance Number so that he could conduct a credit check.
 - (f) B. [REDACTED] told Nava that M. [REDACTED] was a caregiver and was also receiving Employment Insurance.
 - (g) When B. [REDACTED] found out that Nava was not a mortgage broker, he called him. Nava's response was that he had "connections".
9. On April 14, 2011, Chin met with M. [REDACTED] who advised as follows:
 - (a) Nava ultimately helped her obtain financing from VWR Capital, the holder of the first mortgage on the [REDACTED] Property. In addition, Nava brokered the arrangement with the seller, who holds the second mortgage on the [REDACTED] Property.
 - (b) It was M. [REDACTED] understanding that the information she was providing to B. [REDACTED] was being forwarded to Nava so that he could obtain financing on her behalf.
 - (c) When Nava instructed her to transfer \$15,000 into a bank account, she believed that the money would be given to the seller who was providing her with a private mortgage.
 - (d) She transferred \$2,500 to Nava so that Nava would pay off a telephone bill with Rogers. She later discovered that the bill was never paid.

- (e) Nava provided M [REDACTED] with the following documents relating to the mortgage for the [REDACTED] Property: a consent form which she signed and returned to Nava; a Fixed Credit Disclosure Statement; a Form 10 Conflict of Interest Disclosure Statement which she signed and returned to Nava; and a commitment letter from VWR Capital which was signed and return to Nava.
 - (f) Nava told M [REDACTED] that he was not "licensed", but that he had been arranging mortgages for 20 years.
 - (g) The information contained on the mortgage application dated February 4, 2011, found in the file of the mortgage broker who arranged the financing with VWR Capital, was incorrect in two aspects. Specifically, M [REDACTED] did not work as an accountant, nor did she have \$90,000 in savings.
10. Chin obtained a copy of the Buyers' Statement of Adjustments and the Amended Buyers' Statement of Adjustments. The first, showing a completion date of February 18, 2011, indicated that a \$17,500 deposit had been paid directly to the sellers. The second, showing a completion date of March 25, 2011 showed both a deposit of \$17,500 paid directly to the sellers, as well as "Payment of Funds received from Gobi Nava on behalf of Buyes [sic]" in the amount of \$2,000.

Mortgage application submitted to Cove Mortgage on behalf of M [REDACTED] and C [REDACTED]

11. On April 26, 2011, Chin and investigator Scott Wallace ("Wallace") met with J [REDACTED] who advised as follows:
- (a) M [REDACTED] was referred to him by an insurance salesman.
 - (b) J [REDACTED] contacted M [REDACTED] who in turn asked him to contact Nava.
 - (c) J [REDACTED] contacted Nava, who provided him with M [REDACTED]' personal information.
 - (d) J [REDACTED] met with M [REDACTED] and C [REDACTED] at B [REDACTED] office in Nanaimo.
 - (e) Once he learned that M [REDACTED] had given \$15,000 to Nava, J [REDACTED] advised M [REDACTED], B [REDACTED] and Nava that he would no longer process M [REDACTED]' mortgage application.

- (f) Nava never explicitly asked to be compensated for the referral of M [REDACTED] mortgage, however, Nava did suggest that J [REDACTED] should increase his fees so that Nava could be paid for future referrals.

Mortgage application submitted to VWR Capital on behalf of M [REDACTED] and C [REDACTED]

12. On August 22, 2011, Chin and Wallace met with D [REDACTED] and with V [REDACTED] C [REDACTED] ("C [REDACTED]"), a registered submortgage broker who works with D [REDACTED] at TMG.
13. In his interview of August 22, 2011, C [REDACTED] advised Chin and Wallace as follows:
- (a) He thought that the first mortgage application he received from Nava was for D [REDACTED]. In fact, C [REDACTED] had a mortgage application in his possession for D [REDACTED] as well as a job letter and pay stub. The information on D [REDACTED] mortgage application and the job letter came from Nava.
 - (b) Nava dealt primarily with C [REDACTED] colleague, D [REDACTED]
 - (c) Nava did not indicate that he was a mortgage broker, but he did state that he receives mortgage referrals from various sources.
 - (d) M [REDACTED] mortgage application was referred to them by Nava, and ended up being processed by D [REDACTED]
 - (e) He thinks that Nava spoke with D [REDACTED] about being compensated for his mortgage referrals.
 - (f) C [REDACTED] paid Nava roughly \$1,000 to \$1,200 in cash which he believes was compensation for the M [REDACTED] mortgage referral.
 - (g) D [REDACTED] mortgage never funded so Nava was not paid a referral fee in respect of it.
14. In his interview of August 22, 2011, D [REDACTED] advised Chin and Wallace as follows:
- (a) C [REDACTED] is his business partner, and it was a friend of C [REDACTED] who introduced them to Nava.

- (b) Nava asked to be paid 25% of the commission paid to them by lenders for his referrals.
 - (c) Nava referred them a total of five mortgage applications, only the following two of which funded: the M [REDACTED] and C [REDACTED] mortgage and the [REDACTED] M [REDACTED] E [REDACTED] ("B [REDACTED]") mortgage.
 - (d) The information found on M [REDACTED] mortgage application, which D [REDACTED] had in his file, came from Nava.
 - (e) When D [REDACTED] contacted M [REDACTED] for the first time, she advised him to contact Nava.
 - (f) D [REDACTED] provided Nava with a consent form, which Nava returned to him with M [REDACTED] and C [REDACTED] signatures.
 - (g) D [REDACTED] provided Nava with a copy of M [REDACTED] and C [REDACTED] commitment letter from VWR Capital. Nava returned the commitment letter with M [REDACTED] and C [REDACTED] signatures.
 - (h) D [REDACTED] provided Nava with a copy of M [REDACTED] and C [REDACTED] Fixed Credit Disclosure Statement which Nava returned with their signatures.
 - (i) D [REDACTED] thought that either he or C [REDACTED] paid cash to Nava for the referral of M [REDACTED] and C [REDACTED] mortgage application.
 - (j) With respect to the B [REDACTED] mortgage, the information on the mortgage application came from Nava.
 - (k) When D [REDACTED] contacted B [REDACTED] about the mortgage application, she told him to contact Nava.
15. On August 23, 2011, D [REDACTED] emailed Chin and advised as follows:
- (a) He had paid Nava approximately \$1,000 for the M [REDACTED] mortgage referral and \$700 for the B [REDACTED] mortgage referral.
 - (b) Nava had also referred another mortgage application to him in the name of J [REDACTED] K [REDACTED] ("K [REDACTED]"), but that mortgage did not fund.

Mortgage application submitted on behalf of B [REDACTED]

16. On August 23, 2011, D [REDACTED] emailed Chin a copy of B [REDACTED] mortgage file which included the following documents:
- (a) B [REDACTED] mortgage application dated May 9, 2011. The application was for a second mortgage (specifically, an equity take out) in the amount of \$70,000 on property owned by B [REDACTED] at [REDACTED] in Port Coquitlam, BC (the [REDACTED] Property"). The application identified the responsible agent as D [REDACTED] of TMG.
 - (b) A Dominion Lending Centres ("DLC") Mortgage Application dated April 5, 2011, bearing the name of G [REDACTED] C [REDACTED] ("C [REDACTED]"), a registered submortgage broker with DLC.
 - (c) A mortgage commitment letter from Nories Holdings Ltd. addressed to D [REDACTED] and dated May 8, 2011. Under the terms of the letter, Normak Investments Ltd., was prepared to offer a second mortgage to B [REDACTED] in the amount of \$70,000.
17. B [REDACTED] did obtain mortgage financing from Normak Investments Ltd., and a second mortgage was registered on title to the [REDACTED] Property on May 18, 2011.
18. As noted above, Nava received a \$700 referral fee for the B [REDACTED] mortgage.

Mortgage application for K [REDACTED]

19. On August 24, 2011, D [REDACTED] contacted Chin and advised as follows:
- (a) Nava had contacted him to ask if K [REDACTED] mortgage had funded.
 - (b) Nava wanted to meet with D [REDACTED]
 - (c) D [REDACTED] told Nava he would call him back.
 - (d) D [REDACTED] immediately contacted Chin after speaking with Nava.
 - (e) Nava had brought K [REDACTED] to D [REDACTED] office.

- (f) D [REDACTED] took K [REDACTED] mortgage application, and obtained all supporting documents from K [REDACTED]
 - (g) The mortgage application for K [REDACTED] did not fund as K [REDACTED] obtained financing elsewhere.
20. On September 2, 2011, Chin met with C [REDACTED] of DLC who advised that he had never met Nava, but that he knew E [REDACTED] as she had been his client. He told Chin that E [REDACTED] had wanted a second mortgage, but that he had been unable to help her obtain this financing.

Telephone discussion and interview of Nava

21. On May 31, 2012, Chin called Nava. In that conversation, Nava described himself as a "referral person", and said that he had been in the business of "referring mortgages" for the past 10 years. He denied, however, being a mortgage broker.
22. On June 14, 2012, Nava met with Chin to discuss his referral activities. In that discussion, Nava advised as follows:
- (a) He is paid a referral fee for referring prospective mortgage applicants.
 - (b) He does not advertise his mortgage referral business.
 - (c) In the last three years, he has referred only one mortgage.
 - (d) D [REDACTED] paid him \$500 for referring the M [REDACTED] and C [REDACTED] mortgage.
 - (e) In 2010, he earned \$5,000 from mortgage referrals.
 - (f) In 2011 he did not earn any money from mortgage referrals (although he had earlier indicated that he had received \$500 from the M [REDACTED] transaction which took place entirely in 2011).
 - (g) He has earned no money for mortgage referrals in 2012.
 - (h) He only collects mortgage documents on behalf of the mortgage broker if instructed to do so by the mortgage applicant.
 - (i) He does not discuss rates or terms with his clients.
 - (j) He has never helped a mortgage applicant renew a mortgage.

- (k) He would still refer someone to a mortgage broker if he or she needed help obtaining financing.
- (l) M██████ is the last person he helped to obtain financing.
- (m) M██████ realtor contacted him to see if he could help her obtain financing.
- (n) Nava contacted J██████ and told him M██████ would be contacting him shortly to discuss her financing needs.
- (o) Nava referred M██████ to D██████ after M██████ asked to be referred to another broker, as she was unhappy with the terms J██████ obtained from lenders.
- (p) He did not give M██████ any mortgage documents to sign.
- (q) M██████ did not give him any signed documents to give to D██████.
- (r) He collected \$15,000 from M██████ for the down payment, which he passed on to the owner.
- (s) M██████ gave Nava \$2,500 to fix her credit, but she ended up fixing her credit herself. He understood this amount was put towards the purchase price.
- (t) He denied collecting \$1,250 in rent from M██████.
- (u) He never told anyone he was a mortgage broker.
- (v) He has never taken documents from a mortgage applicant and then supplied them to a mortgage broker. Similarly, he has not taken a client's documents from a realtor, and then forwarded them to a mortgage broker. The mortgage broker in these transactions gets all information directly from the client.

Applicable legislation

23. Section 1 of the Act provides the following definitions:

“mortgage” includes every instrument by which

- (a) land in British Columbia,

(b) for the purposes only of paragraphs (c) and (f) of the definition of "mortgage broker", sections 14.1 and 17.4 and Division 3 of Part 2, land, whether or not in British Columbia,

is in any manner, conveyed, assigned, pledged or charged as security for the payment of money or money's worth to be reconveyed, reassigned or released on satisfaction of the debt, but does not include an agreement for sale of or a right to purchase land or an interest in land;

"mortgage broker" means a person who does any of the following:

- (a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- (b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;
- (c) carries on a business of buying and selling mortgages or agreements for sale;
- (d) in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;
- (e) during any one year, lends money on the security of 10 or more mortgages;
- (f) carries on a business of collecting money secured by mortgages;

24. Section 8(1.4) of the Act provides as follows:

8(1.4) After giving a person an opportunity to be heard, the registrar may do one or more of the following:

- (a) order the person to cease a specified activity;
- (b) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
- (c) order the person to pay an administrative penalty of not more than \$50,000;

If, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.

25. Section 8(2) of the Act provides as follows:

8(2) If the length of time that would be required to give a person an opportunity to be heard under subsection (1), (1.2), (1.3) or (1.4) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may, without giving the person an opportunity to be heard, suspend a registration under subsection (1)(a) or (1.3)(a) or make an order under subsection (1)(c) or (d), (1.2)(a), (1.3)(c) or (d) or (1.4)(a) or (b).

