

**Oriens Travel & Hotel Management Corp.,  
Alexander Anderson and Ken Chua**

***Securities Act, RSBC 1996, c. 418***

**Hearing**

<b>Panel</b>	Suzanne K. Wiltshire	Commissioner
	Judith Downes	Commissioner
	Audrey T. Ho	Commissioner

**Hearing Date** July 16, 2014

**Date of Decision** August 19, 2014

**Appearing**

Veda Kenda For the Executive Director

Owais Ahmed For Ken Chua

Stephen O'Neill For Alexander Anderson

**Decision**

**I Introduction**

- ¶ 1 This is the sanctions portion of a hearing under sections 161(1), 162 and 174 of the *Securities Act*, RSBC 1996, c. 418. Our Findings on liability made on March 13, 2014 (2014 BCSECCOM 91) are part of this decision.
- ¶ 2 We have found that:
- the respondents contravened section 61(1)(a) of the Act when they distributed shares in Oriens Travel & Hotel Management Corp. to three investors for proceeds of US\$58,500 without filing a prospectus and for which no exemptions were available,
  - the respondents breached a cease trade order issued by the executive director when they distributed the Oriens shares to the investors, and
  - Ken Chua and Alexander Anderson contravened section 50(1)(d) of the Act when they made misrepresentations to the investors by failing to advise them of the cease trade order.

## **II Positions of the Parties**

- ¶ 3 The executive director seeks orders:
- permanently cease trading Oriens and prohibiting Oriens from trading in or purchasing securities,
  - prohibiting Chua and Anderson, for a period of eight years, from trading in securities, becoming or acting as a registrant or promoter, acting in a management or consultative capacity in connection with activities in the securities market, engaging in investor relations activities and acting as a director or officer of any issuer, and
  - requiring Chua and Anderson to disgorge US\$58,500 and to each pay an administrative penalty of at least \$50,000.
- ¶ 4 Chua submits that any sanctions against him should be limited to:
- a reprimand,
  - a ban of not more than two years, from: trading in securities (other than through a registered dealer), engaging in investor relations activities and acting as a director or officer, with the exception that he may continue to act as a director of Oriens for six months from the date of the order, and
  - an administrative penalty of not more than \$20,000.
- ¶ 5 Anderson submits that any sanctions against him should be limited to a ban of not more than two years (one year if he successfully completes a course on director's and officer's responsibilities), from: acting as a director or officer of an issuer or in a management or consultative capacity in connection with activities in the securities markets, other than for a Northwest Territories company called Bull Moose Mines Limited.
- ¶ 6 Chua and Anderson each filed affidavit evidence to support their submissions. The executive director's counsel cross-examined Chua and Anderson on their affidavits at an oral hearing.

## **III Analysis**

### **A Factors**

- ¶ 7 Orders under section 161(1) and 162 of the Act are protective and preventative, intended to be exercised to prevent future harm. See *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* 2001 SCC 37.
- ¶ 8 In *Re Eron Mortgage Corporation* [2000] 7 BCSC Weekly Summary 22, the Commission identified the factors relevant to sanction as follows (at page 24):

“In making orders under sections 161 and 162 of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities. The circumstances of each case are different, so it is not possible to produce an exhaustive list of all of the factors that the Commission considers in making orders under sections 161 and 162, but the following are usually relevant:

- the seriousness of respondent’s conduct,
- the harm suffered by investors as a result of the respondent’s conduct,
- the damage done to the integrity of the capital markets in British Columbia by the respondent’s conduct,
- the extent to which the respondent was enriched,
- factors that mitigate the respondent’s conduct,
- the respondent’s past conduct,
- the risk to investors and the capital markets posed by the respondent’s continued participation in the capital markets of British Columbia,
- the respondent’s fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
- the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
- the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
- orders made by the Commission in similar circumstances in the past.”

