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**British Columbia
Securities Commission**

BCSC alleges B.C. residents promoted U.S.-based fraud

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Vancouver – The British Columbia Securities Commission (BCSC) [is alleging](#) that five B.C. residents helped promote a U.S.-based Ponzi and pyramid scheme that raised about US\$15 million from more than 1,400 investors around the world.

The scheme involved selling membership units in Massachusetts-based DFRF Enterprises LLC and Florida-based DFRF Enterprises, LLC. Investors were promised extraordinarily high no-risk returns in the entities' supposedly lucrative gold mining operations. In reality, the entities did not have any gold reserves, and their only source of money was investors.

The fraud was orchestrated in 2014 and 2015 by Daniel Rojo Fernandes Filho, a Brazilian national who was living in Florida. U.S. federal courts ruled in 2019 that Filho and several others, including Heriberto C. Perez Valdes, a former Florida resident, committed securities fraud.

The BCSC alleges that B.C. residents Monita Hung Mui Chan, Sabrina Ling Huei Wei, Justin Colin Villarin, Marie Joy Vincent, and James Bernard Law promoted Filho's Fraud, including:

- appearing in promotional videos with Filho
- organizing, hosting or presenting at private and public meetings for investors in the greater Vancouver area
- distributing application forms and payment instructions to investors
- accepting completed applications and payments from investors, and
- soliciting investors

In total, the B.C. residents sold US\$1,152,000 and CAD\$2,000 worth of membership units in DFRF to 137 investors. The investors lost all of their money without receiving any monthly returns.

The BCSC alleges that by doing so, the B.C. residents either committed fraud themselves or made statements that they knew, or reasonably ought to have known, were misrepresentations. In addition, the BCSC alleges that Wei committed a separate fraud when she diverted \$90,000 worth of investor funds that were intended for DFRF to an account she controlled, and then used that money for her own benefit.

Filho was ordered by a U.S. court to pay \$11.3 million in sanctions, and Valdes was ordered to pay \$1.2 million. The court also ordered the DFRF entities to pay, on a joint and several basis, \$17,840,352 in disgorgement and prejudgment interest, and imposed a \$775,000 civil penalty on each of them. The BCSC is seeking reciprocal orders against Filho, Valdes and DFRF based on the U.S court rulings that they committed securities fraud.

The BCSC's allegations have not been proven. The commission will schedule a hearing date in July 2020.

The BCSC would like to thank the U.S. Securities and Exchange Commission, the Securities and Futures Commission of Hong Kong, the Alberta Securities Commission and FINTRAC for their assistance with the investigation.

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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