



Citation: 2020 BCSECCOM 407

**Notice of Hearing**

**Meiyun Zhang**

**(the Respondent)**

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

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against Meiyun Zhang (Zhang) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

**Summary**

1. Between June 23, 2014 and December 31, 2016, Zhang raised \$3,152,110 from three Vancouver and Richmond investors (the Investors) through a fraudulent scheme. She told investors their money would go towards various investments that would generate 6-10% monthly returns without risk.
2. In fact, Zhang did not spend the Investors' money as promised, and 6 – 10% monthly returns are not possible without risk.
3. Zhang used at least the Investors' money to, among other things:
  - (a) pay returns to investors in Canada and China;
  - (b) repay a personal loan to a Calgary realtor;
  - (c) make retail purchases;
  - (d) pay utility bills;
  - (e) pay an immigration lawyer to dispute her removal order by Canada Immigration;
  - (f) make cash withdrawals; and
  - (g) spend and gamble at casinos.
4. By engaging in the conduct as set out in this Notice of Hearing, Zhang contravened section 57(b) of the Act.



## **Misconduct**

### ***Investor A***

5. Investor A and Zhang were friends for several years before he invested with Zhang.
6. In early April, 2015, Zhang asked Investor A to lend her money. Zhang told Investor A his money would be used to exchange USD and RMB (Chinese currency) to Canadian dollars for Chinese students and tourists visiting Canada. Zhang guaranteed Investor A that he would receive a 8% monthly return on his investment.
7. Between April 6, 2015 and June 22, 2016, Investor A invested a total of \$227,700 with Zhang. Zhang did not use any of Investor A's money as promised.
8. Zhang paid \$96,550 back to Investor A. Investor A's net loss was \$131,150.

### ***Investor B***

9. Investor B met Zhang in June 2014.
10. Zhang asked Investor B to invest in her business. Zhang told Investor B that her investment would be used to help Chinese students get a visa in Canada. Zhang guaranteed that Investor B would receive her principal and a 10% monthly return.
11. Between June 23, 2014 and July 8, 2015, Investor B invested \$1,745,414 with Zhang. Zhang did not use any of Investor B's money as promised.
12. Zhang paid \$757,735 back to Investor B . Investor B's net loss was \$987,679.

### ***Investor C***

13. Investor C met Zhang in June 2015.
14. Zhang asked Investor C to invest in her business. Zhang told Investor C that her investment would be used help Chinese students get a visa in Canada. Zhang told Investor C that the investment was without risk and Investor C would receive a 6-8% monthly return.
15. Between August 10, 2015 and January 21, 2016, Investor C invested \$1,178,996 with Zhang. Zhang did not use any of Investor C's money as promised.
16. Zhang paid \$601,962 back to Investor C. Investor C's net loss was \$577,034.

## **Hearing Process**

- ¶ 2 The Respondent or her counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Wednesday, December 16, 2020, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the



Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.

- ¶ 3 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of her intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: [commsec@bcsc.bc.ca](mailto:commsec@bcsc.bc.ca).
- ¶ 4 If the Respondent or her counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondent may be made in her absence.

*Peter J Brady*

*Oct 14 2020 10:09 PM -07:00*

- ¶ 5 Peter J. Brady  
Executive Director