## **B Application of the Factors**

### ***Seriousness of the conduct; damage to markets***

- ¶ 9 The Commission has consistently held that any contravention of section 61(1) of the Act is inherently serious, because that section is a part of the foundation requirements designed to protect investors and preserve the integrity of capital markets. It is intended to ensure that investors get the information they need to make an informed investment decision. See *Corporate Express Inc.* 2006 BCSECCOM 153.
- ¶ 10 The respondents, in illegally distributing Oriens shares, engaged in serious misconduct. They made little or no effort to enquire or determine the availability of prospectus exemptions before selling Oriens shares to the three investors. As a result, three investors were deprived of the protection intended by section 61(1).

- ¶ 11 The seriousness of their misconduct is heightened by the respondents distributing the shares in direct contravention of a cease trade order, and by not telling investors about the cease trade order at the time of sale thereby making a misrepresentation.
- ¶ 12 The respondents' conduct damages the reputation and integrity of our securities market. Investors become hesitant to invest in the market if they cannot trust those who sell securities to do so in compliance with securities rules and regulations.

***Enrichment***

- ¶ 13 Chua submits that he was not personally enriched. He testified that all of the investors' funds were used to pay legitimate expenses of Oriens.
- ¶ 14 According to Chua, Oriens used most of the investors' funds to pay the following:
- US\$10,000 to Chua and his wife to reimburse them for Oriens' business expenses paid by them,
  - US\$10,000 to Chua's father to partially repay his loan to Oriens,
  - US\$12,000 to a related company for the Richmond office rent and other company expenses, and
  - US\$18,700 on Richmond and Costa Rica office expenses.
- ¶ 15 Chua submitted into evidence bank print-outs and statements showing deposits and withdrawals of the investors' money from Oriens' bank account. Those records show the transaction date and amount of each deposit and withdrawal, but do not show who received the withdrawn funds and for what purposes.
- ¶ 16 The only evidence we have on the recipients and the use of the investors' funds came from Chua's affidavit and testimony, supported by copies of cheque stubs for those withdrawals that were made by cheques. The payees' names and in some cases, a brief description of the payment, were hand-written on these stubs.
- ¶ 17 Two discrepancies cast doubt about the reliability of the cheque stubs:
1. One cheque stub shows a payment of US\$3,500 to Anderson. Anderson denied being paid US\$3,500. He submitted his own bank statements which do not show any deposit in that amount near the time that the \$3,500 cheque cleared the Oriens bank account.
  2. Chua testified (and the Oriens bank account print-out indicates) that US\$5,000 was drawn on the account using cheque #751. Chua said this payment covered

Richmond office expenses. However, the amount actually written on the cheque stub is \$11,000.

- ¶ 18 Even if the cheque stubs were reliable, Chua still has not provided any corroborating evidence to show that the investors' funds were used to pay legitimate Oriens' expenses, such as: copies of the actual cheques to the payees, any record that shows he and his wife paid for Oriens expenses, any record of the Oriens expenses that they purportedly paid, any record of the office expenses purportedly paid by Oriens, any record that Chua's father made a loan to Oriens and how the loan proceeds were used. When cross-examined, Chua said that each year, he and his wife submitted detailed expense reports to Oriens for reimbursement, but he did not produce any of them
- ¶ 19 Based on the evidence before us and the lack of any corroborating evidence regarding the use of funds, we find that not all of the investors' funds were spent on legitimate Oriens expenses.
- ¶ 20 But even if we accept Chua's evidence that the payments to him and related parties were reimbursements for their payments of legitimate Oriens expenses, that does not alter the fact that Chua took money from investors under a misrepresentation and then used some of it to pay himself and his family and recover some of their own money at the expense of the investors.
- ¶ 21 We therefore find that Chua was personally enriched by the investors' funds.
- ¶ 22 With respect to Anderson, he testified that he worked regularly for Oriens and received consulting fees when Chua first acquired the company. But by the time the three investors invested, Anderson only worked periodically when called upon and was not paid for that work. We find that Anderson was not personally enriched by the investors' funds.

***Harm to investors***

- ¶ 23 There is harm to the investors. Oriens shares have been subject to a cease trade order since July 21, 2011. None of the investors has recovered any part of their investment. There is no evidence that the investors will be able to recover their funds, or that the Oriens shares have much present or future value.
- ¶ 24 Although Chua testified that Oriens is in the process of preparing financial statements and other documents necessary for the cease trade order to be lifted, there is no assurance that Oriens will do so.

