



British Columbia Securities Commission

Citation: 2017 BCSECCOM 114

## Notice of Hearing

**Alan Braun, Jerry Braun, Steven Maxwell (a.k.a. Steven Fassman),  
Braun Developments (B.C.) Ltd., 8022275 Canada Inc., and  
0985812 B.C. Ltd. (dba TerraCorp Investment Ltd.)**

**(collectively, the Respondents)**

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

- ¶1 The British Columbia Securities Commission (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 (the Act), based on the following facts:

#### **Summary**

1. The Respondents committed fraud contrary to section 57(b) of the Act when they took \$450,000 from investors, that they said they would use to purchase properties to generate returns. The Respondents did not purchase the properties but instead spent investors' money on other things.

#### **Background**

2. Alan Braun (Alan) and Jerry Braun (Jerry) are residents of Surrey, British Columbia. Steven Maxwell (Maxwell) was a British Columbia resident during the relevant period.
3. Braun Developments (B.C.) Ltd. (Braun Developments) was incorporated in British Columbia on September 17, 2009. Alan and Jerry are its only directors.
4. 0985812 B.C. Ltd. was incorporated in British Columbia on November 17, 2013. During the relevant period it did business as TerraCorp Investment Ltd. (TerraCorp). Alan and Jerry are two of the three directors of TerraCorp, Alan was the President, Jerry was the Vice President of Corporate Development and Maxwell was an Executive Vice President.
5. 8022275 Canada Inc. (275 Co.) was federally incorporated on November 14, 2011. At all relevant times, Maxwell was the de facto director of 275 Co. and controlled the company.

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## **Misconduct**

### ***Fraud against Investor A***

6. Investor A invested \$150,000 with Braun Developments, Alan and Jerry. They told Investor A he would receive a 50% return on his investment within 60 days and that they would use his money to purchase a specific property in Edmonton, Alberta that would generate the return. 275 Co. was the purported owner of the property.
7. In fact, Braun Developments, Alan and Jerry did not use Investor A's money to purchase the Edmonton property and 275 Co. never owned it. Instead, Braun Developments, Alan, Jerry, Maxwell and 275 Co. spent Investor A's money on other things, including a personal mortgage and credit card payments, and they made cash withdrawals. Within a week, they had spent almost all of Investor A's money.

### ***Fraud against Investor B***

8. Investor B invested \$300,000 with TerraCorp, Alan and Jerry. They told Investor B she would receive a 50% return on investment within 60 days and that they would use her money to purchase two specific properties in Edmonton, Alberta that would generate the return. 275 Co was the purported owner of the properties.
9. In fact, TerraCorp, Alan and Jerry did not use Investor B's money to purchase the Edmonton properties and 275 Co never owned them. Instead, Braun Developments, Alan, Jerry, Maxwell and 275 Co. spent Investor B's money on other things, including a personal mortgage and a credit card payment, and they made cash withdrawals. Within two weeks, they had spent almost all of Investor B's money.

### ***S.168.2 liability***

10. Alan and Jerry, as directors of Braun Developments, authorized, permitted or acquiesced in contraventions of section 57(b) of the Act by Braun Developments. By operation of section 168.2 of the Act, Alan and Jerry also contravened section 57(b) of the Act.
11. Maxwell, as de facto director of 275 Co., authorized, permitted or acquiesced in contraventions of section 57(b) of the Act by 275 Co. By operation of section 168.2 of the Act, Maxwell also contravened section 57(b) of the Act.
12. Alan and Jerry, as directors of TerraCorp, authorized, permitted or acquiesced in contraventions of section 57(b) of the Act by TerraCorp. By operation of section 168.2 of the Act, Alan and Jerry also contravened section 57(b) of the Act.



### **Hearing Process**

- ¶2 The Respondent or his counsel is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, June 27, 2017, at 9:00 a.m.** if he wishes 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.
  
- ¶3 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](mailto:commsec@bcsc.bc.ca).
  
- ¶4 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.

*Peter J Brady*  
*May 10 2017 12:23 PM -07:00*

- ¶5 Peter J. Brady  
Executive Director