

Citation: 2025 BCSECCOM 288

Settlement Agreement

Kazana Financial Inc. (formerly Kazana Capital Corp.)

Securities Act, RSBC 1996, c. 418 (the Act)

- ¶ 1 The Executive Director (the Executive Director) of the British Columbia Securities Commission (the Commission) and Kazana Financial Inc. (formerly Kazana Capital Corp.) (Kazana) agree as follows:

Agreed Statement of Facts

1. Kazana is a corporation incorporated in British Columbia.
2. Kazana is the administrator of Kazana Mutual Fund Trust (Kazana MFT).
3. Kazana MFT is a limited purpose issuer that offers different classes of units whereby investors can indirectly invest in mortgages and real estate.
4. On April 3, 2023, Kazana became registered under the Act as an exempt market dealer.

Misconduct

5. Between April 27, 2021 and April 2, 2023, prior to becoming registered, Kazana facilitated the distribution of Kazana MFT units to 166 investors through 177 trades totaling approximately \$6,040,971, triggering the requirement to register by:
 - (a) engaging in activities similar to a registrant and intermediating trades by soliciting investors and coordinating the subscription process;
 - (b) carrying on the activities with repetition, regularity, or continuity as part of its overall business activity.
6. By engaging in the above conduct, Kazana engaged in the business of trading in securities without being registered and without an exemption, contrary to section 34(a) of the Act.

Mitigating Factors

7. Kazana fully cooperated with the Executive Director's investigation in accordance with BC Notice 15-701, *Credit for Cooperation in Enforcement Matters*. Kazana was forthcoming in its responses 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 an investigation order in this matter, which has resulted in time and cost savings.

Other Factors Relevant to Settlement

8. Kazana's management sought and obtained legal advice which led it to believe that registration was not required in respect of the above conduct.
9. Following further legal advice, Kazana applied for registration for the purposes of engaging in the above conduct, without prompting by Commission staff.
10. There is no evidence of investor harm or losses.
11. Kazana has no prior history of securities regulatory misconduct.

Public Interest

12. It is not in the public interest that the Executive Director issue orders under section 161 of the Act.

Undertaking

13. Kazana undertakes to pay \$30,000 to the Commission in respect of settlement of this matter which sum is due and payable immediately, without further demand.

Waiver

- ¶ 2 Kazana 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.

Counterpart

- ¶ 3 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

- ¶ 4 July 16, 2025

- ¶ 5 Sajhan Gill
Kazana Financial Inc.
(Per Redacted
Signing Authority)

Redacted)
Witness Signature)

Redacted)
Witness Name (please print))
Redacted)
Redacted)
Address)
Redacted)
Occupation)

Peter J Brady
7/24/2025 | 3:57 PM PDT

¶ 6 Peter J. Brady
Executive Director