

BRITISH COLUMBIA SECURITIES COMMISSION
Section 161 of the *Securities Act*, RSBC 1996, c. 418

Citation: Re FS Financial Strategies, 2020 BCSECCOM 21 Date: 20200116

Further Extension and Partial Revocation of Temporary Order

**Aik Guan “Frankie” Lim, Scott Thomas Low, Darrell Wayne Wiebe,
FS Financial Strategies Inc., FS Financial Strategies Services Inc.,
3i Capital ClearPath Limited Partnership, FS Financial Services Inc.,
FS Financial Services (Alberta) Inc., Verico FS Capital Inc., and
FS Financial Systems Inc.¹²³⁴**

Background

[1] On February 6, 2017, the Executive Director issued:

- a) a temporary order against Aik Guan “Frankie” Lim, Scott Thomas Low, FS Financial Strategies Inc., FS Financial Services Inc., FS Financial Strategies Services Inc., FS Financial Services (Alberta) Inc., Darrell Wiebe, Chun Ying “Jim” Pan, Chung-Sheng “Johnson” Kao, CC Cornerstone Credit Ltd. (now known as Flexfi Inc.), Afshin Ardalán, WL Strategic Capital Partners Inc., George Lay, Hunter Wei-Shun Wang (aka Hunter Wei Shun Wang), FS Stellar Insurance Services Inc., Nyit Foon “Lydia” Chin, Aike Joo Lim, Verico FS Capital Inc., Gagan Deep Bachra, FS Financial Systems Inc., Chi Kay “Dixon” Wong and Meng Cher “Philip” Tsai (the Respondents); and
- b) a notice of hearing setting February 17, 2017 to hear the executive director’s application to extend the temporary order until a hearing is held and a decision rendered (2017 BCSECCOM 33).

¹ The original style of cause in this matter was Aik Guan “Frankie” Lim, Scott Thomas Low, FS Financial Strategies Inc., FS Financial Services Inc., FS Financial Strategies Services Inc., FS Financial Services (Alberta) Inc., Darrell Wiebe, Chun Ying “Jim” Pan, Chung-Sheng “Johnson” Kao, CC Cornerstone Credit Ltd. (now known as Flexfi Inc.), Afshin Ardalán, WL Strategic Capital Partners Inc., George Lay, Hunter Wei-Shun Wang (aka Hunter Wei Shun Wang), FS Stellar Insurance Services Inc., Nyit Foon “Lydia” Chin, Aike Joo Lim, Verico FS Capital Inc., Gagan Deep Bachra, FS Financial Systems Inc., Chi Kay “Dixon” Wong, and Meng Cher “Philip” Tsai. On June 1, 2018, the executive director discontinued the proceedings against CC Cornerstone Credit Ltd. (now known as Flexfi Inc.) and Afshin Ardalán. On October 24, 2018, the executive director issued an amended notice of hearing, which named only Aik Guan “Frankie” Lim, Scott Thomas Low, Darrell Wiebe, FS Financial Strategies Inc., FS Financial Strategies Services Inc., 3i Capital ClearPath Limited Partnership, FS Financial Services Inc., FS Financial Services (Alberta) Inc., Verico FS Capital Inc., FS Financial Systems Inc., Chun Ying “Jim” Pan, Chung-Sheng “Johnson” Kao, George Lay, Gagan Deep Bachra, Chi Kay “Dixon” Wong, and Meng Cher “Philip” Tsai as respondents. On November 6, 2018, the executive director discontinued the proceedings against WL Strategic Capital Partners Inc., Hunter Wei-Shun Wang also known as Hunter Wei Shun Wang, FS Stellar Insurance Services Inc., Nyit Foon “Lydia” Chin and Aike Joo Lim.

² On October 18, 2019, the executive director discontinued the proceedings against Gagan Deep Bachra, Chi Kay “Dixon” Wong, Meng Cher “Philip” Tsai and Chung-Sheng “Johnson” Kao

³ On November 1, 2019, the executive director discontinued the proceedings against George Lay.

⁴ On January 9, 2020, the executive director discontinued the proceedings against Chun Ying “Jim” Pan.

