

REPLY TO:

Amir Ghorbani

T: 604-899-6782 / F: 604-899-6633

Email: aghorbani@bcsc.bc.ca

By Regular Mail

February 18, 2025

Dear Mr. Del Bianco:

David John Del Bianco
Reciprocal Order Application
Our File No.: 55247

I am writing this letter on behalf of the Executive Director of the British Columbia Securities Commission (the Executive Director).

This letter notifies you and the British Columbia Securities Commission (the Commission) that the Executive Director is applying for orders against you under sections 161(6)(a) and 161(1) of the *Securities Act*, RSBC 1996, c. 418 (the Act). The Executive Director is not seeking a financial penalty.

The Executive Director is making this application based on your criminal conviction for fraud over \$5,000 and laundering proceeds of crime.

CRIMINAL CONVICTION

1. On July 28, 2023, you were convicted of one count of Fraud involving securities over \$5,000 pursuant to section 380(1) of the *Criminal Code* and one count of laundering the proceeds of crime pursuant to section 462.31(1)(a) of the *Criminal Code*.

[Rex v Del Bianco](#), 2023 ABKB 430 (*Reasons for Judgment*) at para. 318

2. On December 18, 2023, the Honourable Justice Devlin of the Court of King's Bench of Alberta sentenced you to the following:
 - (a) 4.5 years imprisonment for the fraud conviction and a concurrent sentence of one year for the money laundering conviction;
 - (b) Restitution of \$229,138 to seven victims of your fraud;
 - (c) An order to provide a sample of your DNA; and
 - (d) An order barring you from seeking or holding any position that involves authority over the property, money, or valuable security of any other person for 10 years.

[His Majesty the King v. Del Bianco](#), 2023 ABKB 723 (*Sentencing Judgment*) at paras. 56, 57, 59, 62, 63

Summary of Findings

3. The following facts of your actions are contained in the *Reasons for Judgment* and the *Sentencing Judgment*:

- (a) You systematically stole from simple, honest, hardworking Albertans through a cruel and persistent securities fraud which ran from 2010 to 2014 (the Relevant Period) and resulted in confirmed losses of \$523,832.50.

Sentencing Judgment, para. 1

- (b) You marketed your securities fraud under the name “Equal Rights”. Members would pay a monthly fee to Equal Rights. In exchange, you promised members that if they ever faced legal trouble, Equal Rights would pay for their defense. Investors would receive the benefits of membership and prodigious profits.

Sentencing Judgment, para. 3

- (c) You advertised Equal Rights by creating and distributing information pamphlets and holding information meetings. You falsely claimed that more than 1,000 people had signed up for Equal Rights and that the RCMP was interested in a bespoke membership. There is no evidence that Equal Rights ever sold a single policy or subscription, had capitalization sufficient to sell insurance, or had the physical infrastructure to do so.

Sentencing Judgment, paras. 4-5

- (d) Equal Rights was little more than a stack of promotional materials, a URL, and bank accounts from which you drew a living. Yet, you aggressively promoted it as an investment opportunity. Your investors lacked financial sophistication and were trusting. They believed that their modest investments in Equal Rights would make them rich. You often went back to previous investors or used them to recruit others into the scheme.

Sentencing Judgment, paras. 6-7

- (e) You redirected the money your investors put into Equal Rights to your own benefit, using Equal Rights to fund your lifestyle. Throughout the Relevant Period, you were the sole director and sole signing authority on bank accounts. Forensic accounting evidence entered into evidence at your trial demonstrated that you used investor funds for groceries, clothing, travel, and to pay your residential mortgage. You repeatedly withdrew large quantities of cash for reasons unconnected to any legitimate purpose.

Sentencing Judgment, paras. 9-10

- (f) You targeted blue-collar, financially unsophisticated people predominantly from rural areas in northwest Alberta, none of whom had the wealth to justify investing in highly speculative private placements. Your deceptions had a devastating financial impact on your victims.

Sentencing Judgment, para. 12

- (g) You also bullied and badgered your victims to put more money into the scheme. In one case, where a victim started to ask probing questions about Equal Rights, you screamed at and threatened her over the phone, implying you had mafia connections and making a none-too-subtle death threat. Your victims suffered psychological harm in addition to financial losses.