26. Section 21(1)(a) of the Act provides as follows:

21(1) Unless exempted under section 1, a person must not do any of the following:

- (a) carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;

...

AND WHEREAS I AM THEREFORE OF THE OPINION THAT:

1. In 2011, Nava received fees in excess of \$1,000 for arranging mortgages for others. Specifically, he was paid between \$1,000 and \$1,200 for his part in arranging a mortgage for M [REDACTED] and C [REDACTED], and \$700 for his part in arranging a mortgage for B [REDACTED]. This fact alone places Nava within the definition of "mortgage broker" in section 1 of the Act.
2. Nava held himself out as a mortgage broker to B [REDACTED]. This fact places Nava within the definition of "mortgage broker" in section 1 of the Act.
3. By accepting fees in excess of \$1,000 and by holding himself out as a mortgage broker, Nava is conducting mortgage broker activity in British Columbia without being registered to do so, contrary to section 21 of the Act. In addition to receiving fees for arranging these mortgages, and holding himself out as a mortgage broker, I note that Nava has also engaged in the following essential aspects of that mortgage transaction:
 - (a) Nava indicated that he could arrange a mortgage for M [REDACTED].
 - (b) Nava obtained necessary information from M [REDACTED] and C [REDACTED] (i.e. their identification, tax information and income information) in support of the mortgage being sought.
 - (c) Nava provided D [REDACTED] with the information contained in the B [REDACTED] mortgage application.
 - (d) Nava sought mortgage financing on behalf of M [REDACTED] and C [REDACTED] from at least two registered submortgage brokers (J [REDACTED] and C [REDACTED] / D [REDACTED]).

I THEREFORE CONSIDER THAT Nava is conducting himself in a manner that would enable me to make an order under section 8(1.4).

I AGREE with Staff that a hearing of this matter would involve at least six witnesses, and would take approximately five days to complete and could not be held for at least four months due to scheduling of the parties, witnesses, counsel and the hearing officer.

I FIND that the length of time that would be required to hold a hearing in order to make an order under section 8(1.4) would be detrimental to the due administration of the Act. Nava, by engaging in unregistered mortgage broker activity (as set out in paragraphs 1-3 above), has undermined the integrity of the mortgage broker industry in British Columbia. I note in particular the following:

- (a) The evidence suggests that Nava has been brokering mortgages for many years while not being registered to do so. He himself admits that he has been providing referral services for the last ten years.
- (b) In the course of his activity, he has taken advance fees from at least one borrower (M██████████). Not only are advanced fees not permitted in the mortgage broker industry, but the fees Nava took were not even placed into trust.
- (c) Contrary to Nava's assertions, it appears that most, if not all, of the information provided to the registered submortgage brokers in support of the M██████████/C██████████ and B██████████ mortgage applications, came from Nava himself. In the case of the M██████████ mortgage application, the information provided was inaccurate on two key issues, namely, M██████████ occupation and the value of the assets she held.

I AM FURTHER OF THE OPINION that it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the Act so that the public is protected against further non-compliance with the Act's provisions.

I THEREFORE ORDER, pursuant to sections 8(1.4)(a) and 8(2) of the Act that Gobi Nava:

Cease and desist engaging in unregistered mortgage broker activity in the Province of British Columbia, effective immediately, unless and until he becomes registered to do so under the provisions of the Act.

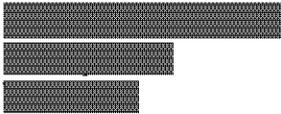
TAKE NOTICE that Nava may, under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 11 day of July, 2012
at Vancouver, British Columbia



Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

TO: Gobi Nava



Appendix B1

British Columbia - *In the Matter of the Mortgage Brokers Act and Bennett Steeves,
Cease and Desist Order* (June 2012)



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313

-AND-

BENNETT STEEVES
aka BASIL STEEVES

CEASE and DESIST ORDER

(Pursuant to s.8(1.4) of the *Mortgage Brokers Act*)

I am advised, and based on the materials submitted by staff of the Registrar of Mortgage Brokers ("Staff"), I am of the opinion that:

Background

1. No person by the name of Bennett Steeves or Basil Steeves has ever been registered as a mortgage broker or submortgage broker in British Columbia.
2. Bennett Steeves has been known to also use the name Basil Steeves. For clarity, I shall refer only to "Steeves" throughout.

Complaints and Investigation

September 11, 2007 Complaint

3. On September 11, 2007, [REDACTED] ("J [REDACTED]") wrote Staff to ask whether Steeves was "legit". J [REDACTED] forwarded an email she had just received from Steeves which suggested that he was in the process of arranging mortgage financing for her.
4. The matter was investigated and, on December 17, 2007, a warning letter was sent to Steeves. That letter, which clearly set out the registration requirements under the *Mortgage Brokers Act* (the "Act"), included the following information about the outcome of the investigation:
 - (a) Steeves had been introduced to J [REDACTED] and her husband (the "J [REDACTED]") as a contact for arranging a mortgage.
 - (b) Steeves obtained information and pictures from the J [REDACTED] regarding their property, including the approximate value.
 - (c) Steeves advised the J [REDACTED] that he could obtain a first mortgage for them.
 - (d) Steeves presented them with a financing offer through a mortgage brokerage.
 - (e) The J [REDACTED] gave Steeves a cheque for \$750 as a "brokerage fee."
 - (f) Subsequent documentation received by the J [REDACTED] suggested that Steeves received \$17,500 in fees from the transaction.

February 2009 and February 2011 Complaints

5. Staff received two further complaints of unregistered mortgage broker activity involving Steeves in, respectively, February 2009 and February 2011.

6. However, neither of these two complainants was willing to cooperate with the investigation. In early 2009, Staff attempted to engage Steeves in a pretext exchange, but that effort failed, too. As such, both investigation files were closed.

January 23, 2012 Complaint

7. On January 23, 2012, a registered submortgage broker forwarded, to Staff, an email Steeves had sent to her on January 13, 2012. In that email, Steeves was seeking mortgage financing on behalf of a client, [REDACTED] ("B [REDACTED]"). That email reads as follows:

"Hello, I have a mortgage but must move fast.

Client – [REDACTED] B [REDACTED]

Address – [REDACTED]...

BC Assessment is \$1.26M

Comparibles [sic] in the area are \$1.4M to \$1.6M

He has a 1st with RBC for \$844K at 2.9% as he is VERY solid.

He needs \$200K fast to buy Inventory.

Please Contact me on this matter

Thx.

Bennett B. Steeves

Finance Broker

Corporate Data Agent..."

8. B [REDACTED], together with [REDACTED] B [REDACTED], is the registered owner of property located at [REDACTED] in North Vancouver, British Columbia (the "[REDACTED] Property").
9. On March 14, 2012, investigator Sharon Park ("Park") spoke with B [REDACTED] who advised as follows:
- (a) B [REDACTED], who needed money, was referred to Steeves by a realtor.
 - (b) B [REDACTED] called Steeves who said that he could arrange a loan for him.

- (d) The process took longer than anticipated. Steeves then introduced B [REDACTED] to Perry Askounis ("Askounis"), who did get him a loan. Subsequent investigation showed that Askounis is a registered submortgage broker with Mandate Management Corporation ("Mandate").
- (e) Steeves collected \$1200 from B [REDACTED] which was for lawyer's fees, an appraisal and "some other things", which Steeves said would be reimbursed. To date, the \$1200 has not been reimbursed to B [REDACTED].
- (g) B [REDACTED] met with Steeves at least 6 or 7 times.
10. B [REDACTED] provided Park with a series of email exchanges he had with Steeves, which detailed the dealings they had. Relevant portions of these exchanges are set out below:
- (a) January 12, 2012
- Steeves wrote B [REDACTED] as follows:
- "...I understand you require funds asap. You have come to the right place. My direct lending partners Jack, Robert and Zane are always looking for new deals and we can fund in 3 days.
- I have been an Investor Relation Broker for 15 yrs and have a track record that beats all other brokers. My approach is to be honest of the situation, have the funds so there is no shopping required and close fast...
- Bennett B. Steeves
 Corporate Document Agent
 Finance Broker
 Vancouver, BC
 V3S 1C4
benncapital@yahoo.com"
- (b) January 14, 2012 at 12:14 PM
- Steeves wrote B [REDACTED] as follows:
- "...We will proceed Monday AM. I will tell you exactly what we need. The funds are available now."
- (c) January 14, 2012 at 3:06 PM
- Steeves wrote B [REDACTED] as follows:
- "...I have a follow up meeting tomorrow as your lender has left the funds here so we can wrap up your deal by Tuesday/Wednesday..."
- (d) January 15, 2012

Steeves wrote B [REDACTED] as follows:

"...I will have to stop by again this AM as we are proceeding without an Bank's reistered [sic] APPRAISAL.

We will have Ian simply drive by and take a peek at the house from his car so we can move faster for your needs."

(e) January 16, 2012

Steeves wrote B [REDACTED] as follows:

"Ok, I need you to print off some kind of application of any kind and fill it out today. I need a personal statement from you with your SIN number, Birthdate [sic] and address at the top of it then list your assets no matter how small or large.

I need your INCOME FROM YOUR BUSINESS OR OTHER.

I need you to call the Bank and get your Mortgage Balance as of Wednesday.

We need a copy of your house insurance."

(f) January 16, 2012

B [REDACTED] wrote Steeves, attaching a copy of his current mortgage statement, summary of personal information (including SIN number, assets and income) and copy of his home insurance policy.

(g) January 17, 2012 at 11:16 AM

Steeves wrote B [REDACTED] as follows:

"Hello, I am still waiting for Jack to contact me. If he does not by 12pm, I will contact his Attorney and have another partner sign for the \$200K plus.

I know there was a problem with court yesterday and waiting to see if I need to contact my secondary lending partner.

KEEP IN MIND.

Without tax returns, showing all income and your high 1st mortgage, this would be denied at the Bank or it would take 3 weeks.

1-2 days delay here is not the end of the world."

(h) January 17, 2012 at 11:33 AM

Steeves wrote B [REDACTED] as follows:

"Truth, I am the best in the business. This deal is 100% approved already, the court troubles for a client of the lender is the only reason.

I will be back soon.

No worries and don't panic as we are all men of our word.....and our track record shows it.

Again, at least your [sic] with us and not the Bank or some half assed outfit who would string you along for fees then back out..."

(i) January 19, 2012

Steeves wrote B [REDACTED] as follows:

"VERY IMP.

News laws [sic] state before funding a signed and filled out application must sent [sic] to the office. This is kind of backwards [sic] but let's do it fast and get the funds."

Attached to this email was a blank mortgage application for B [REDACTED] to complete.

(j) January 19, 2012

B [REDACTED] wrote Steeves, attaching the completed mortgage application.

(k) January 20, 2012

Steeves wrote B [REDACTED] as follows:

"6777622207 BC Ltd.
David [REDACTED] and Associates
Vancouver, BC
V3X 1C4
c/o Bennett B. Steeves
Bennstreet Capital Corp.

COMMITMENT LETTER

Borrower: Mr. [REDACTED] B [REDACTED]

Legal Address: [REDACTED]

Amount of Loan: \$200,000.00CDN ((Two Hundred Thousand Canadian Dollars)

Term: 12 months

Interest: 7-9%

Conditions: 1st Mortgage not to exceed \$850,000.00

Inspection: Completed

Broker Fees: Paid at closing of 3%

Commitment to Fund Fee: \$1000.00CDN (Refundable at closing) Paid \$350 x 2 plus On-site Inspection of \$150.00CDN. Amount owing of \$150CDN.

Closing date expected January 23/2011 after both parties have signed the Commitment Letter.

Yours truly,

DAVID [REDACTED] WALT [REDACTED] JACK [REDACTED]"

A BC Online search conducted by Park on May 7, 2012 indicates that neither 6777622207 BC Ltd. nor David [REDACTED] and Associates are registered companies in British Columbia.

(l) January 24, 2012

Steeves wrote B [REDACTED] as follows:

"Hello [REDACTED] and I am heading out for a meeting with your lender.

I was VERY frustrated [sic] today as my deals have never taken more than 10 days EVER to fund as I am in direct contact with the funds personally...

IMP – Even though we have been offered 2 other approvals* (as a backup) at \$88k and \$110K, I am aware that those numbers don't work so it is imp we stay where we are..."

(m) January 24, 2012

B [REDACTED] wrote Steeves expressing concern about what was occurring.