- ¶ 25 Chua argues that while the investors may have lost money on their Oriens shares, it does not necessarily follow that the respondents' contraventions caused the loss. He argues there is no evidence that the cease trade order had any impact on Oriens' share price. He also suggests it is possible Oriens' share price will increase in the future and the investors may not suffer any loss. Lastly, he argues that the investors knew they were making a risky investment and accepted that risk when they signed the subscription agreements.
- ¶ 26 None of these arguments are persuasive. We have already found that the prohibition on trading and restrictions on liquidity caused by the cease trade order are facts that could reasonably be expected to have a significant effect on the value of the Oriens shares sold to the investors. According to the unaudited financial statements recently filed by Oriens in the United States in relation to its over-the-counter listing, Oriens has an accumulated deficit of US\$6.683 million as at March 31, 2014. Even if Oriens' share price increases in the future, which is only a conjecture, it is of no value to the investors if they cannot sell their shares.
- ¶ 27 It is clear that the respondents' contraventions harmed the investors. If not for the cease trade order, the investors could freely sell their shares without any restriction. Now, they cannot be sold in British Columbia where the investors reside – that is harm. The investors testified that they tried but were unable to sell their Oriens shares in the United States. It is ludicrous to say no harm was caused because, conceivably, the investors could try and find another jurisdiction to sell their shares or seek relief from the Commission.
- ¶ 28 There is no merit to the argument that these investors have somehow accepted this particular risk. Chua points to paragraph 3(c) in the subscription agreements, where the investors acknowledged that they can bear the economic risk of the investment for an indefinite period and can afford to risk the loss of their entire investment. That they have the financial capability to absorb a loss does not excuse the harm done to them. Some of the investors may be experienced in business and stock market investment. They may appreciate that there are risks in investing in a small enterprise that is quoted in an over-the counter market in the United States. But those risks are entirely different from the risk of buying shares that, unbeknownst to the investors, were illegally issued and that cannot be sold in British Columbia where the investors reside. The investors all testified that they would not have bought the Oriens shares if they had known about the cease trade order.

***Mitigating or aggravating factors***

- ¶ 29 There are no mitigating factors.

- ¶ 30 Chua and Anderson both argue that their reliance on US legal advice is a significant mitigating factor. Although reliance on legal advice can be a mitigating factor, that is not the case here.
- ¶ 31 Chua said their San Diego counsel only advised them that the cease trade order prohibits Oriens from selling securities to British Columbian residents, and Chua did not learn that it prohibits Oriens from conducting any trades in British Columbia until after the notice of hearing was issued. The respondents did not ask for the legal advice in writing.
- ¶ 32 The respondents chose to seek legal advice on British Columbia law from an American counsel. We expect an issuer and its directors and officers to exercise more care and diligence in understanding their compliance obligations, especially on something as serious as a cease trade order. At the minimum, we expect them to seek legal advice from a lawyer who is qualified to practise law in British Columbia.
- ¶ 33 Chua and Anderson also argue that the investors should be partially responsible because they provided false foreign addresses to try and get around the cease trade order. Although that was Chua's testimony, it was denied by all the investors and the panel has not made any finding that the investors were complicit in any way.
- ¶ 34 Chua also argues that the following are mitigating factors:
1. **Chua admitted to breaching the cease trade order at the beginning of the hearing**  
Notwithstanding the admission, Chua has not accepted responsibility for his action and continues to deflect it by blaming US counsel and the investors. Also, breach of the cease trade order is only one part of the allegations. Chua did not admit to the illegal distributions or misrepresentation.
  2. **Chua completed a course for directors and officers of public companies in October 2013**  
This may be relevant in assessing future risks but does not mitigate his misconduct.
  3. **Chua has accepted responsibility and expressed regret for his mistakes**  
We question Chua's sincerity when he continues to deflect responsibility and minimizes the harm he has caused to the investors.

