

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

Citation: Re Rada, 2026 BCSECCOM 49

Date: 20260219

Marcel Anil Rada

Panel	Gordon Johnson	Vice Chair
	Jason Milne	Commissioner
	Noordin Nanji, KC	Commissioner

Submissions completed October 24, 2025

Ruling date February 19, 2026

Counsel

Patrick Sullivan	For Marcel Anil Rada
Rebecca Sim	

Amir Ghorbani	For the Executive Director
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Ruling and Reasons for Ruling

I. Introduction

- [1] On August 1, 2025, Marcel Anil Rada (Applicant) applied to the Commission under section 171 of the *Securities Act*, 1996, c. 418 (Act), to vary the order made in *Re Rada*, 2017 BCSECCOM 299 at para 8(1)(2).
- [2] On September 5, 2025 the executive director provided his submissions.
- [3] On September 25, 2025 the Applicant provided submissions and further affidavit evidence.
- [4] The executive director objected to the further evidence and requested leave to file further reply materials. Such leave was granted.
- [5] On October 24, 2025, the executive director filed a further submission.

II. Factual and Procedural Background

- [6] The Applicant began employment in the securities industry in 1992. From then until late 2006, he worked as an investment advisor with, in sequence, 3 different investment dealers.
- [7] In a period in and around 2007 the Applicant engaged in a series of conduct in violations of the Bylaws of the Investment Industry Regulator of Canada (IIROC), the self-regulatory authority which had jurisdiction over him. The misconduct included soliciting clients to participate in off-book investments without the consent of his employer and, subsequently, failing to cooperate with the investigation by IIROC staff.

- [8] On April 14, 2011 the Applicant agreed to a settlement with IIROC under which the Applicant accepted a permanent prohibition against re-approval as an investment advisor and payment of a \$75,000 fine.
- [9] After a subsequent application by the executive director to the Commission for an order under sections 161 and 161(6)(d), on October 5, 2017 a panel of the Commission issued an order against the Applicant which included the following paragraphs:
- [7] Rada is a resident of British Columbia. The underlying, admitted conduct that led to the settlement agreement was serious. It falls below the standard expected of those who seek to participate in the securities industry, which relies on the integrity of registrants and their compliance with industry rules to safeguard the investing public.
- [8] To prevent Rada from engaging in similar conduct in British Columbia, we find that it is in the public interest to make the following orders:
1. under section 161(1)(d)(i) of the Act, that Rada resign any position he holds as a director or officer of any issuer or registrant;
 2. under section 161(1)(d)(ii) of the Act, that Rada is permanently prohibited from becoming or acting as a director or officer of any issuer or registrant;
 3. under section 161(1)(d)(iii) of the Act, that Rada is permanently prohibited from becoming or acting as a registrant or promoter;
 4. under section 161(1)(d)(iv) of the Act, that Rada is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
 5. under section 161(1)(d)(v) of the Act, that Rada is permanently prohibited from engaging in investor relations activities.
- [10] The Applicant does not suggest that he was unaware of the section 161 order. In fact, his evidence is that he received legal advice in relation to the order.
- [11] On or about October 26, 2010, long before the date of the section 161 order, the Applicant caused a numbered British Columbia corporation to be incorporated. The Applicant has been the sole shareholder and director of the numbered corporation.
- [12] On or about May 5, 2021, long after the issue of the section 161 order, the Applicant caused a company with the word “investments” included in its name to be incorporated. The Applicant has been the sole shareholder and director of this second corporation.
- [13] Under the terms of the section 161 order the Applicant should have resigned as a director of the numbered corporation and he should have refrained, from then forward, from acting as a director of any other corporation, including the second corporation.
- [14] In the Applicant’s August 1, 2025 application to vary the section 161 order, the Applicant noted that the purpose of such orders are, in the public interest, to protect investors and public markets in British Columbia. The application stated “the legislative intent of reciprocal orders made under section 161(6) is ‘protective and preventative in nature.’”