- [2] On February 15, 2017, the Respondents applied to the Commission to adjourn the hearing of the executive director's application to extend the temporary order.
- [3] On February 17, 2017, the Commission varied and extended the temporary order to March 8, 2017 (2017 BCSECCOM 55) (the Temporary Order), and adjourned the hearing of the executive director's application to extend the Temporary Order to March 8, 2017.
- [4] On March 7, 2017, Aik Guan "Frankie" Lim, Scott Thomas Low, FS Financial Strategies Inc., FS Financial Services Inc., FS Financial Strategies Services Inc., FS Financial Services (Alberta) Inc., Darrell Wiebe, Chun Ying "Jim" Pan, Chung-Sheng "Johnson" Kao, FS Stellar Insurance Services Inc., Nyit Foon "Lydia" Chin, Aike Joo Lim, Verico FS Capital Inc., Gagan Deep Bachra, FS Financial Systems Inc., Chi Kay "Dixon" Wong and Meng Cher "Philip" Tsai (the FS Financial Respondents) applied to the Commission to adjourn the hearing of the executive director's application to extend the Temporary Order.
- [5] On March 8, 2017, the Commission heard the FS Financial Respondents' adjournment application and considering it necessary and in the public interest extended the Temporary Order until May 19, 2017, and adjourned to May 17, 2017, the hearing of the executive director's application to extend the Temporary Order (2017 BCSECCOM 92).
- [6] On May 12, 2017, the parties agreed to adjourn the hearing of the executive director's application to extend the Temporary Order, and consented to the extension of the Temporary Order to May 22, 2018.
- [7] On May 16, 2017, the Commission extended the Temporary Order (2017 BCSECCOM 171) and adjourned the executive director's application to extend the Temporary Order to May 22, 2018.
- [8] On May 8, 2018, counsel for the executive director applied to the Commission to adjourn the hearing of the executive director's application to extend the Temporary Order and to extend the Temporary Order by consent of all parties.
- [9] On May 15, 2018, the parties agreed to adjourn the hearing of the executive director's application to extend the Temporary Order, and confirmed their consent to the extension of the Temporary Order to October 5, 2018.
- [10] On May 22, 2018, the Commission extended the Temporary Order (2018 BCSECCOM 163) and adjourned the executive director's application to extend the Temporary Order to October 5, 2018.
- [11] On June 7, 2018, the Commission varied the Temporary Order (2018 BCSECCOM 178) (the Varied Temporary Order) by revoking the orders relating to CC Cornerstone Credit Ltd. (now known as Flexfi Inc.) and Afshin Ardalan.

- [12] On September 26, 2018, counsel for the executive director applied to the Commission to adjourn the hearing of the executive director's application to extend the Varied Temporary Order and to extend the Varied Temporary Order by consent of all parties.
- [13] On September 28, 2018, the parties agreed to adjourn the hearing of the executive director's application to extend the Varied Temporary Order, and confirmed their consent to the extension of the Varied Temporary Order to November 6, 2018.
- [14] On October 24, 2018, the executive director issued an amended notice of hearing, pursuant to which there remain only the following respondents: Aik Guan "Frankie" Lim (Lim), Scott Thomas Low (Low), Darrell Wiebe (Wiebe), FS Financial Strategies Inc., FS Financial Strategies Services Inc., 3i Capital ClearPath Limited Partnership (3i Capital), FS Financial Services Inc., FS Financial Services (Alberta) Inc., Verico FS Capital Inc., FS Financial Systems Inc., Chun Ying "Jim" Pan (Pan), Chung-Sheng "Johnson" Kao (Kao), George Lay (Lay), Gagan Deep Bachra (Bachra), Chi Kay "Dixon" Wong (Wong), and Meng Cher "Philip" Tsai (Tsai) (the Remaining Respondents).
- [15] On November 1, 2018, counsel for the executive director applied to the Commission to adjourn the hearing of the executive director's application to extend the Varied Temporary Order and to extend the Varied Temporary Order by consent of the Remaining Respondents.
- [16] On November 2, 2018, the executive director and the Remaining Respondents agreed to adjourn the hearing of the executive director's application to extend the Varied Temporary Order, and confirmed their consent to the extension of the orders in the Varied Temporary Order that relate to the Remaining Respondents to December 4, 2018.
- [17] The orders in the Varied Temporary Order that relate to WL Strategic Capital Partners Inc., Hunter Wei-Shun Wang also known as Hunter Wei Shun Wang, FS Stellar Insurance Services Inc., Nyit Foon "Lydia" Chin, and Aike Joo Lim expired on November 6, 2018.
- [18] On November 29, 2018, counsel for the executive director applied to the Commission to adjourn the hearing of the executive director's application to extend the Varied Temporary Order until January 9, 2019, and to extend the Varied Temporary Order until January 9, 2019, all by consent of the Remaining Respondents.
- [19] On December 3, 2018, the Commission extended the Varied Temporary Order as it relates to the Remaining Respondents and adjourned the executive director's application to extend the Varied Temporary Order to January 9, 2019.
- [20] On January 9, 2019, the executive director and all the Remaining Respondents appeared before the panel. The executive director applied to extend the Varied Temporary Order as it relates to the Remaining Respondents until a hearing is held and a decision rendered.