(n) January 25, 2012

Steeves wrote B [REDACTED] as follows:

"...I am a little taken back form [sic] your email as I have said it is approved and done but the lending office is to blame for the delay. One woman their [sic] with 11 deals.

Unfortunately, my initial Lending partner is now in Toronto, Ontario...so I had to work with a slower runner up.

I know it is frustrating [sic] but the other options through ALPINE CREDITS, GET ACCEPTANCE, PIONEER WEST AND OTHER COMPANIES will need tax returns and with 87% equity will offer you less than \$100K.

I will pound on all doors and make the necessary calls this AM.

Stick with me. It's the best thing."

(o) January 30, 2012

Steeves wrote B [REDACTED], forwarding an email he had written to Askounis earlier that day. The email to B [REDACTED] attached a Mandate National Mortgage Corporation Statement of Affairs which B [REDACTED] completed and returned to Steeves on January 30, 2012 for his review.

(p) January 31, 2012

Steeves wrote B [REDACTED] as follows:

"...Sign it and sent it over asap...

Again sorry for the delay but the onus is completley [sic] on my lending partner...

Good news is you have already paid the \$1000.00 (which you will be re-funded) and now we have the 3 lenders doing the deal which we are pushing through a good friend of mine Perry Askounis..."

(q) February 3, 2012

Steeves wrote B [REDACTED] as follows:

"...I spoke to [Askounis] and ALL 3 lenders are proceeding with paperwork. [Askounis] is pushing. hard [sic].

I will call him today at 430pm to pound.

I wish my original team did not go to T.O. but we are at the 2nd best group in the City by far, no question.

We will recover the funds you paid shortly my freind [sic].

We will recover the funds you paid shortly my friend..."

11. Through Askounis, B [REDACTED] ultimately obtained mortgage financing in the amount of \$210,000. The lender, No. 256 Cathedral Ventures Ltd., registered a second mortgage on title to the [REDACTED] Property on February 13, 2012.

12. On February 14, 2012, Askounis wrote to Steeves, enclosing two cheques totaling \$1,750. This letter read as follows:

"Re: B [REDACTED] and B [REDACTED] – 2nd Mortgage of \$210,000 to No. 256 Cathedral Ventures Ltd. over [REDACTED]

Please find enclosed two cheques (as requested) for a total of \$1,750.00 representing your referral fee on the above transaction."

13. Over the course of the transaction, and as noted at paragraph 9, B [REDACTED] had provided Steeves with three cheques as follows: cheque in the amount of \$350 (cashd January 15, 2012); cheque in the amount of \$350 (cashd January 18, 2012); and cheque in the amount of \$150.00 (cashd January 20, 2012). An undated document, signed by both B [REDACTED] and Steeves identifies these payments as follows:

"This is to certify that myself [REDACTED] B [REDACTED] and Bennett B. Steeves are engaged in business for \$240,000 loan which is pre-approved and will be available by Friday 20 January, 2012.

So far I have paid \$350.00 x 2 = \$700.00 for attorney fees. And \$150.00 for taking photos of the house which shall be reimbursed in full on Friday."

As of May 9, 2012, Steeves had neither provided B [REDACTED] with copies of any photos of the home, nor has the amount paid been reimbursed.

14. On May 3, 2012, Park met with Askounis at his office, at which time he advised as follows:
- (a) Askounis' understanding of Steeves' business is that he arranges loans.
 - (b) Askounis paid Steeves a referral fee of \$1750 on the B [REDACTED] transaction.
 - (c) Steeves occasionally contacts Askounis with potential clients, but B [REDACTED]'s mortgage is the only one which has panned out.

Applicable legislation

15. Section 1 of the Act provides the following definitions:

“mortgage” includes every instrument by which

- (a) land in British Columbia,
- (b) for the purposes only of paragraphs (c) and (f) of the definition of “mortgage broker”, sections 14.1 and 17.4 and Division 3 of Part 2, land, whether or not in British Columbia,

is in any manner, conveyed, assigned, pledged or charged as security for the payment of money or money's worth to be reconveyed, reassigned or released on satisfaction of the debt, but does not include an agreement for sale of or a right to purchase land or an interest in land;

“mortgage broker” means a person who does any of the following:

- (a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- (b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;
- (c) carries on a business of buying and selling mortgages or agreements for sale;
- (d) in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;
- (e) during any one year, lends money on the security of 10 or more mortgages;
- (f) carries on a business of collecting money secured by mortgages;

16. Section 8(1.4) of the Act provides as follows:

8(1.4) After giving a person an opportunity to be heard, the registrar may do one or more of the following:

- (a) order the person to cease a specified activity;
- (b) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
- (c) order the person to pay an administrative penalty of not more than \$50,000;

if, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.

17. Section 8(1.4) of the Act only came into force on October 29, 2009. Prior to that, all unregistered activity had to be pursued under the offence provisions found in sections 21 and 22 of the Act.

18. Section 8(2) of the Act provides as follows:

8(2) If the length of time that would be required to give a person an opportunity to be heard under subsection (1), (1.2), (1.3) or (1.4) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may, without giving the person an opportunity to be heard, suspend a registration under subsection (1)(a) or (1.3)(a) or make an order under subsection (1)(c) or (d), (1.2)(a), (1.3)(c) or (d) or (1.4)(a) or (b).

19. Section 21(1)(a) of the Act provides as follows:

21(1) Unless exempted under section 1, a person must not do any of the following:

- (a) carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;

...

AND WHEREAS I AM THEREFORE OF THE OPINION THAT:

1. Bennett Steeves is also known as Basil Steeves.
2. Steeves has received fees in excess of \$1000 for arranging a mortgage for another person. Specifically, he was paid \$1,750 for his part in arranging a

mortgage for B [REDACTED]. This fact alone places Steeves within the definition of "mortgage broker" in section 1 of the Act.

3. Consequently, Steeves is currently conducting mortgage broker activity in British Columbia without being registered to do so, contrary to section 21 of the Act. In addition to receiving fees for arranging the B [REDACTED] mortgage, I note that Steeves has engaged in the following essential aspects of that mortgage transaction:

- (a) Steeves indicated that he could arrange a mortgage for B [REDACTED].
- (b) Steeves indicated to B [REDACTED] that he was working with lenders to get him the loan he needed.
- (c) Steeves obtained necessary information from B [REDACTED] (i.e. information about his assets, a current statement from the first mortgagee and proof of insurance) in support of the mortgage loan being sought.
- (d) Steeves sought mortgage financing on behalf of B [REDACTED] from at least two registered submortgage brokers (the complainant and Askounis).
- (e) According to his email correspondence with B [REDACTED], Steeves was meeting with lenders on B [REDACTED]'s behalf.
- (f) Steeves provided B [REDACTED] with the mortgage commitment letter from David [REDACTED], Walt [REDACTED] and Jack [REDACTED].
- (g) When that deal fell through, Steeves referred it to Askounis.
- (h) Steeves forwarded the Mandate National Mortgage Corporation Statement of Affairs to B [REDACTED], had him complete and sign it and return it to him (Steeves). Presumably, Steeves, in turn, provided this to Askounis.

I THEREFORE CONSIDER THAT Steeves is conducting himself in a manner that would enable me to make an order under section 8(1.4).

I AGREE with Staff that a hearing of this matter would involve several witnesses, and would take approximately five days to complete and could not be held for at least three months due to scheduling of, witnesses, counsel and the hearing officer.

I FIND that the length of time that would be required to hold a hearing in order to make an order under section 8(1.4) would be detrimental to the due administration of the Act. Steeves, by engaging in unregistered mortgage broker activity, has undermined the integrity of the mortgage broker industry in British Columbia. Furthermore, this is not the first time that Steeves' activities have come to the attention of Staff. Steeves was warned explicitly about the registration requirements for mortgage brokering in this province in 2007. In spite of that warning, he has continued engaging in activities for which registration is required.

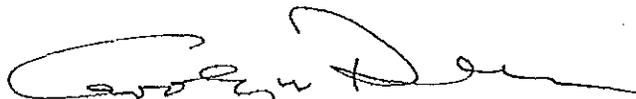
I AM FURTHER OF THE OPINION that it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the Act so that the public is protected against further non-compliance with the Act's provisions.

I THEREFORE ORDER, pursuant to sections 8(1.4)(a) and 8(2) of the Act that Bennett Steeves, aka Basil Steeves:

Cease and desist engaging in unregistered mortgage broker activity in the Province of British Columbia, effective immediately, unless and until he becomes registered to do so under the provisions of the Act.

TAKE NOTICE that Steeves may, under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 14 day of June, 2012
at Vancouver, British Columbia



Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

TO: Bennett Steeves
aka Basil Steeves



Appendix C1

British Columbia - *In the Matter of the Mortgage Brokers Act and Keith Allan Cook,*
Consent Order (April 2012)



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313

-AND-

KEITH ALLAN COOK

CONSENT ORDER

The following agreement having been reached between and consented to by Keith Allan Cook ("Cook"), and the Staff of the Registrar of Mortgage Brokers ("Staff"), the Registrar of Mortgage Brokers (the "Registrar") agrees to the following terms of a consent order:

A. ORDERS

Cook consents to, and the Registrar makes, the following orders that:

1. Cook shall pay an administrative penalty in the amount of **\$25,000.00** immediately upon execution of this Order, pursuant to section 8(1.1) of the *Mortgage Brokers Act*, RSBC 1996, c.313 (the "*Act*").
2. Cook shall pay costs of the investigation in the amount of **\$10,000.00** immediately upon execution of this Order, pursuant to section 6(9) of the *Act*.
3. Pursuant to s.8(1)(d) of the *Act*, for the two-year period immediately following the date of this Order, Cook shall not act as a Designated Individual of any mortgage brokerage in British Columbia.

Registrar of Mortgage Brokers

1200 – 13450 102nd Avenue
Surrey, BC V3T 5X3
Telephone: 604-953-5300
Facsimile: 604-953-5301
<http://www.fic.gov.bc.ca>

4. Pursuant to s.8(1)(d) of the *Act*, Cook consents to be audited by the Registrar's staff for compliance with his duties and responsibilities as a registrant, on a semi-annual basis, for two years from the date of this Order. The focus of those audits shall be limited to files generated by Mr. Cook after the date of this consent order. Cook shall bear the cost of these audits, being Staff's time (at a rate of \$80.00/hour) as well as associated travel expenses, to a maximum total cost of \$2,500 per audit, including accommodation expenses. Staff shall provide Cook with an accounting of time spent on each audit, as well as associated travel costs. Cook, and the Designated Individual of the mortgage brokerage which employs him, will be given one week's notice of any audit.
5. Pursuant to section 8(1)(d) of the *Act*, Cook shall take and complete *The Applied Information Course* offered by the Mortgage Broker Association of British Columbia within 12 months of the date of this Order.

B. FACTS AND ADMISSIONS

Background

1. Cook has been a registered submortgage broker in British Columbia, with few periods of interruption, since December 20, 2001.
2. Cook has been a submortgage broker with Verico Lighthouse Mortgage Corporation ("Lighthouse"), in the Victoria branch, since January 29, 2007, save for a 4-week interruption in 2009.
3. Cook has been a director of Lighthouse since February 28, 2007.

Breaches

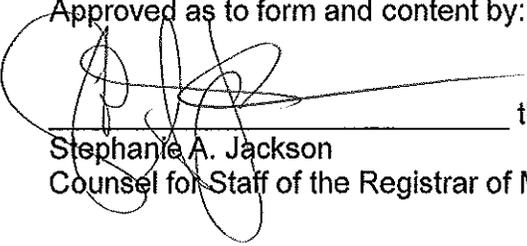
4. Cook engaged in conduct prejudicial to the public interest contrary to s.8(1)(i) of the *Act* when he:
 - (a) Submitted several mortgage applications to lenders without disclosing that the client:
 - a.i. Was concurrently seeking financing to purchase other properties; and/or

- a.ii. Owned other properties, the existence of which Cook ought to have been aware of,
- (b) Submitted mortgage applications to lenders indicating that the home(s) being financed would be owner-occupied when he ought to have known that they would not be.
 - (c) Submitted a mortgage application to a lender indicating that the borrower had moved to Vancouver Island from Surrey, British Columbia when he knew that the borrower would be moving to Vancouver Island approximately seven weeks later.
 - (d) Inadvertently failed to amend the Form 11 given to a lender to disclose that his client was refinancing their property in part to pay out a promissory note issued by Lighthouse, a company of which Cook is a director, giving him a direct interest in the transaction. The original Form 11 was provided to the lender before the funds were advanced.
 - (e) Failed to disclose to lenders the existence of possible conflicts of interest where the vendor and borrower's employer were controlled by the same person and/or where the borrower and his/her employer (who verified income) were related.
 - (f) Failed to meet or speak to the client to verify the information found on a mortgage application given to him by a third party.
 - (g) Completed mortgage applications concurrently where the client's income varied on equity and stated income loan applications.