4. **Oriens is in the process of preparing financial statements and other documents required to be filed in British Columbia**

Oriens is legally required to make these filings. It is the failure to make these filings that led to the cease trade order in the first place. That Oriens is finally taking action to comply with its legal obligations cannot be used to mitigate the misconduct.

5. **There is no fraud or mal intent. Chua did not knowingly breach the cease trade order or engage in illegal distributions.**

As stated by the Commission in *VerifySmart Corp. et al* 2012 BCSECCOM 176, the fact that a respondent did not intentionally contravene the Act is not a mitigating factor. Were the facts otherwise, that would be a significant aggravating factor. The absence of that aggravating factor is not a mitigating factor. Similarly, the absence of fraud is not a mitigating factor.

6. **The investors were not pressured into buying the shares**

This is irrelevant. Had the investors been pressured, that would be an aggravating factor. Its absence is not a mitigating factor.

¶ 35 Anderson submits that his age and financial circumstances, remorse and limited role are relevant and mitigating factors.

1. **Anderson's age and limited financial resources**

These factors do not lessen the misconduct and are not mitigating factors. Nor are they relevant in determining if a market ban is necessary to protect our markets. The fact that Anderson has incurred significant legal expenses in these proceedings is irrelevant. To hold otherwise would mean that an older impecunious respondent would get more lenient treatment purely by virtue of age and financial condition.

2. **Anderson's remorse, role and culpability**

This is addressed below.

***Past conduct***

¶ 36 Neither Chua nor Anderson has a regulatory history.

***Risk to investors and markets; fitness as director, officer, advisor***

¶ 37 Chua continues to pose a risk to our investors and our markets. A market ban is warranted.

¶ 38 Notwithstanding Chua's written acknowledgment of responsibility and regret, he continues to deflect responsibility for his conduct.



¶ 39 We note inconsistencies between the sworn affidavit Chua submitted in this hearing and the disclosure report filed by Oriens in May 2014 in the United States in relation to its over-the-counter listing. The report was certified by Chua to be correct. While the inconsistencies are not necessarily material, their existence suggests that, at minimum, Chua remains careless in preparing and verifying important documents. The inconsistencies also cast doubt on his fitness to act as a director of any issuer or registrant and on his knowledge of basic securities law principles despite having recently completed a director and officer course at Simon Fraser University.

1. Chua swore in his affidavit that Oriens no longer rents office space in Richmond, British Columbia. But Oriens stated in its US report that it currently leases office space located at unit 101 at a specified address in Richmond from a related party at \$3,500 per month. When cross-examined, Chua said the affidavit is inaccurate; the US report is correct and unit 101 is a PO box that he rents from his uncle who is also an Oriens director.
2. Chua swore in his affidavit that Oriens has not raised any funds anywhere in the world from any person, other than the three British Columbia investors, by way of issuing securities. But Chua also swore in his affidavit that Oriens took shareholder loans from its larger shareholders. In the US report, Oriens disclosed that it has issued convertible debt to shareholders multiple times since 2012. When cross-examined, Chua said he did not know that a loan is considered a security.

¶ 40 Anderson says he has acknowledged his mistakes and resolved to take steps to avoid any recurrence. He is 66 years old. He is prepared to take a director and officer course if he is not subject to a lengthy market ban that exceeds his remaining work years.

***Specific and general deterrence***

¶ 41 The sanctions we impose must be sufficiently severe to ensure that the respondents and others will be deterred from engaging in similar conduct in the future.

¶ 42 Chua argues there is no need for specific deterrence as he has taken responsibility for his mistakes, expressed remorse and completed a course for directors and officers of public companies. For the reasons stated above, we are not persuaded.

***Previous orders***

¶ 43 We considered past decisions of the Commission cited by the parties.