[15] The Applicant relies on section 171 of the Act to vary the Section 161 order to create what was described as a narrow carve out which would permit the Applicant to continue to act as a director of the numbered corporation and the second corporation (the Holding Companies) so he can manage his affairs in a tax efficient manner. The Applicant submitted:

14. Furthermore, Mr. Rada submits that the requested variation is not prejudicial to the public interest because:

- a) He is the sole shareholder of each of [the Holding Companies];
- b) [the Holding Companies] do not carry out any active business activities;
- c) [the Holding Companies] hold the following limited assets.
 - a. [the numbered corporation] is the lessee of a 2018 Jeep Wrangler; and
 - b. [the second corporation] owns a 2002 30 ft. Cigarette Mystique boat and holds approximately \$10,000 in cash.
- d) Significant time has elapsed since the issuance of the IIROC Settlement and the Reciprocal Order; and
- e) Mr. Rada has no history of any regulatory misconduct other than the events giving rise to the IIROC Settlement, which occurred 18 years ago.

[16] The executive director's response brought some additional facts to light. On June 10, 2025, a few weeks before he brought this application, the Applicant was quasi-criminally charged under the Act with breaching the section 161 order because he was acting as a director of the Holding Companies. The Applicant had not disclosed that in his application, and the application included a submission that the Applicant "has no history of any regulatory misconduct other than the events giving rise to the IIROC settlement which occurred 18 years ago."

[17] The executive director's response also noted that although the Applicant asserts it will cause him "significant tax, administrative and financial difficulties if I was required to dissolve those companies", the Applicant does not provide any evidence showing that such tax advantages actually exist. The executive director submitted that the lack of compliance by the Applicant is evidence that the section 161 order, in its current form, is necessary to protect the public.

[18] The Applicant's reply addressed the evidence and submissions of the executive director, and provided some further new evidence. The Applicant deposed that in or around 2017 he sought legal advice from a corporate solicitor that led him to believe that he could act as a director of the Holding Companies. He also deposed that in addition to using the Holding Companies to hold personal assets, his private family business ventures occasionally earn him income through the corporations at a favorable corporate tax rate.

[19] In his reply submissions, the Applicant emphasized the importance that this panel properly understand the public interest which is engaged. The narrowness of the carve out which is sought is emphasized, and further emphasizes that the question is whether such a narrow variation is "not prejudicial to the public interest". The Applicant emphasizes that section 161 orders are intended to protect the public; they are not intended to punish a respondent (here referring to the Applicant).

[20] The Applicant refers to a list of factors which are submitted to show that the public interest supports the variation requested. These factors include the passage of over 18 years since the time of the misconduct, the degree of seriousness of the misconduct relative to some of the more harmful misconduct which sometimes comes before us and, that the variation sought will have no effect on the investing public.

[21] In his further reply, the executive director raised issues about the reliability of the Applicant's evidence. Potential inconsistencies were noted between the Applicant's original evidence regarding his income earning status and his further evidence regarding the directing of income through a corporation instead of to the Applicant personally. The executive director directly challenged the evidence to the effect that the Applicant did what he did in reliance on legal advice. The executive director noted:

7. The Ontario Securities Commission set out factual elements needed to establish a defence of reliance on legal advice *Mega-C Power Corporation et al.*, 2010 ONSEC 19 (Mega-C):

[261] Assuming, without deciding, that the defence of reliance on legal advice is available to Mr. Pardo, on the facts of this case the defence will fail unless he can establish four things:

- the lawyer had sufficient knowledge of the facts on which to base the advice;
- the lawyer was qualified to give the advice;
- the advice was credible given the circumstances under which it was given; and
- that Mr. Pardo made sufficient enquiries and relied on the advice.

[22] The executive director noted that the Mega-C approach was adopted by this Commission in *Re Johnston*, 2021 BCSECCOM 79.

III. Analysis and Conclusions

[23] In matters like the one before us, the burden of proof rests on the Applicant. In most circumstances, in order to succeed on a section 171 variation application, an applicant must show new and compelling evidence or a significant change in circumstances since the original decision was made, such that it would not be prejudicial to the public interest to allow the variation (see BC Policy 15-601 *Hearings* section 9.10(a), and *Re Pyper*, 2004 BCSECCOM 238).