C. WAIVER

6. Cook waives his right to a hearing under section 8(1) of the Act and waives his right to an appeal under section 9 of the Act.

Approved as to form and content by:


Stephanie A. Jackson

Counsel for Staff of the Registrar of Mortgage Brokers

this 4 of May, 2012.

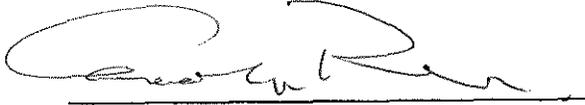
Registrar of Mortgage Brokers

1200 – 13450 102nd Avenue
Surrey, BC V3T 5X3
Telephone: 604-953-5300
Facsimile: 604-953-5301
<http://www.fic.gov.bc.ca>

And by:


_____, this 25th of April, 2012.
Keith Allan Cook

Dated at the
City of ~~Surrey~~, VANCOUVER, 
Province of British Columbia
this 10th day of May, 2012.



Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

Registrar of Mortgage Brokers

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Appendix D1

British Columbia - *In the Matter of the Mortgage Brokers Act and Earl Gary Lacharity and Jeanine Verle Ratcliffe, Cease and Desist Order* (October 2011)



IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313

-AND-

EARL GARY LACHARITY

-AND-

JEANINE VERLE RATCLIFFE

CEASE and DESIST ORDER

(Pursuant to s.8(1.4) of the *Mortgage Brokers Act*)

I am advised and based on the materials submitted by staff of the Registrar of Mortgage Brokers ("Staff"), I am of the opinion that:

Background

1. Neither Earl Gary Lacharity ("Lacharity") nor Jeanine Verle Ratcliffe ("Ratcliffe") has ever been registered mortgage brokers in British Columbia.

Complaints and Investigation

2. On September 16, 2011, Staff received an email complaint from [REDACTED] ("W [REDACTED]") a registered mortgage broker with Dominion Lending Centres Harbour View Mortgages Corporation (Vic City) ("DLC") regarding possible unregistered mortgage broker activity being conducted by Lacharity. The details of the complaint include the following:
- (a) Lacharity convinced borrowers to pay advance fees for mortgage financing.
 - (b) DLC's office had a total of ten deals involving Lacharity. W [REDACTED] estimated that Lacharity had collected a minimum of \$8,500 in advance fees from borrowers to date.
 - (c) W [REDACTED] suspected that there was "no pool of funds available for lending and [that Lacharity] is simply extracting fees from desperate or marginalized borrowers with no other source of funding."
 - (d) W [REDACTED] was aware of two borrowers (identified as S [REDACTED] and L [REDACTED]), who had advanced fees, as well as payments on their first mortgage, to Lacharity, on the understanding that he would forward those payments to the first mortgage holder with whom he said he would negotiate. The first mortgage holder has since indicated it would begin foreclosure proceedings.
 - (e) W [REDACTED] was aware of another borrower (identified as C [REDACTED]) who had paid advance fees for mortgage financing required for the purchase of a home. On Lacharity's assurance that the mortgage funds would be advanced, the purchaser removed the conditions precedent under the contract of purchase and sale. If the mortgage funds are not advanced by the closing date, the borrower risks losing the \$30,000.00 deposit which he has paid. W [REDACTED] wrote that a \$3,000 advance fee had been paid by this borrower by way of a personal cheque to Ratcliffe, who was referred to as Lacharity's assistant, and possibly his girlfriend.

██████████ and ██████████

3. On September 21, 2011, Staff met with ██████████ ("C ██████████") and ██████████ ("C ██████████") who advised as follows:

- (a) On August 25, 2011, C ██████████ signed a contract of purchase and sale for a home in Abbotsford, BC (the "Contract"). The Contract was subject to C ██████████ obtaining satisfactory financing on or before September 7, 2011. Once all subjects were removed, C ██████████ was required to pay a \$30,000 deposit towards the purchase price. The Contract provided for a completion date of November 15, 2011.
- (b) C ██████████ and C ██████████ contacted ██████████ ("L ██████████"), a registered submortgage broker with DLC to assist them in obtaining mortgage financing for the purchase of this home.
- (c) By email dated September 1, 2011, L ██████████ advised C ██████████ that he thought he had found a lender.
- (d) In his email to C ██████████ of September 2, 2011, L ██████████ advised as follows:

■.

Mortgage proposal details

10% down

12 month term

Interest only

Open Mortgage

Rate: 5.5%

Fee: 1.25%

Renewable if in good standing at rates of the date

Please call Gary Lacharity ASAP...

Banking information for file deposit. Needs to be deposited by tomorrow 12 noon.

Payable to: Ms Jeanine Ratcliffe

██████████, Victoria B.C.

██████████ Transit ██████████ AC# ██████████

Call me once you have spoken with Gary."

- (e) On September 3, 2011, C [REDACTED] spoke directly with Lacharity about their mortgage needs. Lacharity advised C [REDACTED] that the money would come from private investors, with whom he would speak about the deal.
- (f) On September 6, 2011, Lacharity met with C [REDACTED] and C [REDACTED]. At that time, Lacharity advised them that he could not loan money until at least September 10, 2011, when he was scheduled to meet with his partners. He did, however, charge a \$3,000 fee to open the file.
- (g) On September 6, 2011, and on Lacharity's instructions, C [REDACTED] and C [REDACTED] provided Lacharity with a cheque in the amount of \$3,000, made payable to Ratcliffe, who Lacharity described as his investor or partner. That cheque was cashed on September 7, 2011.
- (h) On September 6, 2011, C [REDACTED] and Lacharity signed an "Agreement", the terms of which included the following:

"For value received the undersigned, Mr. Gary Lacharity of Victoria, British Columbia, will proceed to arrange a mortgage/loan on behalf of [REDACTED] C [REDACTED] in the amount of [\$500,000], secured by a property at [REDACTED], Abbotsford, British Columbia.

The proposed mortgage will have an interest rate not exceeding five and one half percent (5 ½ %) for a two (2) year term...

Should for any reason what so ever Mr. Lacharity rescinds [sic] this application due to any misrepresentation or omission of or on behalf of the borrower, or for any other reason what so ever he is unable to provide a mortgage with similar terms as outlined above, then in such case the \$3,000 consideration paid by the borrower to Mr. Lacharity will be refunded in the amount of \$2,500 within 30 days of notification. It is understood that \$500 of this consideration will be deemed as earned and not be refundable.

Please Note: This \$3,000 consideration will go first to legal fees and the remainder towards the first month's payment of this mortgage, once granted."

- (i) On September 11, 2011, Lacharity phoned C [REDACTED] and told him that only two out of the three investors who would be funding the mortgage had approved the loan.
- (j) On September 12, 2011, Lacharity phoned C [REDACTED] and told him that his investors would loan him the money if he accepted an interest rate of 5.75%. Lacharity assured C [REDACTED] in this discussion that the loan had been approved.
- (k) Based on Lacharity's assurance that the mortgage had been approved, C [REDACTED] removed the subjects in the Contract. A deposit of \$30,000 was paid towards to the purchase price.

- (l) On September 15, 2011, C [REDACTED] and C [REDACTED] were told by L [REDACTED] that DLC was not confident that Lacharity would complete funding for the purchase of the home.
- (m) On September 21, 2011, C [REDACTED] called Lacharity who assured him that the mortgage file was with his lawyer, and that a formal mortgage commitment would be forthcoming.
- (n) As of September 26, 2011, C [REDACTED] and C [REDACTED] have heard nothing further from Lacharity.

[REDACTED] and [REDACTED]

4. On September 23, 2011, Staff interviewed [REDACTED] ("L [REDACTED]") who advised as follows:
- (a) L [REDACTED] met Lacharity through her workplace, where Lacharity was a customer.
 - (b) On one occasion, when Lacharity was in the store where L [REDACTED] worked, he mentioned that he arranged mortgages for borrowers to whom banks would not lend. L [REDACTED] indicated to Lacharity that she was looking for mortgage financing, at which time he provided her with his contact information on a business card. Contact information for Lacharity was also forwarded to L [REDACTED] by email sent by Ratcliffe on March 27, 2011.
 - (c) L [REDACTED] had previously contacted a mortgage broker, namely [REDACTED] ("L [REDACTED]") at DLC. She forwarded Lacharity's contact information to L [REDACTED].
 - (d) L [REDACTED], her husband [REDACTED] ("S [REDACTED]"), L [REDACTED] and Lacharity then met to discuss mortgage financing. At that time, Lacharity indicated that his normal fee was \$1,000 to open a file, but that he would reduce that amount to \$500.
 - (e) L [REDACTED] and S [REDACTED] subsequently gave Lacharity a cheque dated July 1, 2011 in the amount of \$500. That cheque, made payable to Lacharity, was cashed on July 5, 2011.
 - (f) L [REDACTED] and S [REDACTED] had an existing first mortgage on their home with [REDACTED] ("W [REDACTED]") and a second mortgage with C [REDACTED].

- (g) Lacharity initially suggested that he would provide financing to pay out and take over the W■■ mortgage, but then said that he would work with W■■ to reduce their interest payments.
- (h) Lacharity told L■■ and S■■ that he had spoken with W■■ and had negotiated a lower interest rate on their existing first mortgage. He also told them that he had made a mortgage payment to W■■ on their behalf in the amount of \$2,370. On July 19, 2011, L■■ and S■■ reimbursed Lacharity for this payment by way of cheque made payable to Lacharity. That cheque was cashed on July 21, 2011. L■■ has since learned that Lacharity had never made a payment to W■■ on their behalf.
- (i) Lacharity then verbally offered L■■ and S■■ a second mortgage in the amount of \$65,000. The S■■ intended to use the proceeds from this mortgage to pay out the existing C■■ second mortgage and to consolidate other debt.
- (j) On August 3 and 9 2011, L■■ and S■■ gave Lacharity cheques for \$380 and \$270 respectively, which Lacharity said would go towards legal fees associated with the mortgage. The cheques were returned by L■■'s and S■■'s bank, as they had insufficient funds in their account.
- (j) On August 9, 2011 L■■ and S■■ signed a "Direction Re: Proceeds of Mortgage Loan" which Lacharity had provided to them. Their signatures appear to have been witnessed by Lacharity. The document authorized Lacharity to pay \$43,953.65 to various creditors, including \$16,550.17 to C■■ and \$15,474.65 to W■■.
- (k) In early September 2011, L■■ and S■■ paid Lacharity \$930 in cash to cover the two returned cheques, as well as an additional \$300 which Lacharity said he had deposited in their account.
- (l) On September 16, 2011, S■■ and L■■ received a letter from W■■, advising that W■■ had commenced foreclosure proceedings.
- (m) Lacharity had advised L■■ and S■■ that their money was being held in trust by his legal counsel. They were advised by DLC, who had made inquiries on their behalf, that Lacharity's lawyer had no file for them.
- (n) On September 20, 2011, L■■ and S■■ asked Lacharity to return their money to them. He said that he needed 15 days to do so.

██████████ and ██████████ (collectively the "B██████")

5. On September 23, 2011, Staff interviewed ██████████ ("G██████") of DLC who advised that he had heard about Lacharity through L██████. G██████ contacted and/or introduced his clients, the B██████ to Lacharity as follows:

- (a) G██████ told Staff that he contacted Lacharity on the B██████' behalf. Lacharity told G██████ that he had been lending money for the last eight years and that he worked with two or three dentists. G██████ forwarded Lacharity's contact information to the B██████ who later told him that they had paid a \$1000 "set up fee" to Lacharity, and had also signed a fee agreement with him.
- (b) On September 15, 2011, G██████ contacted Lacharity's lawyer who advised G██████ that he had only been working with Lacharity for three or four weeks and had not yet received any mortgage files from him.
- (c) On September 20, 2011, Lacharity's lawyer wrote G██████. His letter included the following:

"In response to your concerns Mr. Lacharity will be withdrawing any offers of loans to clients introduced by Dominion Lending Centres...Were it not for your email some of these loans may well have been approved...Mr. Lacharity is withdrawing his support of all of these applications...Mr. Lacharity has advised that he will be refunding the deposits paid..."