- [21] Pan did not consent to the extension of the Varied Temporary Order against him.
- [22] After hearing brief oral submissions from the executive director and counsel for Pan on the issue of extending the Varied Temporary Order against Pan, the panel determined there was insufficient evidence to conclude that it was necessary and in the public interest to extend the Varied Temporary Order against Pan. As a consequence, the Varied Temporary Order expired with respect to Pan on January 9, 2019.
- [23] The other Remaining Respondents consented to the extension of the Varied Temporary Order, but only until the conclusion of the hearing to be held in this matter. The panel agreed with their submissions on this point.
- [24] On August 28, 2019, the Commission, by consent, adjourned the hearing of this matter from September 3, 4, 6, 9-13, 16-20, 23 and 27, 2019 to September 30, October 1, 2, and 4, 2019.
- [25] On August 29, 2019, Pan requested an adjournment of the September 30, October 1, 2 and 4, 2019 hearing dates. The panel considered all the parties' submissions on the adjournment request and granted the adjournment. The panel set new hearing dates of October 21, 22, 24 and 25, 2019.
- [26] On October 4, 2019, the executive director applied to the Commission to extend the Varied Temporary Order, as it relates to the Remaining Respondents other than Pan, until October 25, 2019. The Remaining Respondents, other than Pan, consented to the extension.
- [27] On October 4, 2019, the panel, by consent, extended the Varied Temporary Order, as it relates to the Remaining Respondents other than Pan, until October 25, 2019.
- [28] On October 18, 2019, the respondents Kao, Bachra, Wong and Tsai entered into settlement agreements with the executive director which included orders under section 161 of the Act and the executive director applied to the Commission to revoke the Varied Temporary Order, as it relates to Kao, Bachra, Wong and Tsai.
- [29] On October 18, 2019, the executive director discontinued the proceedings against Kao, Bachra, Wong and Tsai.
- [30] On October 18, 2019, the executive director applied to the Commission to adjourn the October 21 – 25, 2019 hearing dates and extend the Varied Temporary Order, as it relates to the Remaining Respondents, other than Pan, Kao, Bachra, Wong and Tsai, until January 16, 2020. The Remaining Respondents, other than Pan, Kao, Bachra, Wong and Tsai, consented to the extension.

- [31] On October 25, 2019, the Commission revoked the Varied Temporary Order as it relates to Kao, Bachra, Wong and Tsai. The Commission, by consent, extended the Varied Temporary Order as it relates to the Remaining Respondents, other than Pan, Kao, Bachra, Wong and Tsai, until January 16, 2020. The Commission, by consent, adjourned the October 21 – 25, 2019 hearing dates to January 13 – 16, 2020.
- [32] On October 25, 2019, the respondent Lay entered into a settlement agreement with the executive director which included orders under section 161 of the Act.
- [33] On November 1, 2019, the executive director discontinued the proceedings against Lay.
- [34] On January 9, 2020, the respondent Pan entered into a settlement agreement with the executive director which included orders under section 161 of the Act. On January 9, 2020, the executive director discontinued the proceedings against Pan.
- [35] On January 9, 2020, counsel for the executive director and counsel for the Remaining Respondents, other than Pan, Kao, Bachra, Wong, Tsai, and Lay requested an adjournment of the January 13 – 16, 2020 hearing dates.
- [36] On January 10, 2020, the Commission, by consent, adjourned the hearing until January 29, 2020.
- [37] On January 10, 2020, the executive director applied to the Commission to extend the Varied Temporary Order, as it relates to the Remaining Respondents, other than Pan, Kao, Bachra, Wong, Tsai and Lay, until January 29, 2020. The Remaining Respondents, other than Pan, Kao, Bachra, Wong, Tsai and Lay took no position on the executive director's application.

Order

- [38] The Commission, considering it necessary and in the public interest, under section 161(3) of the Act, extends the temporary orders as follows:
- (a) under section 161(1)(b)(i), that all persons cease trading in, or be prohibited from purchasing, any securities of FS Financial Strategies Inc., FS Financial Services Inc., FS Financial Strategies Services Inc., FS Financial Services (Alberta) Inc., Verico FS Capital Inc. and FS Financial Systems Inc.;
 - (b) under section 161(1)(b)(ii), that Lim, Low, Wiebe, FS Financial Strategies Inc., FS Financial Strategies Services Inc., FS Financial Services Inc., FS Financial Services (Alberta) Inc., Verico FS Capital Inc. and FS Financial Systems Inc. cease trading in, or be prohibited from purchasing, any securities; and

(c) under section 161(1)(d)(v), that Lim, Low and Wiebe be prohibited from engaging in investor relations activities

until January 29, 2020.

[39] January 16, 2020

For the Commission

Audrey T. Ho
Commissioner

Gordon Holloway
Commissioner