

Citation: 2016 BCSECCOM 210

## **Settlement Agreement**

**Asia Finance Corporation Ltd.**

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

- ¶ 1 The Executive Director of the British Columbia Securities Commission (Executive Director) and Asia Finance Corporation Ltd. (Asia Finance) agree as follows:

### **Agreed Statement of Facts**

#### ***Background***

1. Asia Finance is a New Zealand company that was registered as a financial service provider in New Zealand. Asia Finance sometimes carried on business as London Capital NZ. Asia Finance voluntarily filed to surrender its New Zealand registration in July 2015.
2. Asia Finance has never been registered under the *Securities Act, RSBC 1996, c. 418 (Act)*.
3. Since at least May 2013, Asia Finance promoted itself through its website as providing private banking and wealth management services. These services included trading securities for individual and corporate accounts. The website does not post any restrictions or limitations on who may open accounts or use the advertised services.
4. In August 2013, Asia Finance opened trading accounts at a dealer in Vancouver, BC (BC trading accounts) in order to execute trades on behalf of its clients.
5. Between about October 2013 and February 2014 (relevant period), Asia Finance instructed trading on behalf of its clients through the BC trading accounts. Most of the trading was in companies whose shares are quoted on the Over The Counter Bulletin Board in the United States.
6. British Columbia Securities Commission (Commission) staff has determined that some of the trading in the BC trading accounts was for client accounts beneficially owned by three BC residents. The aggregate trading value for those accounts was about \$8.25 million.

***Mitigating Factors***

7. Asia Finance has cooperated with Commission staff throughout the investigation.
8. Asia Finance suspended trading with BC-related accounts shortly after learning of the Commission investigation.

***Misconduct***

9. Asia Finance breached section 34(a) of the Act (persons who must be registered) in the relevant period by:
  - (a) offering or soliciting trades of securities through its website, where Asia Finance held itself out as being in the business of trading in securities, without:
    - (i) prominently displaying a disclaimer that identifies the foreign jurisdictions in which the offering or solicitation is qualified to be made; and
    - (ii) taking reasonable precautions not to sell to BC residents; and
  - (b) trading in securities on behalf of at least three BC residents without being registered with the Commission to do so.

***Public Interest***

10. Asia Finance's conduct described in this settlement agreement is contrary to the public interest.
11. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

***Undertaking***

12. Asia Finance undertakes to pay \$125,000 USD to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.

**Order**

¶ 2 The Executive Director will issue an order (the Order) that:

1. under section 161(1)(b) of the Act, that Asia Finance permanently cease trading in, and is prohibited from purchasing, any securities; and

2. under section 161(1)(d) of the Act, Asia Finance is permanently prohibited from engaging in investor relation activities.

**Consent to Regulatory Orders**

¶ 3 Asia Finance consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraphs 1 and 2 above.

**Waiver**

¶ 4 Asia Finance 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**

¶ 5 This Settlement Agreement may be executed in counterpart or by electronic execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

¶ 6 June 17 , 2016

*Thomas Yi*

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Asia Finance Corporation Ltd.  
Per: Thomas Yi  
(Chief Executive Officer)

*Woo Kwang Tse*

\_\_\_\_\_)  
Witness Signature )  
*Woo Kwang Tse* )  
Witness Name (please print) )  
*15F. Kyobo Bldg, 1 jongro* )  
*Jongro-gm Seoul Korea* )  
Address )  
*Account Manager* )  
Occupation )

¶ 8 June 24 , 2016

*Brenda Leong*

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Brenda M. Leong  
Executive Director