



Citation: 2020 BCSECCOM 22

Notice of Hearing

All Canadian Investment Corporation and Donald Bergman

(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 subject to such orders as may be issued in proceedings styled *In the Matter of All Canadian Investment Corporation*, Supreme Court of British Columbia, Vancouver Registry No. S1710393, 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:

¶ 2 **Background**

1. All Canadian Investment Corporation (ACIC) is a non-reporting mortgage investment corporation that was controlled and managed by Donald Bergman (Bergman) during the relevant time.
2. Bergman is a resident of Salmon Arm, British Columbia. He incorporated ACIC in British Columbia and was its sole director at the relevant time.
3. ACIC's business was to provide loans (Mortgage Loans) to owners and developers of single and multi-family residential, commercial, office, and industrial real estate, which were secured by mortgages on those properties.

Misconduct

Misrepresentations and False or Misleading Statements

4. Between February 2014 and December 2015, ACIC raised \$1.602 million from over 50 investors using three offering memorandums dated January 21, 2014, February 12, 2015 and June 22, 2015 (OMs).
5. ACIC provided investors with the OMs and filed the OMs with the Commission.



6. In the OMs, ACIC stated that:
 - (a) ACIC's Mortgage Loans would be secured by a mortgage and the mortgage "will be registered in the appropriate land title office as a charge against the real property subject to the Mortgage" (the Registration Representations); and
 - (b) ACIC's Mortgage Loans were secured by mortgages ranking first or second in priority (the Priority Representations).
7. ACIC's Registration Representations and Priority Representations were false or misleading because:
 - (a) some of ACIC's Mortgage Loans were not secured by a mortgage registered in the Land Title and Survey Authority as a charge against the real property subject to the mortgage, because ACIC cancelled some mortgage registrations, both before and after the date of the OMs; and
 - (b) some of ACIC's Mortgage Loans were secured by mortgages that ranked lower in priority than the priority stated in the OMs.
8. By engaging in the conduct described in this Notice of Hearing, ACIC made misrepresentations contrary to section 50(1)(d) of the Act, and false or misleading statements in documents required to be filed under the Act, contrary to section 168.1(1)(b) of the Act.
9. As an officer and director of ACIC, Bergman authorized, permitted or acquiesced in ACIC's contraventions, and therefore contravened the same provisions under section 168.2(1) of the Act.

Hearing Process

- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **March 11, 2020, 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.
- ¶ 4 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 Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.



- ¶ 5 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may 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

Jan 20 2020 7:08 AM -08:00

- ¶ 6 Peter J. Brady
Executive Director