The letter listed seven prospective borrowers whose loan applications would no longer be considered by Lacharity, including the B██████. Two of the borrowers listed were not DLC clients at all.

6. On September 23, 2011, Staff met with ██████████ ("L██████"), a registered submortgage broker with DLC. L██████ advised that in late June 2011, he had learned from L██████ that Lacharity was a private lender. L██████ proceeded to refer the following borrowers to Lacharity:

██████████ ("M██████")

- (a) L██████ contacted Lacharity about M██████, who needed a second mortgage on his property.
- (b) Lacharity told L██████ that any mortgage would be financed by him and two of his partners who were dentists in Vancouver. In order to get

started, Lacharity told L [REDACTED] that he needed a refundable deposit from the borrower, which would be applied to legal fees.

- (c) M [REDACTED] paid Lacharity at total of \$900 in fees.
- (d) By July 25, 2011, L [REDACTED] understood that the loan had been approved, and that Lacharity would be forwarding a commitment letter. He later wrote Lacharity on August 9, 2011 instructing him on the distribution of the second mortgage funds, which totaled \$30,000.
- (e) L [REDACTED] has, in his file, a payment order dated August 25, 2011, signed by M [REDACTED] and apparently witnessed by Lacharity, authorizing payments to be made on M [REDACTED]'s behalf which are consistent with the instructions set out by L [REDACTED] on August 9, 2011.
- (f) M [REDACTED] told L [REDACTED] that mortgage funds were never advanced as promised.

[REDACTED] ("B [REDACTED]") and [REDACTED] ("M [REDACTED]")

- (g) In August 2011, L [REDACTED] referred B [REDACTED] and M [REDACTED] to Lacharity, as they required a second mortgage.
- (h) B [REDACTED] and M [REDACTED] told L [REDACTED] that they paid Lacharity a \$1,000 fee.

[REDACTED] and [REDACTED] (the "F [REDACTED]")

- (i) In August 2011, L [REDACTED] referred the F [REDACTED], who required a first mortgage, to Lacharity.
- (j) L [REDACTED] personally paid Lacharity's initial fee of \$500 on the F [REDACTED]'s behalf, intending to collect it back from the F [REDACTED] at a later date.

██████████ ("M ████████")

- (k) In August 2011 he referred M ████████, who needed a second mortgage of \$200,000, to Lacharity.
- (l) Lacharity, L ████████ and M ████████ subsequently met, and shortly thereafter Lacharity advised that the financing had been approved. He collected a \$2,000 fee from M ████████ in the form of a bank draft purchased on August 18, 2011, made payable to Lacharity.
- (m) L ████████ provided Staff with an "Agreement" dated August 18, 2011, signed by M ████████ but not signed by Lacharity. The Agreement provides in part as follows:

"For value received the undersigned, Mr. Gary Lacharity of Victoria, British Columbia, will proceed to arrange a mortgage on behalf of [M ████████] in the amount of [\$235,000] secured by a property at ██████████, Victoria, British Columbia.

The said mortgage will have an interest rate not exceeding [7.5%] for a 3 year term...

Should for any reason what so ever Mr. Lacharity rescinds [sic] this application due to any misrepresentation or omission of or on behalf of the borrower, or for any other reason what so ever he is unable to provide a mortgage with similar terms as outlined above, then in such case the \$2,000 consideration paid by the borrower to Mr. Lacharity will be refunded in full within 15 days of notification. Please note: This \$2,000 consideration will go first to legal fees and the remainder towards the first month's payment of this mortgage, once granted..."

██████████ ("W ████████")

- (n) In August 2011, he referred W ████████, who needed a second mortgage, to Lacharity.
- (o) Lacharity, W ████████ and L ████████ met to discuss the mortgage.
- (p) On September 1, 2011, W ████████ and Lacharity signed a "2nd Mortgage Agreement" which included the following terms:

"For value received the undersigned, Mr. Gary Lacharity of Victoria, British Columbia, will proceed to arrange a mortgage on behalf of ████████ W ████████ [sic] in the amount of [\$190,000], secured by a property at ██████████ Victoria BC, British Columbia [sic].

The said mortgage will be a 2nd charge behind CIBC 1st Mortgage of a maximum of \$310,000. The 2nd Mortgage will have an interest rate not exceeding [5.5%] for a 2 year term...

Should for any reason what so ever Mr. Lacharity rescinds [sic] this application due to any misrepresentation or omission of or on behalf of the borrower, or for any other reason what so ever he is unable to provide a mortgage with similar terms as outlined above, then in such case the \$500 consideration paid by the borrower to Mr. Lacharity will be refunded in full within 15 days of notification. Please Note: This \$500 consideration will go first to legal fees and the remainder towards the first month's payment of this mortgage, once granted."

- (q) W■■■■ subsequently provided Lacharity with a bank draft purchased September 2, 2011. The draft was for \$1,500 and was made payable to Lacharity.

Applicable legislation

7. Section 1 of the *Mortgage Brokers Act* (the "Act") provides the following definitions:

"mortgage" includes every instrument by which

- (a) land in British Columbia,
- (b) for the purposes only of paragraphs (c) and (f) of the definition of "mortgage broker", sections 14.1 and 17.4 and Division 3 of Part 2, land, whether or not in British Columbia,

is in any manner, conveyed, assigned, pledged or charged as security for the payment of money or money's worth to be reconveyed, reassigned or released on satisfaction of the debt, but does not include an agreement for sale of or a right to purchase land or an interest in land;

"mortgage broker" means a person who does any of the following:

- (a) carries on a business of lending money secured in whole or in part by mortgages, whether the money is the mortgage broker's own or that of another person;
- (b) holds himself or herself out as, or by an advertisement, notice or sign indicates that he or she is, a mortgage broker;
- (c) carries on a business of buying and selling mortgages or agreements for sale;
- (d) in any one year, receives an amount of \$1 000 or more in fees or other consideration, excluding legal fees for arranging mortgages for other persons;
- (e) during any one year, lends money on the security of 10 or more mortgages;
- (f) carries on a business of collecting money secured by mortgages;

8. Section 8(1.4) of the Act provides as follows:

8(1.4) After giving a person an opportunity to be heard, the registrar may do one or more of the following:

- (a) order the person to cease a specified activity;
- (b) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
- (c) order the person to pay an administrative penalty of not more than \$50,000;

If, in the opinion of the registrar, the person was or is carrying on business as a mortgage broker or submortgage broker without being registered as required by this Act.

9. Section 8(2) of the Act provides as follows:

8(2) If the length of time that would be required to give a person an opportunity to be heard under subsection (1), (1.2), (1.3) or (1.4) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may, without giving the person an opportunity to be heard, suspend a registration under subsection (1)(a) or (1.3)(a) or make an order under subsection (1)(c) or (d), (1.2)(a), (1.3)(c) or (d) or (1.4)(a) or (b).

10. Section 21(1)(a) of the Act provides as follows:

21(1) Unless exempted under section 1, a person must not do any of the following:

- (a) carry on business as a mortgage broker or submortgage broker unless the person is registered under this Act;

...

AND WHEREAS I AM THEREFORE OF THE OPINION THAT:

1. Lacharity is holding himself out as a mortgage broker; arranging mortgages for other persons for a fee. He has also suggested that Ratcliffe is his business partner, and has directed, in at least one instance, that advance fees in respect of a mortgage be made payable to her.
2. Lacharity and Ratcliffe are currently conducting mortgage broker activity in British Columbia without being registered to do so, contrary to section 21 of the Act. To date, Staff has uncovered eight instances where Lacharity has

held himself out as someone who lends money, secured by mortgages on land in British Columbia. There is evidence from Lacharity's own legal counsel that there may be two additional borrowers who have approached Lacharity for mortgage financing.

I THEREFORE CONSIDER THAT Lacharity and Ratcliffe are conducting themselves in a manner that would enable me to make an order under section 8(1.4).

I AGREE with Staff that a hearing of this matter would involve several witnesses, and would take approximately two weeks to complete, and could not be held for at least three months due to scheduling of parties, witnesses, counsel and the hearing officer.

I FIND that the length of time that would be required to hold a hearing in order to make an order under section 8(1.4) would be detrimental to the due administration of the Act. Lacharity and Ratcliffe, by engaging in unregistered mortgage broker activity, have undermined the integrity of the mortgage broker industry in British Columbia. I note, in particular, as follows:

- (a) Lacharity has held himself, and Ratcliffe, out as private lenders, willing to advance mortgage funds to those who cannot obtain traditional financing.
- (b) Staff is currently aware of at least eight instances where Lacharity and/or Ratcliffe have offered to consider mortgage applications and/or provide mortgage financing to borrowers. In all cases, borrowers were required to pay advance fees, which total \$13,700, none of which appear to have been refunded by Lacharity and/or Ratcliffe to date. It does not appear that mortgage funds, even where promised, were ever advanced, either.

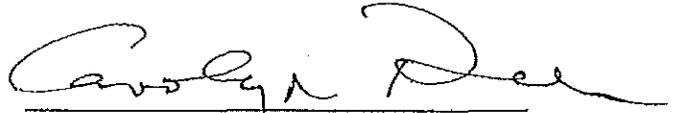
I AM FURTHER OF THE OPINION that it is in the public interest to make a summary order under section 8(1.4)(a) and 8(2) of the Act so that the public is protected against further non-compliance with the Act's provisions.

I THEREFORE ORDER, pursuant to sections 8(1.4)(a) and 8(2) of the Act that Lacharity and Ratcliffe:

Cease and desist engaging in unregistered mortgage broker activity in the Province of British Columbia, effective immediately, unless and until they become registered to do so under the provisions of the Act.

TAKE NOTICE that Lacharity and Ratcliffe may, under section 9 of the Act, appeal this Order to the Financial Services Tribunal.

Issued this 31st day of October, 2011
at Surrey, British Columbia



Carolyn Rogers
Registrar of Mortgage Brokers
Province of British Columbia

TO: Earl Gary Lacharity
[Redacted]
[Redacted]
[Redacted]

AND TO: Jeanine Verle Ratcliffe
[Redacted]
[Redacted]
[Redacted]

Appendix E1

British Columbia - *In the Matter of the Mortgage Brokers Act and Maryam Asadi,*
Suspension Order (August 2008)

IN THE MATTER OF THE MORTGAGE BROKERS ACT

R.S.B.C. 1996, c 313

-AND-

MARYAM ASADI

SUSPENSION ORDER

(Pursuant to section 8(2) of the *Mortgage Brokers Act*)

I AM ADVISED and am of the opinion that:

Background

1. Maryam Asadi ("Asadi") has been registered in British Columbia as a licensed Real Estate Representative since April 8, 2004 and has been working as a licensed real estate representative with Re/Max Crest Realty, located at #101 – 2609 Westview Drive, North Vancouver since May 6, 2004.
2. Asadi has been registered in British Columbia as a submortgage broker with Mortgage Alliance of Canada ("Mortgage Alliance") since August 21, 2006.
3. The designated individual for Mortgage Alliance is [REDACTED] ("[REDACTED]").
4. On April 30, 2008, the office of the Registrar of Mortgage Brokers (the "Registrar") received a complaint from [REDACTED] in respect of Asadi. [REDACTED] reported that one of her clients ([REDACTED]), who had complained to Mortgage Alliance, alleged that Asadi had collected \$4000 in fees without proper disclosure. [REDACTED] advised that he had since suspended Asadi.
5. Staff of the Registrar (the "Staff") reviewed a random sampling of 21 mortgages completed by Asadi. Of the 21 reviewed, 15 were deemed suspicious for reasons set out in more detail below.

