



British Columbia Securities Commission

Citation: 2015 BCSECCOM 352

Notice of Hearing

**Rui Figueiredo (aka Roy Figueiredo), PARE Realty Ltd.,
and 0929870 B.C. 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 Rui Figueiredo (aka Roy Figueiredo), PARE Realty Ltd., and 0929870 B.C. Ltd. under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. PARE Realty Ltd. (PARE) and 0929870 B.C. Ltd. (0929870) are British Columbia companies.
2. Rui Figueiredo (Figueiredo) is a resident of British Columbia and is the sole director of PARE and 0929870.
3. Figueiredo purported to operate PARE and 0929870 as businesses that helped individuals to:
 - a) invest in “rent to own” home purchases. The rent to own investor would purchase a home and the Respondents would find renters to rent the home; and
 - b) provide short-term loans to other individuals to use as down payment on a home purchase or as a deposit in a “rent to own” home purchase,collectively, RTO Participants.
4. Figueiredo used bank accounts in the name of 0929870 to handle PARE’s funds.

Fraud

Figueiredo raised money from an Investor

5. In January 2010, Figueiredo met an individual (the Investor) when the Investor began working with Figueiredo at a Vancouver based company that operated “rent to own” programs.



6. Figueiredo and the Investor were not in contact with each other from May 2010 to September 2013.
7. In October 2013, Figueiredo told the Investor he had started his own “rent to own” business, and that he had an investment opportunity for the Investor.
8. Figueiredo told the Investor that:
 - a) PARE was filling homes with RTO Participants, via the “rent to own” program;
 - b) the RTO Participants required short-term loans; and
 - c) the Investor’s funds would be used as short-term loans for the RTO Participants.
9. Between October 3, 2013 and November 29, 2013, the Investor made nine investments with Figueiredo, to provide a short-term loan to nine different RTO Participants. The nine investments totaled \$81,000 and included:
 - a) \$50,000 for a purported real estate transaction in Kelowna, British Columbia (the Real Estate Transaction); and
 - b) \$10,000 for a purported short-term loan to a television personality (the TV Loan).
10. Figueiredo gave the Investor nine promissory notes for his investments. The promissory notes provided:
 - a) terms ranging from 30 days to over 240 days;
 - b) rates of return ranging from 40% to 65%;
 - c) an average rate of return of 51.50% on the total investments for a total expected payout of \$130,250; and
 - d) that PARE and Figueiredo would repay the loan in full in the event of borrower default.



Figueiredo lied to the Investor about the Real Estate Transaction and gave the Investor a forged trust statement

11. In October 2013, Figueiredo told the Investor that:

- a) he required \$50,000 to provide a short-term loan to an RTO Participant, and
- b) the Investor's \$50,000 would be held in Trust with a law firm in Kelowna, British Columbia (the Law Firm) until the Real Estate Transaction closed.

12. In December 2013, after repeated requests from the Investor, Figueiredo gave the Investor a trust statement (Trust Statement) purportedly issued by the Law Firm.

13. The Trust Statement Figueiredo gave the Investor was forged. The Respondents were never clients of the Law Firm and the Investor's funds were never held in trust at the Law Firm.

14. The Real Estate Transaction which Figueiredo persuaded the Investor to invest in never occurred.

Figueiredo lied to the Investor about the TV Loan and gave the Investor a promissory note with a forged signature

15. In November 2013:

- a) Figueiredo told the Investor that the television personality was an RTO Participant who needed a short-term loan of \$10,000.
- b) The Investor invested \$10,000 with Figueiredo, for the TV Loan.
- c) Figueiredo gave the Investor a promissory note for the TV Loan that included the television personality's purported signature.

16. The signature on the promissory note was forged. The television personality did not know the Respondents, was not an RTO Participant, and did not require the TV Loan.

Figueiredo misappropriated the Investor's funds

17. Figueiredo did not use the Investor's \$81,000 to fund short-term loans for RTO Participants as he had promised. Instead, he deposited all \$81,000 of the Investor's funds into three bank accounts over which he had sole control: two in the name of Figueiredo and one in the name of 0929870.



18. Figueiredo spent approximately \$57,875 of the Investor's funds on unauthorized expenses, including various legal fees, rent, car lease, groceries, furniture, cash withdrawal, bars and restaurants.
19. Figueiredo paid the Investor \$23,125 in purported returns on his investments. These purported returns were paid for with the Investor's own investment funds.
20. By engaging in the conduct described in this Notice of Hearing, the Respondents perpetrated a fraud on the Investor contrary to section 57(b) of the Act.

Liability under section 168.2

21. Figueiredo, as the sole director of the corporate respondents authorized, permitted or acquiesced in their contravention of section 57(b) of the Act, and therefore also contravened those same provisions by operation of section 168.2 of the Act.

Hearing Process

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, October 6, 2015, 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.
- ¶ 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.
- ¶ 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.

Paul C. Bourque
Sep 17 2015 10 :38 AM

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