Sentencing Judgment, para. 15

- (h) The Alberta Securities Commission has found that the investments in the scheme underlying your conviction were investment contracts. Therefore, your conviction arose from a transaction, business or course of conduct related to securities.

[Re Del Bianco](#), 2024 ABASC 193, para. 37

THIS APPLICATION

4. With this letter, the Executive Director is applying to the Commission for orders against you under section 161 of the Act. I have enclosed a copy of [section 161](#) of the Act for your reference.
5. In making orders under section 161 of the Act, the Commission must consider what is in the public interest in the context of its mandate to regulate trading in securities.
6. Section 161(6)(a) of the Act gives the Commission the power to make orders under section 161(1) of the Act against a person who has been convicted of a securities-related offence in Canada. You were convicted of a securities-related offence in Alberta and therefore section 161(6)(a) applies.
7. Orders under section 161(1) of the Act are protective, preventative and intended to be exercised to prevent future harm.

[Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario \(Securities Commission\)](#),
[2001] 2 SCR 132, 2001 SCC 37 (CanLII), paras. 36,
39, and 56

8. In [Re Eron Mortgage Corporation](#), [2000] 7 BCSC Weekly Summary 22, and in subsequent decisions, the Commission identified factors to consider when determining orders under section 161(1).
9. The following factors from *Re Eron* are relevant in this proceeding:
 - (a) the seriousness of the respondent's conduct,
 - (b) the harm suffered by investors as a result of the respondent's conduct,
 - (c) the damage done to the integrity of the capital markets in British Columbia by the respondent's conduct;
 - (d) the extent to which the respondent was enriched;
 - (e) factors that mitigate the respondent's conduct;
 - (f) the respondent's past conduct;
 - (g) the risk to investors and the capital markets posed by the respondent's continued participation in the capital markets of British Columbia,
 - (h) the respondent's fitness to be a registrant or to bear the responsibilities associated with being a director, officer or adviser to issuers,
 - (i) the need to demonstrate the consequences of inappropriate conduct to those who enjoy the benefits of access to the capital markets,
 - (j) the need to deter those who participate in the capital markets from engaging in inappropriate conduct, and
 - (k) orders made by the Commission in similar circumstances in the past.

[Re Eron Mortgage Corporation](#), [2000] 7 BCSC Weekly
Summary 22

**Application of the Factors
Seriousness of the Conduct**

10. Fraud is the most serious misconduct prohibited by the Act. As the panel has stated, “nothing strikes more viciously at the integrity of our capital markets than fraud.”

[Manna Trading Corp Ltd. \(Re\)](#), 2009 BCSECCOM 595,
para. 18

11. Even in cases of fraud there are varying degrees of seriousness. The Commission has previously held that the most serious types of fraud possible in an investment market include the following factors, which are all present in your case:

- a) The development of a scheme which is entirely fraudulent from the outset;
- b) The falsification of documents or multiple deceitful statements extending over a long period of time which create significant losses;
- c) Collecting money from investors and using a significant amount of those funds for their own benefit instead of purposes which had been described to investors.

[Bridges](#), 2024 BCSECCOM 36, para. 15

12. Your overall misconduct was egregious and is at the highest level of seriousness because:

- (a) You never intended to operate a legitimate business and, for many decades, used the Equal Rights scheme to commit fraud. In May 2002, the Alberta Securities Commission found you guilty of two offences under the *Alberta Securities Act* (Alberta Act) relating to Equal Rights activities. The Alberta Commission banned you from trading securities or holding corporate office for four years, and fined you \$10,000. The Court of Appeal upheld this decision and sanction. In September 2008, you were convicted of 10 breaches of the Alberta Act stemming from failures to follow the previous orders of the Securities Commission in 2003. These counts included conduct related to Equal Rights. Your subsequent appeal from conviction was dismissed, but your lifetime trading ban imposed at trial was reduced to eight years. All of the offending conduct in this case was committed in contravention of the 2008 ban.

