

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

Citation: Re Panyavong, 2025 BCSECCOM 86

Date: 20250228

**Order under section 161(6)**

**Johny Panyavong**

**Section 161 of the *Securities Act*, RSBC 1996, c. 418**

**I. Introduction**

- [1] This is an order under sections 161(1) and 161(6)(a) of the *Securities Act*, RSBC 1996, c. 418 (Act).
- [2] Section 161(6) facilitates cooperation between the Commission and other securities regulatory authorities, self-regulatory bodies, exchanges, and the courts. If the requirements of the section are met and it is in the public interest, the Commission may issue orders without the need for inefficient parallel and duplicative proceedings in British Columbia (*McLean v. British Columbia (Securities Commission)*, 2013 SCC 67, at para. 54).
- [3] On October 9, 2024, the executive director of the Commission applied (Application) for an order imposing sanctions on Johny Panyavong (Panyavong) under sections 161(1) and 161(6)(a) of the Act based on Panyavong's conviction for one count of theft over \$5,000 and one count of forgery in the Provincial Court of British Columbia.
- [4] In his Application, the executive director tendered affidavit evidence and submissions to the Commission.
- [5] We find that the executive director provided notice of the Application to Panyavong. Although Panyavong was provided the opportunity to tender evidence and make submissions, he did not participate in the hearing.

**II. Background**

- [6] On November 18, 2022, Panyavong pled guilty to one count of theft over \$5,000 and one count of forgery, contrary to the *Criminal Code*, RSC 195, c C-46.
- [7] On November 22, 2022, the Honourable Judge D. Albert of the Provincial Court of British Columbia sentenced Panyavong to:
  - a) time served in jail equivalent to 15 days;
  - b) 18 months probation; and
  - c) restitution in the amount of \$30,000.
- [8] In our decision, we relied on the transcripts of:
  - a) Proceedings at Guilty Pleas before the Provincial Court of British Columbia on November 18, 2022; and

- b) Oral Reasons for Sentence of The Honourable Judge D. Albert dated November 22, 2022 (Reasons).

[9] In its Reasons, the court found that Panyavong:

- a) developed a relationship with the victim and presented himself as a successful business person involved in real estate development and realty transactions;
- b) used forged documents to represent himself as someone with special immigration status or ability to impact a person's immigration status;
- c) convinced the victim to provide \$40,000 for a purported investment;
- d) used forged documents to indicate to the victim that his investment was successful, when there had been no investment; and
- e) failed to return funds to the victim, despite demands.

[10] The court also found that:

- a) the victim eventually recovered \$10,000 from one of Panyavong's banks, but did not recover the remaining \$30,000; and
- b) an investigation conducted by the Commission verified that all Panyavong's representations respecting real estate business experience and special immigration status were fraudulent.

### **III. Position of the executive director**

[11] The executive director submits that:

- a) Panyavong engaged in fraudulent activities to obtain and misappropriate funds from the victim, and that fraud is one of the most serious types of misconduct prohibited by the Act;
- b) Panyavong devised and entered into an extremely elaborate and sophisticated scheme, involving the use of falsified banking and immigration documents to support his misrepresentations;
- c) Panyavong was directly enriched by his misconduct and he damaged the integrity of the capital markets of British Columbia; and
- d) Panyavong's conduct shows a complete disregard for the Act's mandate of investor protection, and Panyavong's participation in the province's capital markets would present a significant ongoing risk to investors and to the markets.

[12] As to mitigating factors, the executive director points to Panyavong's admission of guilt by entering a guilty plea and his expression of remorse to the court.

### **IV. Analysis**

[13] The Commission is established under the Act to regulate the capital markets in British Columbia. Central to the Commission's mandate under the Act is to protect the investing

public from those who would take advantage of them, and to preserve investor confidence in the regulated capital markets.

