



British Columbia Securities Commission

Citation: 2017 BCSECCOM 203

## Notice of Hearing

**DominionGrand II Mortgage Investment Corporation, DominionGrand Investment Fund Inc., Donald Bruce Edward Wilson, David Scott Wright, and Patrick K. Prinster**

**(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 the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts.

#### **Summary**

1. The Respondents raised approximately \$1.1 million from investors. They represented to investors that they would invest their money in mortgages secured by real estate. The Respondents did not invest the money in mortgages secured by real estate but used it for other purposes.
2. By engaging in the conduct as set out in this Notice of Hearing, the Respondents committed fraud contrary to section 57(b) of the Act.
3. As directors, officers, or agents of the companies, Wilson, Wright and Prinster permitted, authorized or acquiesced in the companies' contraventions of section 57(b) of the Act and therefore contravened those same provisions under section 168.2 of the Act.

#### **Background**

4. DominionGrand II Mortgage Investment Corporation (DG Mortgage) was a British Columbia company incorporated on March 30, 2011. It was dissolved on February 16, 2015.
5. DominionGrand Investment Fund Inc. (DG Fund) was a British Columbia company incorporated on August 24, 2012. It was dissolved on July 6, 2015.

Tel: 604 899-6500 Fax: 604 899-6506 Toll Free: 1 800-373-6393 [www.bsc.bc.ca](http://www.bsc.bc.ca)  
P.O. Box 10142, Pacific Centre, 701 West Georgia Street Vancouver, BC, Canada V7Y 1L2



6. These companies held themselves out as mortgage investment corporations in the business of investing in mortgages backed by Canadian real estate.
7. Donald Bruce Edward Wilson (Wilson) resides in British Columbia. He was the President, Secretary and a director of DG Mortgage.
8. David Scott Wright (Wright) resides in British Columbia. He was a director of DG Mortgage and DG Fund.
9. Patrick K. Prinster (Prinster) resides in British Columbia. He was a director or agent, or both, of DG Mortgage and DG Fund.

### **Misconduct**

10. Between June 2011 and August 2013, the Respondents raised approximately \$1.1 million from 40 investors, mostly from BC, as follows:

DG Mortgage, Wilson, Prinster and Wright	\$610,134	19 investors
DG Fund, Wright and Prinster	\$506,693	21 investors
<b>Total</b>	<b>\$ 1,116,827</b>	<b>40 investors</b>

11. The Respondents represented to investors that their money would be invested in mortgages secured by real estate but they did not do that. Instead, most of the money went to companies related to the Respondents. Those companies did not invest in mortgages.

12. The Respondents spent the majority of the money as follows:

Commissions to finders	\$77,595
Business expenses	\$25,823
Other companies related to the Respondents	\$897,758
<b>Total</b>	<b>\$1,001,176</b>

### **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, July 11, 2017, at 9:00 a.m.** 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](mailto: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.

*Peter J Brady*  
*June 15 2017 4:30 PM -07:00*

- ¶ 5 Peter J. Brady  
Executive Director