- ¶ 44 In *Cinnabar Explorations Inc. et al* 2014 BCSECCOM 26, Christopher Bass and Dale Zucchet illegally distributed Cinnabar shares to seven investors for proceeds of \$21,500 and Dale Zucchet made misrepresentations. The Commission permanently cease traded Cinnabar, imposed five-year market bans against each of Bass and Zucchet, ordered Cinnabar and Bass to disgorge \$21,500, and imposed administrative penalties of \$10,000 against Bass and \$15,000 against Zucchet.
- ¶ 45 In *John Arthur Roche McLoughlin et al* 2011 BCSECCOM 202 and 2011 BCSECCOM 299, the respondents illegally distributed securities to 22 investors for proceeds of \$317,636, purporting to rely on exemptions that were not available. In doing so, McLoughlin breached a prior order of the Commission arising from a previous illegal distribution. He also continued the misconduct in the face of warnings from Commission staff. The Commission permanently ceased traded the corporate respondents, imposed on McLoughlin a 15-year market ban and a \$50,000 administrative penalty, imposed on Robert Douglas Collins a five-year market ban, disgorgement of \$14,607 (commission received) and a \$20,000 administrative penalty.
- ¶ 46 In *VerifySmart*, the respondents illegally distributed securities to 99 investors for proceeds exceeding \$1.2 million, purporting to rely on exemptions that were not available. The panel noted that Daniel Scammell and Casper de Beer did not intentionally contravene the Act. The Commission imposed a five-year market ban against each of Scammell and de Beer, ordered them and the issuer to disgorge the \$1.2 million, and ordered the two individuals to each pay an administrative penalty of \$50,000.
- ¶ 47 In *Solara Technologies Inc. and William Dorn Beattie* 2010 BCSECCOM 357, the respondents illegally distributed securities to 46 investors for proceeds of \$790,000, without taking sufficient care to ensure that the requirements of the exemptions were met. Solara and Beattie also filed false and misleading reports claiming reliance on the offering memorandum exemption for trades made before the offering memorandum, and made misrepresentations in the offering memorandum regarding Beattie's salary. The panel noted that Solara and Beattie did not knowingly contravene the Act or intend to mislead the Commission, and the contraventions arose from carelessness and poor record keeping. The panel imposed a five-year market ban against Beattie and ordered him to pay an administrative penalty of \$50,000. The executive director did not apply for disgorgement. The panel did not order disgorgement and allowed Beattie to continue to act as a director and officer of Solara, in order to give Solara an opportunity to find new financing and to avoid putting at risk any prospect of the investors recovering their funds.

- ¶ 48 Chua and Anderson both argue that the cases cited above are distinguishable because they involved more egregious behaviour, and with the exception of *Cinnabar*, involved significantly higher dollar amounts and number of investors.
- ¶ 49 Chua referred us to *Re Brookmount Explorations Inc.* 2012 BCSECCOM 445. We do not find that case helpful as it dealt with very different facts. It involved misrepresentations (gross exaggerations by a junior mining company of its primary mining property in news releases) and directors selling their shares in breach of a cease trade order. There was no illegal distribution of securities.
- ¶ 50 Although the cited cases (other than *Cinnabar*) involved significantly higher dollar amounts and number of investors, they involved less misconduct. Here, the respondents breached a cease trade order and made misrepresentations in addition to illegally distributing securities.
- ¶ 51 Oriens is subject to a cease trade order issued by the executive director for the non-filing of documents. The evidence suggests that the Oriens shares do not have much present value and there is no evidence that they have much future value. We agree with the executive director that it is appropriate to issue a permanent cease trade order with respect to Oriens.
- ¶ 52 For the reasons already stated, Chua continues to pose a risk to our markets and a market ban is warranted. We find Chua's conduct to be more egregious than the conduct of the individual respondents in the cited cases (five-year bans) with the exception of McLoughlin (15-year ban). Although the executive director has asked for an eight-year market ban, having regard to the circumstances and past Commission decisions, we find that a six-year market ban is appropriate.
- ¶ 53 Chua asks that he be allowed to remain a director and officer of Oriens for another six months, so he may represent Oriens and complete an on-going merger and asset purchase from a Costa Rica enterprise. When cross-examined, Chua said with confidence that the transaction would be completed within two weeks after the hearing. Since this decision post-dates that two-week period, it renders moot his need for the carve-out.
- ¶ 54 Anderson performed more of a back office function at Oriens. He has been involved for 20 years in the management of primarily US public companies. Although the executive director has asked for an eight-year market ban, we do not believe that is necessary in light of Anderson's remorse, and his more limited role and culpability. We believe he has learned from his mistake, but a two-year market ban is warranted to ensure he takes that time to better understand his duties and responsibilities when engaged in our capital markets.