Sentencing Judgment, paras. 25-27

- (b) Over the course of the Relevant Period, you made misrepresentations and false statements for the purpose of executing your fraudulent scheme. You issued false “share receipts” to investors who believed they were purchasing shares in Equal Rights. You dishonestly induced individuals to invest in Equal Rights through false statements about the status of the company and the uses to which the investments were to be put. You made false statements about the quantum of likely returns on investments in Equal Rights, promising one investor that “his investments would double” and other investors that their investments would “double or triple.” You represented that the business of Equal Rights was a going concern, when in fact it was not. In addition to all the above, you committed the offence of fraud by using investor funds for personal, as opposed to company, purposes.

Reasons for Judgment, paras. 249, 250, 254, 260, 264

- (c) The extent of your deceit was broad and substantial, and caused confirmed losses of at least \$523,832.50 to several dozen investors. You are profoundly verbally manipulative and lied in virtually every conversation you had about Equal Rights. You targeted honest, unsophisticated investors and sold them on a dream. You treated the money your victims invested in Equal Rights as your own personal income stream. You took efforts to avoid detection, most notably by threatening at least one victim when she started to ask difficult questions. Your fraud had an outsized impact on your victims relative to its overall value because your victims were of modest means.

Sentencing Judgment, paras. 1, 47, 48

Harm suffered by investors

13. Justice Devlin described you as “an utterly remorseless fraudster [who] continued with a scheme he had repeatedly been told was unlawful, causing profound harm to a highly vulnerable set of victims.”

Sentencing Judgment, para. 56

14. Your deceptions had a devastating financial impact on those who put their trust in you. In one example, you targeted a married couple who speak English as a second language and did not know what a prospectus was. The couple sank \$39,000 into Equal Rights despite never having purchased shares before. Another victim lost the money she and her husband had been saving to move their family out of a trailer infested with mold and into a smaller house.

Sentencing Judgment, para. 12

15. You caused at least \$523,832.50 of losses to investors.

Sentencing Judgment, para. 1

16. In addition to their financial losses, your victims suffered considerable psychological harm. You bullied and badgered your targets to put more money into the scheme. Your victims described how your fraud made them less open and slower to trust.

Sentencing Judgment, para. 15-16

Damage done to the integrity of the B.C. capital market

17. You used a British Columbia company with a Victoria address, Equal Rights Defence Alliance Inc., to facilitate your fraudulent scheme.

Affidavit #1 of Colette Colter, sworn January **, 2025,
para. 3

Reasons for Judgment, para. 137

18. Fraud violates the fundamental investor protection objectives of the Act. Fraud deters investors from reliance on the honesty and integrity of the markets. Your fraud damaged the integrity of the capital markets, including the British Columbia market, well beyond your immediate victims.

[*Re Bezzaz Holdings*](#), 2020 BCSECCOM 263, para. 16

Enrichment

19. Investors lost at least \$523,832.50 to your scheme. Justice Devlin ordered you to return \$229,138 of those losses to investors as restitution.

Sentencing Judgment, para. 1

20. Justice Devlin concluded that the money given over by investors ended up in accounts that you controlled. He found as a fact that you made use of investor money for non-business purposes unrelated to the Equal Rights.

Reasons for Judgment, paras. 279-280

Mitigating Factors

21. Justice Devlin considered your status as a care giver as the sole mitigating factor in your case when considering the appropriate custodial sentence. Your status as a caregiver is not a mitigating factor in the context of the protective, preventative orders the Executive Director seeks against you under section 161 of the Act.
22. There are no mitigating factors in the securities context for your case.

[*Re Del Bianco*](#), 2024 ABASC 193 at paras. 52-53

Past conduct

23. Your past conduct is an aggravating factor.
24. You were convicted of breaches of the Alberta Act in 2002 and 2008. In 2008, you were sanctioned for 10 breaches of the Alberta Act and prohibited from trading for eight years. Your conduct during the Relevant Period, which resulted in the criminal conviction against you, was also breaching the earlier trading prohibition.

Sentencing Judgment, para. 25-26

[*Re Del Bianco*](#), 2024 ABASC 193, paras. 48-49

Risk to investors and the capital markets

25. Public confidence in our capital markets is dependent on the honesty and integrity of those who participate in it. You have shown no contrition and there is no evidence that you intend to alter your behavior to remove any concern about the risk of future misconduct in our capital markets.

[*JV Raleigh Superior Holdings \(Re\)*](#), 2012 BCSECCOM 492, para. 31

26. Those who commit fraud, because of the *mens rea* associated with the misconduct, represent a significant risk to our capital markets.