False and/or fraudulent employment and/or income information

6. In reviewing the mortgage files, Staff identified inconsistencies and/or discrepancies in documents filed in support of many of the mortgage applications. Details of the issues identified are set out below:

[REDACTED] (" [REDACTED]") mortgage

7. In November 2006, Asadi submitted a mortgage application to [REDACTED] on behalf of [REDACTED] which indicated that [REDACTED] had been the owner of [REDACTED] for the past six years, earning \$195,000. That application was declined when Asadi advised that she felt uncomfortable approaching [REDACTED] and asking her to sign an authorization for release of information from Canada Customs and Revenue Agency ("CCRA") which [REDACTED] had requested.
8. On March 1, 2008, Asadi submitted a mortgage application on behalf of [REDACTED] to [REDACTED] (" [REDACTED]") stating that [REDACTED] had been the owner of [REDACTED] for the past eight years, earning \$98,600 a year. In support of this application Asadi submitted a 2006 Notice of Assessment ("NOA") for [REDACTED] showing an income of \$98,635.
9. Staff called [REDACTED] and was first advised that [REDACTED] was a customer and not an employee or owner. Staff was then advised that [REDACTED] was actually the owner's mother.
10. Staff reviewed [REDACTED] website which indicates that the owner is [REDACTED] and not [REDACTED]. This is consistent with corporate registry documents which show that [REDACTED] is the sole director of the limited company which owns [REDACTED]

[REDACTED] (" [REDACTED]") mortgages

11. In February 2007, Asadi submitted a mortgage application on behalf of [REDACTED] which indicated that [REDACTED] had been a registered nurse working for [REDACTED] Care for the past four years and eight months, earning \$98,000. In support of her application, Asadi submitted copies of [REDACTED] 2004 and 2005 NOAs showing income of \$89,764 and \$106,550 respectively.
12. In reviewing the mortgage file, Staff noted the following discrepancies:

- (a) "[REDACTED]" is not a registered corporate entity; and
 - (b) The Credit Bureau report in Asadi's file, which was run on February 4, 2007 identifies [REDACTED] last known employer as "[REDACTED]", where she was employed as a registered nurse.
13. Asadi arranged a second mortgage for [REDACTED] in August 2007. The mortgage application submitted by Asadi in August 2007 indicated that [REDACTED] had been working as a registered nurse for [REDACTED] for the past three years and eight months, earning \$111,000.
 14. Staff noted that the second application, which was submitted only 6 months after the first, was inconsistent both in respect of the length of time [REDACTED] said that she had owned [REDACTED] and in respect of her employment income.
 15. Included in the second loan file was a copy of [REDACTED] bank statement for the period from May 14, 2007-June 14, 2007, which included a payroll deposit from "[REDACTED]" in the amount of \$1,362.62. It appears likely that "[REDACTED]" stands for "[REDACTED]", [REDACTED] employer according to the Credit Bureau report. Based on a bi-weekly pay period, a net income of \$1,362.62 results in an annual net pay of \$35,428.12. This is not consistent with the gross income shown on either of the mortgage applications or the NOAs submitted in support of same.

[REDACTED] ([REDACTED]) mortgage

16. In March 2007, Asadi submitted a mortgage application indicating that [REDACTED] had been a fleet owner of [REDACTED] Cab Company for the past 10 years, earning \$126,000. NOAs for 2004 and 2005, showing incomes of \$110,839 and 116,541 respectively, were submitted in support.
17. Staff made inquiries and determined [REDACTED] last worked at [REDACTED] Cab Company in March 2006 and that he had never been a fleet owner. Staff was advised that [REDACTED] had quit to work at [REDACTED] Cab Company to become an electrician.

[REDACTED] ("[REDACTED]") and [REDACTED] ("[REDACTED]") mortgage

18. In or about March 2007, Asadi submitted a mortgage application on behalf of [REDACTED] and [REDACTED] indicating that [REDACTED] had been the owner of [REDACTED] Day Care for the past five years and three months, earning \$118,000. In support of the application, [REDACTED] NOAs for 2004 and 2005 were submitted, showing annual income of \$107,780 and \$129,260 respectively.
19. Investigation conducted by the Staff disclosed the following:
 - a. [REDACTED] Day Care is not a registered corporate entity in British Columbia;
 - b. [REDACTED] is the sole proprietor of [REDACTED] which was registered on September 7, 2007, some six months after the mortgage application was submitted; and
 - c. The income on the NOAs appears high given that family daycares have restrictions limiting the number of the children in the daycare to seven.

[REDACTED] ("[REDACTED]") mortgage

20. In March 2007, Asadi submitted a mortgage application on behalf of [REDACTED] stating that [REDACTED] had been employed by [REDACTED] for the past three years and eight months, earning \$89,000. In support of this application Asadi submitted an employment letter authored by [REDACTED] Azad confirming [REDACTED] employment and income.
21. Investigation conducted by the staff disclosed the following:
 - a. The Credit Bureau report in Asadi's mortgage file, pulled on March 8, 2007, indicated that [REDACTED] last known employer was [REDACTED];
 - b. A corporate registry search showed that the director of [REDACTED] is [REDACTED] whose listed address is the same as Asadi's residential address. The existence of any relationship between Asadi and [REDACTED] was never disclosed on the Form 10 Disclosure Statement.

[REDACTED] (" [REDACTED] ") and [REDACTED] (" [REDACTED] ") mortgage

22. In March or April 2007, Asadi submitted a mortgage application on behalf of [REDACTED] and [REDACTED] indicating that [REDACTED] had been the owner of [REDACTED] Dry Clean for the past two years and six months, earning \$69,000.
23. Investigations conducted by the Staff disclosed the following:
- (a) A corporate registry search showed that the owner of [REDACTED] Cleaners was [REDACTED] and not [REDACTED];
 - (b) Staff called [REDACTED] Cleaners and was advised that [REDACTED] no longer worked there; and
 - (c) A Credit Bureau report which was in Asadi's mortgage file indicated that [REDACTED] last known employer was [REDACTED] Dry Cleaners; and
 - (d) Corporate searches showed that [REDACTED] was not the owner of [REDACTED] Dry Cleaners.

[REDACTED] (" [REDACTED] ") mortgage

24. In or about June 2007, Asadi submitted a mortgage application on behalf of [REDACTED] stating that [REDACTED] had been the owner of [REDACTED] [REDACTED] for the past four years, earning \$139,000. In support of this application a 2006 NOA showing an income of \$91,389, a Certificate of Incorporation and Notice of Articles of Incorporation for [REDACTED] [REDACTED] were submitted.
25. A review of the documents by the Staff disclosed the following:
- (a) The Credit Bureau report (pulled on March 20, 2007) in Asadi's file did not show any work history for [REDACTED];
 - (b) The 2006 NOA did not appear to be genuine as the applicable Tax Centre on the top portion of the page is identified as "Surrey, ON V3T 5E1". The same field appears on the bottom part of the page (the 2007 RRSP Deduction Limit Statement) and reads: "Surrey BC V3T 5E1";

- (c) The Certificate of Incorporation for [REDACTED] appears to have been altered due to the font used and the position of the company name on the document; and
- (d) A corporate registry search yielded no results for "[REDACTED]" although there is a company named "[REDACTED]" which has only been registered since March 2006 and whose sole director is [REDACTED].

[REDACTED] (" [REDACTED]") mortgage

- 26. In June 2006, Asadi submitted a mortgage application on behalf of [REDACTED] stating that [REDACTED] had been employed as a manager and make-up artist with [REDACTED] for the past three years, earning \$72,000. In support of the application Asadi submitted a job letter from [REDACTED] confirming [REDACTED] annual income.
- 27. In reviewing the file, Staff noted the following:
 - (a) The Credit Bureau report in Asadi's file, which was run on June 19, 2007 identifies [REDACTED] last known employer as [REDACTED]; and
 - (b) A gross salary of \$72,000 appears excessive for a make-up artist; and
 - (c) The Contract of Purchase and Sale for the property [REDACTED] was trying to finance identified her occupation as graphic designer.

[REDACTED] (" [REDACTED]") and [REDACTED] (" [REDACTED]") mortgage

- 28. In or about June 2007, Asadi submitted a mortgage application on behalf of [REDACTED] and [REDACTED] stating that [REDACTED] had been the owner of [REDACTED] for the past eight years and four months, earning \$98,000 and that [REDACTED] had been the manager of [REDACTED] for the past four years and four months, earning \$68,000.
- 29. A corporate records search conducted by Staff showed that the director of [REDACTED] was [REDACTED].

[REDACTED] (" [REDACTED] ") mortgage

30. In June or July 2007, Asadi submitted a mortgage application on behalf of [REDACTED] stating that [REDACTED] had been the owner and director of [REDACTED] Painting Ltd. for the past four years and three months, earning \$106,000. In support of his application copies of [REDACTED] 2006 T1 General, Certificate of Incorporation and Notice of Articles of Incorporation for [REDACTED] were submitted.
31. In reviewing the file, Staff noted the following discrepancies:
- (a) The Credit Bureau report in Asadi's file (which had been run April 26, 2007 and updated in June 2007) showed that [REDACTED] last known employer was [REDACTED] Painting where he was employed as a painter.
 - (b) A corporate registry search revealed that the sole director and officer of [REDACTED] Painting Ltd. is [REDACTED], who does not share the same address as [REDACTED];
 - (c) The Certificate of Incorporation and Notice of Articles of Incorporation submitted with the mortgage application related to [REDACTED] Painting Ltd., a completely different company than the company identified in the application itself;
 - (d) A corporate registry search of [REDACTED] Painting Ltd. showed that [REDACTED] had ceased being a director on June 17, 2005, well before the mortgage application was submitted; and
 - (e) The 2006 T1 General identified [REDACTED]'s source of income as "self employment income (business income)" whereas income from a company would normally appear as employment or dividend income.

Statement of [REDACTED] (" [REDACTED] ") mortgage

32. In June or July 2007 Asadi submitted a mortgage application on behalf of [REDACTED] stating that [REDACTED] had been the office manager of [REDACTED] Property Management for the past six years, earning \$78,000. In support of [REDACTED] application, Asadi submitted a job letter from [REDACTED] dated July 9, 2007 indicating that [REDACTED] had been an employee since March 2006.

33. The job letter submitted in support of [REDACTED] mortgage contradicted the employment information on the mortgage application, which stated that [REDACTED] had been the manager of [REDACTED] Property Management for the past six years.

[REDACTED] ("[REDACTED]") mortgage

34. In or about November 2007, Asadi submitted a mortgage application on behalf of [REDACTED] stating that [REDACTED] had been an owner-driver of [REDACTED] Trucking – [REDACTED] Trucking for the past three years, earning \$89,000. In support of the mortgage application, the following documents were submitted: [REDACTED] 2006 NOA (showing an income of \$89,105), [REDACTED] 2006 T1 General, a 2006 Statement of Business Activities for [REDACTED] Trucking and an application for incorporation for [REDACTED] Trucking Ltd.
35. Staff reviewed the mortgage file and noted the following discrepancies:
- (a) A corporate registry search for [REDACTED] Trucking yielded no results; and
 - (b) [REDACTED] 2006 NOA, under the section "2007 RRSP Deduction Limit Statement" stated that 18% of \$89,185 is \$16,038. Recalculation of this percentage shows that number to be incorrect: the correct number \$16,053.30.

[REDACTED] ("[REDACTED]") mortgage

36. In or about February 2008, Asadi submitted a mortgage application on behalf of [REDACTED] which indicated that [REDACTED] had been the owner of [REDACTED] for the past three years and two months, earning \$98,300. In support of the mortgage application, Asadi submitted a copy of a 2006 NOA for [REDACTED] which showed an income of \$98,318.
37. Staff, in the course of its investigation, determined the following:
- (a) The only current known location for [REDACTED] is in Oakridge Mall;
 - (b) Staff called [REDACTED] and spoke with an employee who did not recognize [REDACTED] name. The employee passed the phone to the owner who also did not recognize [REDACTED] name. The owner added that there had once been a [REDACTED] at Metrotown

Mall, owned by someone named [REDACTED], but that it had closed several years earlier; and

- (c) Staff called Metrotown Mall and confirmed that [REDACTED] had not been operating there for many years.