- ¶ 55 Anderson asks that he be allowed to continue as a director of Bull Moose during the market ban. He testified that it is a private company which does not anticipate raising funds in the near term. He indicated that he would not be involved, other than in an administrative capacity, should Bull Moose decide to issue securities in the future.
- ¶ 56 Anderson also characterized his duties at Oriens as “administrative”, when in fact he performed acts in furtherance of trades in securities. We are not comfortable permitting him to be involved with Bull Moose’s capital raising activities during the market ban. However, it does not prejudice the public interest to allow Anderson to act as a director and officer of Bull Moose during that time if Bull Moose does not raise capital in our markets, and we are prepared to permit a carve out to that extent.
- ¶ 57 The executive director also asks us to ban Chua and Anderson from acting as registrants. That is not appropriate. Their misconduct does not support that prohibition given that none of it had anything to do with conduct as a registrant. But if either of them applies for registration in the future, his conduct in this case would be a relevant consideration in the decision whether to grant registration.
- ¶ 58 Anderson argues that a trading ban also is not appropriate on the basis that this case did not involve trading violations. That is simply not correct as the sales of Oriens shares to the investors were “trades” under the Act, and the panel found that Anderson acted in furtherance of those trades.
- ¶ 59 As already noted, we find Chua’s conduct to be more egregious than the conduct of the individual respondents in the cited cases, with the exception of McLoughlin. The administrative penalty against Chua should be higher than those imposed in *Cinnabar* but less than the penalty imposed on McLoughlin. Having regard to the circumstances including the magnitude of the illegal distributions and past Commission decisions, we find an administrative penalty of \$35,000 to be appropriate.
- ¶ 60 Anderson’s role was much more limited and less egregious than Chua’s. The magnitude of the illegal distributions and his misconduct are more comparable to those of Zucchet in *Cinnabar*. An administrative penalty of \$15,000 against Anderson is appropriate.
- ¶ 61 The Commission derives its disgorgement power from section 161(1)(g) of the Act. Where a person has not complied with the Act, the Commission may order that person to

“(g) ... pay to the commission any amount **obtained**, or payment or loss avoided, **directly or indirectly, as a result of the failure to comply or the contravention**,” (emphasis added)

- ¶ 62 Chua argues that the Commission does not have the authority to order disgorgement against him, since he did not “obtain” any of the investors’ funds; they were obtained by Oriens and used for legitimate Oriens expenses.
- ¶ 63 In making that argument, Chua is reading into section 161(1)(g) a limitation that the Commission may only order a person to pay an amount that is obtained **by that person**. We do not accept that interpretation. The section is clearly worded and there is no such limitation on a plain reading of it.
- ¶ 64 Chua also relies on a statement made by the Attorney General in the Legislature when this power was first introduced, to say that section 161(1)(g) is intended to disgorge “illegal profits” and Chua did not make any illegal profits.
- ¶ 65 Section 161(1)(g) does not use the words “illegal profits”. The words “any amount obtained” are broader than just illegal profits. Also, it is clear from reading the Attorney General’s actual statement that he mentioned disgorgement of “illegal profits” as an example of the disgorgement power, and not as a pre-requisite to ordering disgorgement.
- ¶ 66 In *VerifySmart*, the Commission had this to say about its disgorgement power (at paragraph 29),
- “... As a matter of principle, we agree that if capital is raised in contravention of the Act, it follows that it is appropriate that the amount raised be disgorged to the Commission. We have accordingly made an order to that effect against all of the respondents.”
- ¶ 67 The Commission has ordered disgorgement against respondents in cases where there was no evidence of personal enrichment. See *VerifySmart* and *Cinnabar*.
- ¶ 68 Chua argues, in the alternative, that it is not necessary to issue a disgorgement order against him, and relies on *Photo Violation Technologies Corp. et al* 2013 BCSECCOM 276, *Pacific Ocean Resources Corporation and Donald Verne Dyer* 2012 BCSECCOM 104, and *Saafnet Canada Inc. et al* 2014 BCSECCOM 96.
- ¶ 69 Those cases are all distinguishable on the facts. There are mitigating factors in *Photo Violation* and *Saafnet* that are not present here. In the case of *Pacific Ocean*, none of the proceeds went to the respondents and neither respondent had control over the issuer.

