



Released: January 31, 2022

NR 22-12

Salmon Arm man and company sanctioned for misrepresentations and false or misleading statements to investors

Vancouver – A British Columbia Securities Commission (BCSC) panel has imposed a \$130,000 penalty on a Salmon Arm man for making misrepresentations and false or misleading statements about loans made by his mortgage investment corporation.

The panel also prohibited Donald Bergman from engaging in various market activities for 15 years, and imposed permanent bans on his company, All Canadian Investment Corporation (ACIC).

ACIC, which provided loans secured by mortgages on real estate properties, raised \$1.6 million from 56 investors in 2014 and 2015 through three offering memorandums that explained how the loans would be secured.

Dividends to ACIC investors dwindled in 2015 and stopped altogether in early 2017. The company has been in the process of liquidation under a court-appointed monitor ever since. Losses for investors, many of whom are elderly, are estimated to be between 82 per cent and 96 per cent.

In July 2021, a BCSC panel found that Bergman and ACIC made false or misleading statements in the offering memorandums because some of the loans were not secured as promised. The panel also found that Bergman and ACIC made misrepresentations to investors.

“While these losses cannot be attributed solely to the Misrepresentations, it was clear that ACIC’s failure to register certain of its mortgages impacted the financial recovery of its mortgage investments,” the panel said.

Bergman had previously been registered under the *Securities Act* to engage in various market activities. The panel said those registrations “should have made him aware of the requirements of the Act and the importance to investors of accurate and complete disclosure in making investment decisions and the effect of a failure to do so on investor confidence necessary for fair and efficient markets.”

In addition to the administrative penalty, Bergman is prohibited for 15 years from:



- trading or purchasing any securities or derivatives, except in accounts in his own name
- relying on any exemptions set out in the Act, the regulations or a decision
- becoming or acting as a registrant or promoter
- advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets
- and engaging in promotional activities.

The panel stated that the sanctions against Bergman “must take into account the ongoing risk [he] poses to the public demonstrated by his misconduct.”

The panel also imposed sanctions against ACIC, permanently banning it from trading in or purchasing any securities or derivatives, becoming or acting as a registrant or promoter, and engaging in promotional activities.

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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