- [14] Under section 161(6)(a)(i), the Commission may, after providing an opportunity to be heard, make an order in respect of a person if the person has been convicted in Canada of an offence arising from a transaction, business or course of conduct related securities or derivatives.
- [15] The executive director tendered affidavit evidence that the Application was mailed to Panyavong at an address in Abbotsford, British Columbia and that the Abbotsford address is the most recent address for Panyavong according to a driver's license search on the Insurance Corporation of British Columbia system.
- [16] In submissions, the executive director stated that although Panyavong currently resides in Ontario, both he and the victim were residing in British Columbia at the time of the misconduct, which took place in this province.
- [17] Based on the evidence before us on the Application, we are satisfied that conduct took place in British Columbia and that we have jurisdiction to issue orders.
- [18] The nature of the purported "investment" as outlined in the Reasons required the victim to provide Panyavong \$40,000 under a written agreement. Panyavong then provided the victim fraudulently created documents from banks and investment companies to make it appear that he was a successful businessman and that the value of the victim's investment was increasing. These steps taken by Panyavong bear the hallmarks of an investment contract under the Act, and we find that the Reasons demonstrate that Panyavong's underlying conviction arose from a course of conduct related to securities as required by section 161(6)(a)(i).
- [19] The executive director cited *Re Davis*, 2016 BCSECCOM 375, *Re Figueiredo*, 2016 BCSECCOM 233, and *Re Schouw*, 2017 BCSECCOM 168, in support of his position that permanent market bans are appropriate. In each of the three cases, the Commission imposed permanent market bans.
- [20] In *Davis*, the panel found that the respondent perpetrated fraud on an investor in the amount of \$7,000 when he purported to sell the investor shares he did not own. Davis used the funds on personal expenditures. The Commission panel imposed permanent market bans on Davis and an administrative penalty of \$15,000.
- [21] In *Figueiredo*, the respondents committed fraud by raising \$81,000 from an investor in support of a non-existent investment. Approximately \$23,000 was returned to the investor as purported interest and return on the investment.
- [22] In *Schouw*, the respondent perpetrated fraud against one investor in the amount of \$74,612. Schouw misappropriated a portion of funds provided by an investor and used those funds for personal use.
- [23] Panyavong's misconduct involved larger sums than *Davis*, and smaller sums than *Figueiredo* and *Schouw*.

- [24] We have considered the Application, the circumstances of Panyavong's misconduct, and the factors from *Re Eron Mortgage Corporation*, [2000] 7 BCSC Weekly Summary 22, and *Davis v. British Columbia (Securities Commission)*, 2018 BCCA 149.
- [25] Panyavong's misconduct was extremely serious. Through fraud and forgery, he deprived a victim who trusted him of a significant amount of money. Panyavong intended to and did deceive for his own gain. His misconduct demonstrates that he is a risk to the capital markets. We find that Panyavong is unfit to participate in the British Columbia capital markets and that permanent prohibitions are warranted.
- [26] Despite Panyavong's misconduct, trading in his own accounts for his sole benefit does not pose a risk to the public and the capital markets so long as he provides a registered representative with a copy of this order.

## **V. Order**

- [27] We find that it is in the public interest to order that:

(a) under section 161(1)(d)(i), Panyavong resign any position he holds as a director or officer of an issuer or registrant;

(b) Panyavong is permanently prohibited:

- (i) under section 161(1)(b)(ii), from trading in or purchasing any securities or exchange contracts except in accounts in his own name with a person registered to trade in securities under the Act if he has first provided the registered representative with a copy of this order before any trade takes place;
- (ii) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant;
- (iii) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;
- (iv) 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; and
- (v) 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;
- (vi) under section 161(1)(d)(vi) from engaging in promotional activities on his own behalf in respect of circumstances that would reasonably be expected to benefit him;

(vii) under section 161(d)(vii), from voting a security or exercising a right attaching to a security or a derivative; and

(viii) under section 161(1)(d)(viii), from engaging in any activity in relation to the administration of a benchmark or the provision of information to a benchmark administrator in relation to the determination of a benchmark.

February 28, 2025

**For the Commission**

Gordon Johnson  
Vice Chair

Karen Keilty  
Commissioner