

Citation: 2024 BCSECCOM 443

Settlement Agreement

Van Burrard Mortgage Investment Corporation

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Van Burrard Mortgage Investment Corporation (Van Burrard) agree as follows:

Agreed Statement of Facts

1. Van Burrard is a mortgage investment corporation incorporated in British Columbia.
2. Van Burrard was a mortgage investment entity as defined in BC Instrument 32-517 *Exemption from Dealer Registration Requirement for Trades in Securities of Mortgage Investment Entities* (BC Instrument 32-517), as it then was, investing substantially all its assets in debts owing to it that are secured by mortgages on real property.
3. Van Burrard has never been registered under the Act in any capacity.

Misconduct

Unregistered trading

4. Between July 9, 2018, and February 9, 2024, Van Burrard distributed its own shares totaling \$2,958,600 to 31 purchasers through 35 trades, triggering the requirement to register by:
 - (a) engaging in activities similar to a registrant and intermediating trades by soliciting investors and using the proceeds to fund mortgages;
 - (b) carrying on the activities with repetition, regularity, or continuity as part of its overall business activity.
5. The exemption from the dealer registration requirement set out in BC Instrument 32-517 may have been available to Van Burrard for some of the Relevant Period had Van Burrard filed the form in Appendix B to BC Instrument 32-517, which was a requirement for reliance on the exemption. BC Instrument 32-517 expired on February 15, 2019.
6. By engaging in the above conduct, Van Burrard engaged in the business of trading securities without being registered and without an exemption, contrary to section 34(a) of the Act.

Mitigating factors

7. Van Burrard fully cooperated with the Executive Director's investigation in accordance with BC Notice 15-701, *Credit for Cooperation in Enforcement Matters*. Van Burrard voluntarily provided information to investigators, admitted to wrongdoing and made the admissions set out in this agreement at an early stage of the investigation, prior to the issuance of a notice of hearing of this matter, which has resulted in time and cost savings.

Other Factors Relevant to Settlement

8. In response to and on being advised by the Commission that Van Burrard was required to register under the Act, it promptly advised that it would cease distributions of Van Burrard securities and wind down its business.
9. Van Burrard has no prior history of securities regulatory misconduct.

Public Interest

10. In light of all of the circumstances, including the undertaking provided by Van Burrard in paragraph 11 of this Agreement, it is not in the public interest to issue orders under section 161 of the Act.

Undertakings

11. Van Burrard undertakes that it will not distribute securities, unless directly incidental to its winding up.
12. Van Burrard undertakes to pay \$25,000 to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

Waiver

- ¶ 2 Van Burrard waives any right it may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