[REDACTED] (" [REDACTED]") mortgage

- 38. In or about March 2008 Asadi submitted a mortgage application on behalf of [REDACTED] which indicated that [REDACTED] had been the self-employed owner of [REDACTED] Dental Supplies for the past three years and six months, earning \$87,000.
- 39. The application was initially submitted to [REDACTED] Financial (" [REDACTED]") which declined it in early April 2008, after expressing concerns about the documents submitted in support of the application. [REDACTED] had requested notarized copies of NOAs, which prompted Asadi to cancel this and all future deals she had with them. This is reviewed in more detail below.
- 40. After [REDACTED] declined the application, Asadi submitted a new application to [REDACTED]. This application, however, stated that [REDACTED] had been the owner of [REDACTED] for the past three years and six months. In support of this application Asadi submitted NOAs for 2005 and 2006 (showing income, respectively, of \$87,327 and \$87,614).
- 41. Staff reviewed the information in the [REDACTED] mortgage file and noted the following:
 - (a) The Credit Bureau report in Asadi's file indicated that [REDACTED] last known employer was [REDACTED] where she worked as a dental assistant;
 - (b) When Staff called [REDACTED] office and asked for [REDACTED] the receptionist advised that [REDACTED] was with a patient, but offered to take a message;
 - (c) Staff contacted [REDACTED] by phone and asked to speak with [REDACTED]. The individual who answered indicated that there was no one by that name employed there and that the owner's name was [REDACTED];

- (d) The Notice of Articles of Incorporation for [REDACTED], which had been submitted to [REDACTED] indicated that there were four directors, each one of whom bore the name "[REDACTED]";
- (e) A corporate search of [REDACTED], conducted by Staff on June 26, 2008, revealed that there are four different directors for the company, one of whom is [REDACTED] and
- (f) The registered address for [REDACTED] (Pender Street) is that of [REDACTED]. It seems likely that "[REDACTED]" stands for "[REDACTED]"

[REDACTED] ("[REDACTED]") and [REDACTED] ("[REDACTED]") mortgage

- 42. [REDACTED] wrote [REDACTED] on April 14, 2008 complaining about Asadi's services. [REDACTED] complaint revolved around \$4,000 in fees which [REDACTED] charged for her services. This is discussed in more detail below, under the heading "non-disclosure of fees."
- 43. The mortgage application submitted by Asadi on behalf of [REDACTED] and her husband, [REDACTED], indicated that they were employed, respectively, at [REDACTED] (earning \$31,000) and [REDACTED] (earning \$61,000). Filed in support of the mortgage application was a 2006 NOA for [REDACTED], dated April 24, 2007, showing his 2006 income as \$61,309.
- 44. Staff contacted the bank which had previously held the mortgage on the [REDACTED] property and learned that they had a copy of [REDACTED] 2006 NOA on file. A copy was obtained, but it was dated June 4, 2007 and showed income for [REDACTED] in 2006 of \$38,126.
- 45. In subsequent discussions with Staff, [REDACTED] confirmed that the 2006 NOA dated April 24, 2007 was false. She further verified that her husband's 2006 NOA dated June 4, 2007 was legitimate.

Non-disclosure of fees to lenders and failure to remit borrower fees to Mortgage Alliance

- 46. Five of the mortgages reviewed indicated the following:
 - (a) That fees paid by the borrower were not disclosed by Asadi to lenders; and

- (b) That fees paid by the borrower were not remitted by Asadi to Mortgage Alliance.

Particulars of these transactions, and the information contained in the mortgage files, are set out below:

████████ mortgage

- The Form 10, dated August 27, 2008 and signed by Asadi, contains the following representation: "THE MORTGAGE ALLIANCE COMPANY...WILL RECIVE [sic] A FEE DIRECTLY FROM THE LENDER. NO ADDITIONAL FEE IS OR WILL BE CHARGED TO THE CLIENT FOR THE BROKER'S SERVICES."
- The Fixed Credit Disclosure Statement, dated August 28, 2007 and signed by Asadi, indicates that the lawyer or borrower, at or prior to completion, is paying \$2,000 in broker fees.
- The Mortgage Alliance Invoice Checklist, signed by Asadi, discloses receipt of a finder's fee (paid by the lender) in the amount of \$5,278.50. There was no indication on the Checklist of the receipt of an additional fee from the borrower.
- The mortgage file did not include a Form 10 to the lender disclosing the borrower fees received.

████████ mortgage

- The Form 10, dated June 28, 2007 and signed by Asadi, contains the following representation: "THE MORTGAGE ALLIANCE COMPANY...WILL RECIVE [sic] A FEE DIRECTLY FROM THE LENDER. NO ADDITIONAL FEE IS OR WILL BE CHARGED TO THE CLIENT FOR THE BROKER'S SERVICES."
- The Fixed Credit Disclosure Statement, dated June 28, 2007 and signed by Asadi, indicates that the lawyer or borrower, at or prior to completion, is paying \$2,000 in broker fees.
- The Mortgage Alliance Invoice Checklist, signed by Asadi, discloses receipt of a finder's fee (paid by the lender) in the amount of \$1,046.25. There was no indication on the Checklist of the receipt of an additional fee from the borrower.
- The mortgage file did not include a Form 10 to the lender disclosing the borrower fees received.

████████ mortgage

- The commitment letter from the lender (████████ Mortgage) indicated that a placement fee in the amount of \$2680 was payable to ██████████ Mortgage Ltd. from the proceeds.
- The Form 10, dated July 9, 2007, contains the following representation: "THE MORTGAGE ALLIANCE COMPANY...WILL RECEIVE [sic] A FEE DIRECTLY FROM THE LENDER. AN ADDITIONAL FEE OF \$2,680 IS CHARGED TO THE CLIENT BY THE LENDER AS COMMISSION."
- The Fixed Credit Disclosure Statement, which is undated, states that a lender fee of \$2,680 will be deducted from the proceeds of the mortgage. Of that, \$1,340 will be paid to the broker by the lender as a fee and \$1340 is a lender fee. Payment of an additional fee by the borrower to the broker, in the amount of \$2,000, is also disclosed.
- The Mortgage Alliance checklist, signed by Asadi, discloses receipt of a finder's fee in the amount of \$1,005. There was no indication on the Checklist of the receipt of an additional fee from the borrower.
- The mortgage file did not include a Form 10 to the lender disclosing the borrower fees received.

47. Staff interviewed ██████████ about fees charged by Asadi. ██████████ advised as follows:
- (a) she had dealt with Asadi in March and early April, 2008;
 - (b) Asadi advised ██████████ that she was charging 1% of the mortgage as fees;
 - (c) Asadi told ██████████ that she could either wire \$4,500 directly into an account or pay \$4,000 in cash;
 - (d) ██████████ elected to pay cash, so Asadi advised her to put the \$4,000 in an envelope and give it to Asadi's lawyer;
 - (e) Asadi's lawyer picked up the envelope from ██████████ home;
 - (f) no receipt was ever provided for the money; and

- (g) some time after [REDACTED] wrote [REDACTED] complaining about this, a woman appeared at [REDACTED] work and presented her with a cheque for \$4,000 stating that it was from Asadi.
48. Asadi had been asked by [REDACTED] to explain the fees charged to [REDACTED]. In an email sent to [REDACTED] on April 23, 2008, Asadi provided the following explanation:
- (a) [REDACTED] needed to refinance her home quickly;
 - (b) Asadi told her that given the work which would be involved, together with the short time frame, she would be charging for the extra time and effort required;
 - (c) Asadi wrote to [REDACTED]: "I just throw a number at her. I even explained that once I get the approval I will collect the money then so she wont [sic] go shop around with my approval..."
 - (d) Asadi faxed [REDACTED]'s lawyer the letter of direction and disclosure statement indicating the amount she was required to pay;
 - (e) [REDACTED] advised she did not have time to go to the lawyer's office, so the lawyer went directly to [REDACTED] home to obtain her signature, at which time [REDACTED] refused to sign the disclosure statement saying that she wanted to pay cash and therefore would not sign. This is why, according to Asadi, there is no Form 10 in respect of this file;
 - (f) Asadi indicated that she charged fees from time to time as follows:

"I only charge clients if I do any form of mortgage port or if I give extra services like going back and fort [sic] between client's house or work places many times to collect documents or if I am very busy and the client insist [sic] to work with me only. It has happened coupled [sic] of times in the past that I have charged the client who came to me few days before their closing date and I had to do fast closing so I have decided to charge them and they have been very understanding and happy at the end. I have always look [sic] at this career as a self employed business never thought or have been explained that if you work harder you can not charge more or if you do; you have to explain why?!!!"
49. Representatives of Mortgage Alliance have advised Staff that all fees charged by the mortgage broker or submortgage broker should be made payable to Mortgage Alliance and deposited into Mortgage Alliance's account, after which a broker will receive his or her share. In those circumstances where a submortgage broker receives fees directly from a borrower, the submortgage broker should immediately sign the cheque over to Mortgage Alliance. Representatives of Mortgage Alliance have

further advised that all fees received by a submortgage broker (be they from a lender or a borrower) should be recorded on the Mortgage Alliance Checklist.

50. By failing to remit fees received directly from borrowers to Mortgage Alliance, Asadi was depriving Mortgage Alliance of its share.
51. In addition, fees received from borrowers should be disclosed on a Form 10 and submitted to the lender. There was no evidence, on review of Asadi's files, of Form 10 disclosure to lenders in respect of these files.

Concerns raised by lenders

52. At least three lenders have expressed concerns regarding Asadi's dealings as a mortgage broker.
53. In November 2006, Asadi was attempting to arrange a mortgage for [REDACTED]
54. On November 24, 2006, [REDACTED] approved the [REDACTED] mortgage.
55. On December 5, 2006, [REDACTED] wrote Asadi, declining the application because "we have been informed by the broker that she didn't feel comfortable approaching the client and asking him to sign the Rev Can request form." The request form in question would have authorized [REDACTED] to obtain [REDACTED] tax information directly from the CCRA.
56. A member of the Staff spoke with [REDACTED] on July 31, 2008 and was advised as follows:
 - (a) [REDACTED] only requests a mortgage applicant to provide a Rev Can request form when they detect inconsistencies in employment information provided in support of a mortgage application;
 - (b) [REDACTED] had concerns about the [REDACTED] application when the signature on the mortgage commitment letter struck them as familiar; and
 - (c) [REDACTED] conducted its own searches and determined that [REDACTED] was not a director of [REDACTED].
57. In April 2008, Asadi was attempting to arrange a mortgage for [REDACTED] with [REDACTED]

58. In support of [REDACTED] mortgage application, which indicated that [REDACTED] had been the self-employed owner of [REDACTED] Dental Supplies for the past 3 ½ years earning \$87,000, Asadi submitted the following documents:
- (a) Notices of Assessment for [REDACTED] from 2005 and 2006 showing an annual income of \$87,327 and \$87,614 respectively;
 - (b) Notice of Articles of Incorporation for [REDACTED], indicating that [REDACTED] had been incorporated on November 22, 2006 and had four directors, all of whom bore the name "[REDACTED]."
59. [REDACTED] file notes indicate that they had the following concerns about the information received:
- (a) [REDACTED] Dental Supplies had no 411 or web listing;
 - (b) the corporate registration documents and business bank statements provided related to a different entity; and
 - (c) the corporate records did not confirm that the business had been operating for at least 2 years (as indicated in the mortgage application).
60. [REDACTED] wrote Asadi on April 8, 2008 requesting certified true copies (certified by a lawyer) of the 2005 and 2006 NOAs provided in support of [REDACTED] mortgage application, as well as a current reprint of the 2005 NOA certified to be true by the CCRA. In response, Asadi wrote the following email on April 18, 2008:
- "PLEASE CANCEL ALL FUTURE DEALS WE HAVE WITH YOU. IT WAS A PLEASURE WORKING WITH YOU BOTH, THANKS FOR EVERYTHING. ONCE AGAIN PLEASE MAKE SURE ALL FUTURE DEALS TOGETHER ARE CANCELLED."
61. Staff spoke with [REDACTED] on July 31, 2008 and was advised as follows:
- (a) [REDACTED] requested notarized NOAs from [REDACTED] because those submitted appeared to have been altered; and
 - (b) [REDACTED] grew suspicious because the 2005 NOA did not have enough dots in the deductions line and because the font used for the numbers appeared to be "off."
62. On June 20, 2008, Staff contacted [REDACTED], Manager of Credit Analysis at [REDACTED] who advised as follows:

- (a) Asadi had submitted a mortgage application on behalf of herself and on behalf of [REDACTED], in support of which NOAs on behalf of both were provided;
- (b) [REDACTED] declined the mortgage application because, based on their experience, the NOAs submitted appeared fraudulent.

General

- 63. [REDACTED] advised Staff that he had suspended Asadi. However, her registration has not been turned in and, as of today's date, she continues to advertise her services as a mortgage broker.
- 64. Staff has made the following efforts to meet with Asadi:
 - (a) On June 17, 2008 a message was left for Asadi, asking that she call back.
 - (b) On July 4, 2008 Asadi's lawyer returned the June 17, 2008 call, advising Staff that Asadi was on vacation, likely to return on July 7th.
 - (c) On or about July 9, 2008 Staff called Asadi's counsel who advised he had not yet heard from his client.
 - (d) On July 25, 2008, not having heard back from Asadi or her counsel, Staff attempted to serve a summons on Asadi, requiring her presence at the Registrar's office on Monday, July 28, 2008. Her counsel advised that he was not available the week of July 28, 2008 but that he and his client would be available on August 11, 2008.