¶ 70 Here, Chua is the directing mind of Oriens; he is Oriens and is just as accountable as Oriens. Clearly, Oriens obtained the investors' funds. Although it is not necessary to find that a respondent has been personally enriched before ordering disgorgement, in this case, we have found that Chua was personally enriched by the misconduct. We agree with the executive director that it is appropriate to require Oriens and Chua to disgorge the entire US\$58,500.

¶ 71 The executive director also asks us to make a disgorgement order against Anderson. But Anderson was much less culpable than Chua, and had a limited role in the misconduct. He was not personally enriched. Although he was a director and officer, Oriens was Chua's company and Anderson had no real control over it. It is not appropriate to require Anderson to disgorge the illegally raised funds.

#### **IV Orders**

¶ 72 Considering it to be in the public interest, and pursuant to sections 161 and 162 of the Act, we order that:

##### **Oriens**

1. under section 161(1)(b), all persons permanently cease trading in, and be permanently prohibited from purchasing, any Oriens securities,
2. under section 161(1)(b), that Oriens permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts,
3. subject to paragraph 72(8) below, under section 161(1)(g), Oriens pay to the Commission US\$58,500, being the outstanding amount obtained, or payment or loss avoided, directly or indirectly, as a result of contraventions of the Act;

##### **Chua**

4. under section 161(1)(d)(i), Chua resign any position he holds as a director or officer of an issuer or registrant, and
5. until the latest of August 19, 2020 and the dates on which the payments ordered in paragraphs 72(6) and 72(7) have been made, Chua is prohibited:
  - (a) under section 161(1)(b), from trading in or purchasing securities, except that he may trade and purchase securities for his own account through a registrant, if he gives the registrant a copy of this decision;
  - (b) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant;

- (c) under section 161(1)(d)(iii), from becoming or acting as a promoter;
  - (d) under section 161(1)(d)(iv), from acting in a management or consultative capacity in connection with activities in the securities market; and
  - (e) under section 161(1)(d)(v), from engaging in investor relations activities;
6. subject to paragraph 72(8) below, under section 161(1)(g), Chua pay to the Commission US\$58,500, being the outstanding amount obtained, or payment or loss avoided, directly or indirectly, as a result of contraventions of the Act;
  7. under section 162, Chua pay an administrative penalty of Can\$35,000; and
  8. Oriens' and Chua's obligations to pay under paragraphs 72(3) and 72(6) are joint and several and shall not exceed US\$58,500;

**Anderson**

9. under section 161(1)(d)(i), Anderson resign any position he holds as a director or officer of an issuer or registrant, other than Bull Moose Mines Limited, and
10. until the latest of August 19, 2016, the date on which the payment ordered in paragraph 72(11) has been made, and the date on which he successfully completes a director and officer course, Anderson is prohibited:
  - (a) under section 161(1)(b), from trading in or purchasing securities, except that he may trade and purchase securities for his own account through a registrant, if he gives the registrant a copy of this decision;
  - (b) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant, other than Bull Moose Mines Limited provided that it does not engage in capital raising activities in British Columbia;
  - (c) under section 161(1)(d)(iii), from becoming or acting as a promoter;
  - (d) under section 161(1)(d)(iv), from acting in a management or consultative capacity in connection with activities in the securities market; and
  - (e) under section 161(1)(d)(v), from engaging in investor relations activities; and

11. under section 162, Anderson pay an administrative penalty of Can\$15,000.

¶ 73 August 19, 2014

¶ 74 **For the Commission**

Suzanne K. Wiltshire  
Commissioner

Judith Downes  
Commissioner

Audrey T. Ho  
Commissioner