



Citation: 2015 BCSECCOM 302

## **Notice of Hearing**

**Tin Chao Alan Lau**

### **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 Tin Chao Alan Lau (Lau) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

#### **Background**

1. Lau is a resident of British Columbia. Lau is also a founder and the chair of the board of directors of a non-profit seniors' centre called Canadian Low Income Seniors Affordable Housing Society. He has never been registered under the Act.

#### **Fraud**

2. On December 24, 2013, a volunteer at the seniors' centre (the "investor"), told Lau that he received \$50,000 from his daughter to assist with his living expenses and that he would be leaving the senior's centre early to go to the bank. Upon learning this, Lau offered to drive the investor to the bank. On the way, Lau persuaded the investor to invest the \$50,000 through him in the seniors' centre as a temporary deposit for six months.
3. Lau told the investor that if he invested \$50,000 he would receive 5% annual interest, payable monthly. The investor agreed to the investment based on Lau's assurances that he would earn a higher interest rate with the investment over the bank and that the investor could easily withdraw the money.
4. At the bank, Lau instructed the investor to purchase a \$50,000 bank draft payable to Lau.
5. The investor considered Lau to be a mentor and a leader. The investor previously attended an investment seminar at the seniors' centre that Lau presented.
6. The investor provided Lau a \$50,000 bank draft and by 2:51pm that afternoon, Lau deposited it into his personal bank account. Prior to this deposit, Lau's account balance was \$805.41.

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7. Lau's bank put a hold on \$25,000 of the \$50,000 deposit. However, Lau immediately spent \$23,461.25 of the available funds as follows:
  - \$14,023.04 to pay off his personal BMO MasterCard,
  - \$4,438.21 to pay off a second personal BMO MasterCard, and
  - \$5,000 cash withdrawal.
8. The bank then released the hold on the rest of the investor's bank draft and between December 30, 2013 and January 14, 2014, Lau spent the remainder of the investor's funds as follows:
  - \$6,735 in payments to Mercedes-Benz Financial, Canadian Tire MasterCard and CIBC MasterCard,
  - \$12,500 in cash withdrawals, and
  - \$7,625 in cheque payments.
9. By January 14, 2014, Lau had spent the entirety of the investor's \$50,000 on personal expenses.
10. In February, the investor began to ask for his money back. However, Lau refused to return the investor's money.
11. In March, after the investor and his son requested the return of the investment, Lau lied to them and said he used the \$50,000 to purchase groceries to sell in the seniors' centre. Lau told the investor that he could not repay the funds until the groceries sold. This was untrue, as Lau had already spent the investor's money on himself.
12. By engaging in the conduct described above in the Notice of Hearing, Lau perpetrated a fraud on the investor contrary to section 57(b) of the Act.

### **Hearing Process**

- ¶ 2 The Respondent or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, September 8, 2015, at 9:00 a.m.** 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.



- ¶ 3 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of his 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 Respondent or his 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 Respondent may be made in his absence.

Paul C. Bourque  
Jul 309 2015 1:20 PM

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