Applicable sections of the Mortgage Brokers Act, Mortgage Brokers Act Regulations and Bulletins

- 65. Relevant sections of the *Mortgage Brokers Act*, RSBC 1996, c. 313 are set out below:

Suspension or cancellation of registration

8(1) After giving a person registered under this Act an opportunity to be heard, the registrar may suspend or cancel the person's registration if, in the opinion of the registrar, any of the following paragraphs apply:

- (a) the person would be disentitled to registration if the person were an applicant under section 4;
- (b) the person is in breach of this Act, the regulations or a condition of registration;
- (c) the person is a party to a mortgage transaction which is harsh and unconscionable or otherwise inequitable;
- (d) the person has made a statement in a record filed or provided under this Act that, at the time and in the light of the circumstances under which the statement was made, was false or misleading with respect to a material fact or that omitted to state a material fact, the omission of which made the statement false or misleading;
- (e) the person has conducted or is conducting business in a manner that is otherwise prejudicial to the public interest;
- (f) the person is in breach of a provision of Part 2 or 5 of the *Business Practices and Consumer Protection Act* prescribed under section 9.1(2).

...

(2) If the length of time that would be required to give the person an opportunity to be heard under subsection (1) would, in the registrar's opinion, be prejudicial to the public interest, the registrar may suspend registration without giving the person an opportunity to be heard.

(3) If under subsection (2) the registrar suspends registration without giving the person an opportunity to be heard, the registrar must promptly send written notification of the suspension to the person and to the tribunal.

Conflict of interest – disclosure to lenders for mortgages on land in B.C. or elsewhere

17.4(1) Every mortgage broker who acts in a mortgage transaction in which there is an interest as described in subsection 2(a) must, within the prescribed time, provide to every person who is a lender under a mortgage in that transaction a written disclosure statement that meets the requirements of subsection (2).

- (2) The disclosure statement referred to in subsection (1) must
 - (a) disclose any direct or indirect interest the mortgage broker or any associate or related party of the mortgage broker has or may acquire in the transaction,
 - (b) include the prescribed contents and be accompanied by any documents that are prescribed,
 - (c) be dated and signed by the mortgage broker, and

(d) contain disclosure that is true, plain and not misleading of the matters in the prescribed contents referred to in paragraph (b).

66. Relevant sections of the *Mortgage Brokers Act Regulations* are below:

Prescribed forms

1.1 The following forms attached to this regulation are prescribed:

(e) Form 10 as the written disclosure statement required by sections 17.3 and 17.4 of the Act.

67. The Form 10 – Conflict of Interest Disclosure Statement must be signed by the mortgage broker and asks that the following be disclosed:

“Describe any direct or indirect interest the mortgage broker has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.”

68. The Registrar periodically issues Bulletins for the information of mortgage brokers and submortgage brokers registered in BC. Portions of relevant Bulletins are set out below:

Bulletin Number MB04-005 – Misleading Information (October 2004)

“Increasingly this office is being made aware of occasions where mortgage brokers are failing to verify client information that is being passed on to lenders. As a result, instances where lenders are receiving misleading or false information is becoming more frequent...”

Mortgage brokers need to recognize that lenders rely on the information they receive regarding potential borrowers. Mortgage brokers cannot say that it is not their responsibility to verify the information being given to them during the application process. Lenders indicate they assume that mortgage brokers have verified the information before forwarding it on. This office takes the position that a mortgage broker has a duty to ensure the information being sent to a lender has been verified.

Although no one is suggesting that mortgage brokers need to conduct in-depth investigations of every transaction that they process, reasonable due diligence must be undertaken to ensure that the information being passed on to lenders is accurate. Applications containing errors or omissions need additional verification and under no circumstances should brokers be referring applications that have been shown by another mortgage broker or lender to contain false or inaccurate information. If mortgage brokers do not verify the information they are forwarding to lenders, then mortgage brokers should advise the lenders in writing that none of the information has been verified...”

Bulletin Number MB07-002 – Providing Conflict of Interest Disclosure (January 4, 2007)

“All mortgage broker registrants have an obligation to provide disclosure of conflicts of interest to borrowers and lenders. Form 10 is the Conflict of Interest Disclosure Statement prescribed pursuant to sections 17.3 and 17.4 of the *Mortgage Brokers Act*. Those sections require every broker, who acts in a mortgage transaction in which the

broker or any associate or related party of the broker has or may acquire a direct or indirect interest, to disclose that conflict of interest to the borrower or lender as the case may be.

A conflict of interest exists where a broker has competing personal or business interests in a mortgage transaction...

Brokers should ensure that the Form 10 clearly explains the nature of the conflict. We have found that many brokers complete Form 10s in a perfunctory manner, using boilerplate language which may have little meaning to the borrower or lender...

...Brokers should always act cautiously and disclose all potential conflicts of interest, even if the conflict appears to be remote.”

Bulletin Number MB 07-005 – Due Diligence of Mortgage Brokers Who Arrange Stated Income Mortgages (July 26, 2007)

“Self employed borrowers may qualify for a stated income mortgage by relying on the income stated in their mortgage application or in a separate declaration form. These borrowers usually do not have to prove the value of their income with supporting documentation, such as income tax returns or bank statements. However, they may have to document the source of their income by providing a business licence to the mortgage broker or lender. Stated income mortgages are intended for self employed persons, who may write off significant amounts of their gross income with business expenses. The income they are asked to declare is neither their gross income nor their net income, but a “reasonable” estimate of their actual income...”

The lack of supporting documentation required for stated income mortgages may lead some borrowers to provide misleading information about the source of their income or the amount of their income...

Please be aware that mortgage brokers must undertake reasonable due diligence to ensure that the information being passed on to lenders is accurate and not misleading, even if it appears that the lender encourages or tolerates misleading statements from borrowers about the source or amount of income on stated income applications. Exercising due diligence for stated income mortgages would require mortgage brokers to ensure that the borrower knows to state only truthful information in the mortgage application. Remember that if a stated income mortgage results in default or foreclosure, the lender may look for evidence of fraud. If there are any misrepresentations about the amount or source of income, lenders may place responsibility for the misrepresentations on the mortgage broker who submitted the application, while borrowers may blame the mortgage broker for counseling them to provide false information.

In addition, the Registrar of Mortgage Brokers may seek to impose regulatory penalties against any mortgage broker who does not exercise due diligence in ensuring that information contained in stated income mortgages is accurate and not misleading...”

I AM THEREFORE OF THE OPINION that Asadi has conducted business in breach of the *Act* and in a manner that is prejudicial to the public interest by failing to conduct any due diligence or “know your client” procedures and/or by knowingly submitting false information to lenders for them to act upon as if it were genuine, by failing remit broker fees she has received to her employer

when require to do so, and by failing to disclose receipt of broker fees to lenders as required under the *Act*.

I AM THEREFORE OF THE OPINION that the length of time that would be required to give Asadi an opportunity to be heard under section 8(1) of the *Act* would be prejudicial to the public interest. Asadi has undertaken a course of conduct that undermines the integrity of the mortgage broker industry. Submitting documents in support of an application which she knows, or ought to know, are false is prejudicial to the public interest, failing to disclose received to her employer when she was required to do so and failing to meet legislated disclosure requirements is conduct from which the public needs immediate protection.

I HEREBY SUSPEND Asadi, pursuant to section 8(2) of the *Act*, until the investigation into the conduct and activities of Asadi is completed and a determination is made by the Registrar, after Asadi has had an opportunity to be heard, as to whether the registration of Asadi should be suspended or cancelled pursuant to s.8(1) of the *Act*.

THIS SUSPENSION ORDER will remain in force for a period of one hundred and twenty (120) days from the date of this Order or until the determination referred to above is made by the Registrar, whichever is sooner. In the event that the determination referred to above is not made by the Registrar within one hundred and twenty (120) days of this Order, the staff of the Registrar may apply for a further Order under s.8(2) of the *Act*.

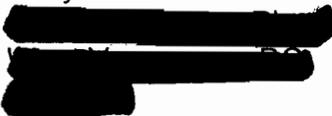
TAKE NOTICE that Asadi may, under section 9 of the *Act*, appeal this Order of Suspension to the Financial Services Tribunal.

Dated at the
City of Surrey,
Province of British Columbia
this 1st day of August, 2008.



W. Alan Clark
Registrar of Mortgage Brokers
Province of British Columbia

TO: Maryam Asadi



TO: Mortgage Alliance of Canada
505 – 4211 Kingsway
Burnaby, BC
V5H 1Z5

Appendix F1

British Columbia - *In the Matter of the Mortgage Brokers Act and Gurpal Singh Paul Beesla, Consent Order* (January 2008)

**IN THE MATTER OF THE MORTGAGE BROKERS ACT
R.S.B.C. 1996, c. 313**

And

GURPAL SINGH (PAUL) BEESLA

CONSENT ORDER

The following agreement has been reached between Gurpal Singh (Paul) Beesla ("Beesla") and the Registrar of Mortgage Brokers ("the Registrar"):

A. ORDERS:

Beesla consents to and the Registrar makes the following orders:

1. That Beesla's registration is cancelled pursuant to subsections 8(1) (a) and (e) of the *Mortgage Brokers Act* ("the Act").
2. That Beesla is not eligible to apply for registration for a period of eight (8) years from the date the Registrar signs this Consent Order.
3. That Beesla pay costs of the investigation in the amount of \$42,000.00 pursuant to section 6(9) of the *Act*.
4. That Beesla is not eligible to apply for registration unless and until costs are paid pursuant to paragraph 3 and subject to paragraph 2.
5. That Beesla's application for registration is denied pursuant to section 4 of the *Act*.

B. FACTS AND ADMISSIONS:

As a basis for this Consent Order, Beesla acknowledges the following facts as correct and makes the following admissions:

1. Beesla was a registered submortgage broker with AAN The Spot Mortgage Corp. from June 15, 2005 until October 25, 2005. Beesla was a registered submortgage broker with GMC Global Mortgage Corp. (Surrey 2) ("Global") from October 27, 2005 until March 22, 2006.

2. Beesla has not been registered since March 22, 2006. Beesla reapplied for registration as a submortgage broker with ACMC Asset Capital Mortgage Corp. on June 16, 2006, during the investigation of the matters referred to in this Consent Order.
3. Beesla is not suitable for registration and his proposed registration is objectionable at this time.
4. While working as a registered submortgage broker, Beesla submitted a number of employment letters and mortgage applications on behalf of applicant borrowers to various lenders, which letters and applications he knew to be false, in support of mortgage applications. In so doing, Beesla admits that he conducted business in a manner prejudicial to the public interest.
5. While working as a registered submortgage broker, Beesla made or had made false documents, including pay stubs, residential tenancy agreements, Canada Revenue Agency Income Tax Return Information Summaries and gift letters, with intent that they should be acted on by lenders as if they were genuine, and thereafter submitted those documents to lenders in support of mortgage applications. In so doing, Beesla admits that he conducted business in a manner that was prejudicial to the public interest.
6. While working as a registered submortgage broker, Beesla altered genuine documents, including a property disclosure statement, a contract for the purchase and sale of property, rental agreements and a job letter, with the intent that the altered documents be acted on as if they were genuine, and thereafter submitted those documents to lenders in support of mortgage applications. In so doing, Beesla admits that he conducted business in a manner that was prejudicial to the public interest.
7. Beesla, as the authorized representative of Global Mortgage Corp., failed to disclose to borrowers in the prescribed manner any direct or indirect interest Global Mortgage Corp. or its associate or related party had in the mortgage transaction. In so doing, Beesla admits that he conducted business in a manner that was prejudicial to the public interest.

D. WAIVER:

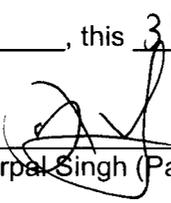
Beesla waives his right to a hearing under sections 4 and 8 of the *Act* and waives his right to appeal under section 9 of the *Act*.

Dated at Surrey, British Columbia, this 7th day of January, 2008.



W. Alan Clark
Registrar of Mortgage Brokers
Province of British Columbia

Dated at Vancouver, B.C., this 3rd day of January, 2008.



Gurbal Singh (Paul) Beesla