[24] We agree with the Applicant on many points. Section 171 is available, among other purposes, to have panels review whether circumstances have changed such that it is not prejudicial to the public interest to vary the terms of what are commonly called reciprocal orders. The passage of a considerable period of time, with no misconduct by an applicant during that time, is a relevant factor. In addition, reciprocal orders are preventative and protective; they are not intended to punish misconduct.

[25] We would add that panels of the Commission have, especially in recent years and even when unprompted by arguments from respondents, studied the terms sought for reciprocal orders to ensure that each term is preventative and protective. As a result, it has become common for panels, in appropriate cases and subject to certain protective conditions, to craft orders to allow respondents to save and invest in their own registered accounts with registered advisors, even

where the underlying conduct is serious (see *Re Allison*, 2026 BCSECCOM 4 and *Re Hunter*, 2025 BCSECCOM 469). This supports the public interest by allowing Respondents to save and invest for their own retirements.

- [26] In addition, panels have allowed carve outs from prohibitions against respondents acting as directors of issuers when there is a specific issuer which is wholly owned by the respondent and not raising funds from the public (see *Re Sidhu*, 2025 BCSECCOM 402). This carve out creates some modest risk that a respondent will be better able to conceal his or her activities, but for many respondents whose prior conduct does not suggest that such a risk is serious it has the benefit of allowing that person to carry on business through a corporation.
- [27] We have been troubled in this proceeding by the Applicant's lack of candor. The Applicant's submission to the effect that the Applicant's conduct raised no new regulatory concerns for over 18 years is troubling in that the Applicant was in apparent breach of the section 161 order for many years. Further, the Applicant had, as a result, been charged with a quasi-criminal offence under the Act. The Applicant's reference to tax benefits obtained through the Holding Companies, by reference to assets which do not seem to suggest a tax benefit (specifically, cash, a vehicle and a boat), was not candid. This is demonstrated by the fact that the Applicant felt compelled to add further details in reply. It is not clear how important these details are in terms of the totality of this application, but in any event there is just enough detail here to be confusing and not enough detail to be convincing or compelling.
- [28] Finally, on the topic of candor, we come to the factor of reliance on legal advice as an excuse for non-compliance with the section 161 order. The bare conclusion that the Applicant relied on legal advice is not remotely convincing. There is a glaring lack of candor or detail included with the submission that the Applicant relied on legal advice. He has provided no detail which would identify the legal advisor, what that advisor knew as a basis to provide reliable advice and exactly what advice he or she provided.
- [29] It is not our role here to sanction the Applicant for his conduct in apparently failing to comply with the section 161 order. That issue is not before us in these proceedings, and we are not going to come to a final conclusion; we are instead going to leave that to the Provincial Court. One way or another, we expect the quasi-criminal proceedings to come to a conclusion within a reasonable time.
- [30] It is also not our role to sanction the Applicant for his lack of candor in some of his statements and omissions as outlined above. We are not concluding that the Applicant has been untruthful, but lack of candor could certainly influence a panel's exercise of discretion in some circumstances.
- [31] However, significant and relevant issues have been put before us and emphasized based on an incomplete factual record. Perhaps the Applicant would now prefer that he had chosen to focus only on the limited nature of the relief sought, without putting a series of other facts in issue. But based on how the matter unfolded we have before us evidence which is difficult to rely upon regarding issues which were placed before us by the Applicant, who bears the onus of demonstrating that varying the existing section 161 order would not be prejudicial to the public interest.
- [32] Our narrow conclusion based on the foregoing is that the Applicant has not demonstrated that varying the section 161 order would not be prejudicial to the public interest, and we dismiss the

application. However, we note that the Applicant has liberty to reapply under section 171 of the Act and can consider doing so after two things happen:

- a) First, the Provincial Court proceeding should run its course so we can consider if the outcome should have any influence on the discretion which we must exercise, and
- b) Second, the Applicant should consider this decision and evaluate the evidentiary difficulties which exist, both as outlined above and in light of the pending provincial court proceedings.

[33] The application is dismissed.

February 19, 2026

For the Commission

Gordon Johnson
Vice Chair

Jason Milne
Commissioner

Noordin Nanji, KC
Commissioner