

BRITISH COLUMBIA SECURITIES COMMISSION  
*Securities Act*, RSBC 1996, c. 418

Citation: Re Wilson, 2018 BCSECCOM 49

Date: 20180208

**Reciprocal Order**

**John Russell Wilson**

**Section 161 of the *Securities Act*, RSBC 1996, c. 418**

- [1] This is an order under sections 161(1) and 161(6)(c) of the *Securities Act*, RSBC 1996, c. 418.
- [2] Section 161(1)(6) facilitates cooperation between the Commission and other securities regulatory authorities, self-regulatory bodies and exchanges. The executive director of the Commission has applied for an order reciprocating in British Columbia certain of the sanctions imposed by the Ontario Securities Commission (OSC) against John Russell Wilson (Wilson) in [\*David Charles Phillips et al\*](#), 2015 ONSEC 36 (CanLII).
- [3] Although Wilson was provided the opportunity to be heard, he did not participate in the hearing.
- [4] The Commission makes reciprocal orders under section 161(1)(6) when such an order will, in the public interest, protect investors and the capital markets in British Columbia. Although the order in British Columbia is based on findings and sanctions in another jurisdiction, the Commission must be able to regulate a cross-border securities industry with highly mobile funds, people and information.
- [5] Among other things, the OSC found that Wilson perpetrated a fraud on investors in First Leaside Group (FLG) entities, and made statements about FLG that were untrue or omitted information necessary to prevent the statements from being false or misleading. In particular the OSC found that Wilson:
  - a. perpetrated a fraud, by selling securities of FLG entities to investors without disclosing to them a report prepared by Grant Thornton, and in particular, important facts in that report, while having the subjective knowledge that by not disclosing the report, he put the financial or pecuniary interests of investors at risk.
  - b. made prohibited representations, by making statements to investors that, while relevant to a reasonable investor, were untrue or omitted information necessary to prevent the statements from being false or misleading, and
  - c. failed as a registrant to deal fairly, honestly and in good faith with FLG entity investors. By not disclosing the risks associated with an investment in FLG

entities, Wilson prejudiced FLG entity investors by favoring his own interests instead of theirs, thereby breaching his duty as a gatekeeper of the integrity of the capital markets.

[6] After providing Wilson with an opportunity to be heard and considering staff's submissions, we find that it is in the public interest to order that:

(a) under section 161(1)(d)(i), Wilson resign any position he holds as a director or officer of an issuer or a registrant;

(b) Wilson is permanently prohibited:

(i) under section 161(1)(b)(ii) of the Act, from trading in or purchasing any securities or exchange contracts, except that Wilson may trade and purchase securities in accordance with the terms of the OSC Order;

(ii) under section 161(1)(c), from relying on any of the exemptions set out in this Act, the regulations or a decision;

(iii) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant; and

(iv) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;

February 8, 2018

**For the Commission**

Nigel P. Cave  
Vice Chair

George C. Glover, Jr.  
Commissioner