



BCSC panel finds that Lower Mainland man and three companies he controlled committed fraud

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Vancouver - A British Columbia Securities Commission (BCSC) panel [has found](#) that Paul Se Hui Oei and three companies he controlled, Canadian Manu Immigration & Financial Services Inc., 0863220 B.C. Ltd. and 0905701 B.C. Ltd., committed fraud.

Oei is a resident of the Lower Mainland, who was not registered under the *Securities Act* during the relevant period. Canadian Manu was incorporated in B.C. in 2006 and was registered by the Insurance Council of British Columbia during the relevant period, but was not registered under the Act. Oei was a director and officer of Canadian Manu from its incorporation until he resigned in March 2010, but retained control of the company, including its bank accounts, after his resignation.

Oei was a director and officer of the two B.C. based numbered companies, 0863220 and 0905701, since their respective incorporations in 2009 and 2011. 0905701 was dissolved in August 2015. Neither company was registered under the Act during the relevant period.

The panel found that beginning in 2009, Oei solicited investors to invest in two start-up companies, Cascade Renewable Carbon Corp. and Cascade Renewable Organic Fertilizer Corp. (collectively referred to as Cascade) through an indirect investment structure.

Under the structure, Canadian Manu acquired securities from Cascade. Investors purchased securities of Cascade from Canadian Manu, and Canadian Manu agreed to hold the investors' securities in trust. The two numbered companies then issued shares to the investors, purportedly as "security" or collateral for the investments. In most cases, investors paid their funds into an account with the respondents' counsel, who dispersed the investor funds into six bank accounts of Canadian Manu and Oei.

The panel found that the respondents did not direct all of the investors' funds towards Cascade's "start-up costs" as they represented to investors. The panel made various findings of fraud against the respondents:

- Oei with respect to 63 investments in the aggregate amount of \$5,003,088;
- Canadian Manu with respect to 63 investments in the aggregate amount of \$5,003,088;
- 0863220 with respect to 33 investments in the aggregate amount of \$3,001,853; and
- 0905701 with respect to 30 investments in the aggregate amount of \$2,001,235.

In its decision, the panel stated "The respondents misappropriated these funds and used them for their own purposes and not as the investors were told they would be used."

In the same decision, the panel dismissed 18 fraud allegations against Oei and another company he controlled, Organic Eco-Centre Corp., stating the nature of these additional allegations was speculative and there was a lack of evidence to support investor deprivation.

The panel directed the parties to make submissions on sanctions according to the schedule set out in the findings.

You may view the findings decision on our website, www.bcsc.bc.ca, by typing Paul Se Hui Oei, Canadian Manu Immigration & Financial Services Inc., 0863220 B.C. Ltd., 0905701 B.C. Ltd., or 2017 BCSECCOM 365 in the search box. Information about disciplinary proceedings can be found in the [Enforcement section](#) of the BCSC website.

Please visit the Canadian Securities Administrators' (CSA) [Disciplined List](#) for information relating to persons and companies disciplined by provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

About the British Columbia Securities Commission (www.bcsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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