[*Re Dominion Grand*](#), 2019 BCSECCOM 335, para. 15
[*Re Braun*](#), 2019 BCSECCOM 65, para. 21

27. You have a history of engaging in securities misconduct. Your violations were egregious. You fraudulently misappropriated hundreds of thousands of investor funds and caused harm to investors and capital markets.
28. Your misconduct was intentional, recurring, and long-lasting, continuing for about four years.
29. Based on your disciplinary history, the extreme seriousness of your misconduct, and your refusal to take responsibility for your actions even after a criminal conviction for fraud, you pose a significant risk of future harm to investors and capital markets.

Sentencing Judgment, para. 47

Participation in BC Capital Markets and Fitness to be a registrant or a director or officer

30. Participants who engage in the securities industry do so voluntarily and for their own profit. In exchange for the privilege of participating, individuals and companies must comply with securities laws. Compliance is paramount, ensuring the protection of the public and the integrity of the capital markets.
31. Honesty is a critical part of being a registrant or a director or an officer of an issuer. In fact, it is part of the basic duties of those positions.

Re SBC Financial Group Inc., 2018 BCSECCOM 267,
para. 34

32. You have shown to be dishonest and untrustworthy. Your conduct falls far short of that expected of participants in our capital markets. You pose a great risk to our markets and are ill-suited to act as a registrant, director, officer, promotor or advisor to any private or public issuer going forward.

Deterrence

33. The market as a whole must understand that a finding of fraud will result in a significant penalty.

Thow (Re), 2007 BCSECCOM 758, para. 74

34. The imposition of significant sanctions promotes general deterrence and helps restore the public's confidence in our capital markets. The role of the Commission is to protect the public interest by removing from the capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.

Committee for Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission),
[2001] 2 SCR 132, para. 43.

35. You have a history of non-compliance with securities law. The need for specific and general deterrence is high, especially considering that sophisticated frauds, such as the one you undertook, are difficult to detect and prosecute.
36. The orders the executive director is seeking are intended to demonstrate the consequences of your conduct, to deter you from future misconduct, and to create an appropriate general deterrent. Permanent market bans are proportionate to your misconduct and are necessary to ensure that you and others will be deterred from engaging in similar misconduct in the future.

Previous orders

37. The executive directors refers to a number of decisions for guidance on the appropriate sanction. The Commission ordered permanent market bans in the three decisions below. The decisions involve fraud and significant enrichment:
- a) [Re DominionGrand](#), 2019 BCSECCOM 335¹
 - o The respondents, Wright and Prinster, perpetrated a fraud of approximately \$1.1 million on 40 investors by diverting and using investor funds for other purposes than represented to the investors.
 - b) [Nickford \(Re\)](#), 2018 BCSECCOM 57
 - o The respondent perpetrated a fraud of at least \$318,141 on 13 investors by using the funds for her own personal use.
 - c) [Castiglioni \(Re\)](#), 2011 BCSECCOM 62²
 - o The respondent perpetrated a fraud, gave false and misleading information to the Commission, and made untrue representations. He falsely held out that his companies were an investment fund. He prepared false account statements and sent them to investors. He did not use investors' funds in the manner he told investors they would be used. Of the \$1.3 million he took from six investors, he used \$840,000 for himself and his wife and gave \$91,000 to other investors.
38. Permanent market orders such as the ones ordered against the respondents in the three decisions above are consistent with the egregious nature of your intentional and deliberate fraud.

The Davis Consideration

39. In the Court of Appeal decision in [Davis v. British Columbia \(Securities Commission\)](#), 2018 BCCA 149, the Court identified that it is incumbent upon a tribunal to consider a respondent's individual circumstances when determining whether measures short of a permanent ban would protect the investing public where a person's livelihood is at stake.
40. The Executive Director is unaware of any individual circumstances that would support orders short of a permanent market ban.

ORDERS SOUGHT

41. Although there is no limitation on the Commission from imposing a capital market sanction that is similar or different to the criminal sanctions, the Commission needs to consider what is reasonable based on the evidence known to it, as well as what is in the public interest.
42. In seeking orders under 161(1) of the Act, the Executive Director has taken the following factors into consideration when applying for orders in this proceeding:
- (a) the circumstances of your misconduct including the Settlement Agreement;
 - (b) the factors from *Eron* and *Davis*;
 - (c) the sanctions ordered in previous cases cited above; and
 - (d) the public interest.

