

2012 BCSECCOM 302

Notice of Hearing

**Lynne Rae Nickford a.k.a Lynne Rae Zlotnik d.b.a. Lynne Zlotnik Wealth Management
(collectively, the Respondents)**

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The Commission will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts:

Background

1. Lynne Rae Nickford (Nickford) is a resident of British Columbia. She was licensed to sell life insurance in BC until her license was revoked on April 13, 2010. Nickford entered into bankruptcy on April 12, 2010. Since 2008, she has not been registered under the *Securities Act*.
2. Nickford conducted business using her maiden name, Lynne Rae Zlotnik, and as sole proprietor of Lynne Zlotnik Wealth Management (LZ Wealth Management).

Fraud

3. Between January 1, 2009 to March 31, 2010 (the Relevant Period), Nickford raised approximately \$2 million from 13 investors by issuing approximately \$1.4 million of promissory notes in the name of LZ Wealth Management, with the balance coming from investors who believed they were making loans to or investing in LZ Wealth Management.
4. On February 4, 2009, Nickford posted a marketing video on the YouTube web site promoting herself as a financial advisor who was passionate about promoting financial literacy and educating women on managing their finances.
5. Investors were predominantly women and most relied on Nickford as their financial advisor.
6. During the Relevant Period, Nickford transferred approximately \$1.3 million of investor money from her business account to her personal account. She withdrew these funds from her personal account to pay for her personal expenses, including food, clothing and rent payments. Nickford also withdrew a total of approximately \$973,000 in cash from her personal account, using some or all of it, to gamble at casinos in the Vancouver area.

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7. By engaging in the conduct described above, the Respondents perpetrated a fraud contrary to section 57(b) of the Act.

Public interest

- ¶ 2 It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

Hearing Process

- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Tuesday, September 18, 2012, at 9:00 am if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 4 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 5 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 6 July 30, 2012.

Paul C. Bourque

- ¶ 7 Paul C. Bourque, Q.C.
Executive Director