¹ See paras. 2, 10, 12-15

² See paras. 22-26

43. Based on these factors, the Executive Director is seeking the following orders pursuant to section 161(1) of the Act:

- (a) under section 161(1)(d)(i), you resign any position you hold as a director or officer of an issuer or registrant;
- (b) you are permanently prohibited:
 - (i) under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives, except that, if you give a registered dealer a copy of this decision, you may trade in or purchase securities only through a registered dealer in:
 - (A) RRSPs, RRIFs, or tax-free savings accounts (as defined in the Income Tax Act (Canada)) or locked-in retirement accounts for your own benefit;
 - (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;
 - (iv) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;
 - (v) under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets;
 - (vi) under section 161(1)(d)(v), from engaging in promotional activities by or on behalf of
 - (A) an issuer, security holder or party to a derivative, or
 - (B) another person that is reasonably expected to benefit from the promotional activity; and
 - (vii) under section 161(1)(vi) from engaging in promotional activities on the person's own behalf in respect of circumstances that would reasonably be expected to benefit the person.

44. The Executive Director is not seeking any monetary sanctions against you.

SUPPORTING MATERIALS

45. In making this application, the Executive Director relies on the following, copies of which are enclosed:

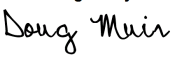
- (a) [*Rex v Del Bianco*](#), 2023 ABKB 430 [*Reasons for Judgment*]
- (b) [*His Majesty the King v. Del Bianco*](#), 2023 ABKB 723 [*Sentencing Judgment*]
- (c) [*Re Del Bianco*](#), 2024 ABASC 193
- (d) [*Committee for the Equal Treatment of Asbestos Minority Shareholders v. Ontario \(Securities Commission\)*](#), [2001] 2 SCR 132, 2001 SCC 37 (CanLII)
- (e) [*Re Eron Mortgage Corporation*](#), [2000] 7 BCSC Weekly Summary 22
- (f) [*Manna Trading Corp Ltd. \(Re\)*](#), 2009 BCSECCOM 595
- (g) [*Bridges*](#), 2024 BCSECCOM 36

- (h) Affidavit #1 of Colette Colter, sworn February 18, 2025
- (i) [Re Bezzaz Holdings](#), 2020 BCSECCOM 263
- (j) [JV Raleigh Superior Holdings \(Re\)](#), 2012 BCSECCOM 492
- (k) [Re Dominion Grand](#), 2019 BCSECCOM 335
- (l) [Re Braun](#), 2019 BCSECCOM 65
- (m) [Re SBC Financial Group Inc.](#), 2018 BCSECCOM 267
- (n) [Thow \(Re\)](#), 2007 BCSECCOM 758,
- (o) [Nickford \(Re\)](#), 2018 BCSECCOM 57
- (p) [Castiglioni \(Re\)](#), 2011 BCSECCOM 62
- (q) [Davis v. British Columbia \(Securities Commission\)](#), 2018 BCCA 149

YOUR RESPONSE

46. You are entitled to respond to this application. To do so, you must deliver any response in writing, together with any supporting materials, to the Commission Hearing Office by **Friday, March 28, 2025**.
47. The contact information for the Commission Hearing Office is:
- Commission Hearing Office
British Columbia Securities Commission
PO Box 10142, Pacific Centre
12th Floor, 701 West Georgia Street
Vancouver, BC V7Y 1L2
E-mail: hearingoffice@bcsc.bc.ca
Telephone: 604-899-6500
48. If you do not respond within the time set out above, the Commission will decide this application and may make orders against you without further notice.
49. The Commission will send you a copy of its decision.
50. **If you have any questions regarding this application, please contact Mr. Ghorbani at 604-899-6782 or aghorbani@bcsc.bc.ca**

Yours truly,

DocuSigned by:

2C3CEEE01F714DD...

2/18/2025 | 12:44 PM PST

Douglas B. Muir
Director, Enforcement

AG/crc

Enclosures

cc: Hearing Office (by email to hearingoffice@bcsc.bc.ca)