



Citation: 2020 BCSECCOM 183

## Settlement Agreement

Lei Qiao

*Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Lei Qiao (Qiao) agree as follows:

### Agreed Statement of Facts

#### *Background*

1. Qiao is a resident of Surrey, British Columbia.
2. Qiao was registered under the Act as a mutual fund dealing representative with an investment dealer (Investment Dealer A) from May 7, 2015 until January 5, 2016, the date when Investment Dealer A terminated Qiao for cause.

#### *Misconduct*

##### *Providing false information in the first reactivation application*

3. On August 19, 2016, another investment dealer (Investment Dealer B) submitted a Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* (the First Form 4) to the National Registration Database (NRD), on Qiao's behalf, to reactivate Qiao's registration as its mutual fund dealing representative.
4. Qiao provided information for the First Form 4, and he was ultimately responsible for ensuring that the information in the First Form 4 was true.
5. In the First Form 4, Qiao provided false information twice:
  - (a) he stated that he had left his previous employment with Investment Dealer A voluntarily, when in fact, he had been dismissed for cause; and
  - (b) he listed his termination date as May 2016 when in fact, he had been terminated in January 2016.



6. By providing false information in the First Form 4, Qiao contravened section 168.1(1)(b) of the Act.

*Providing false information in the second reactivation application*

7. On March 16, 2017, another investment dealer (Investment Dealer C) submitted a Form 4 (the Second Form 4) to the NRD, on Qiao's behalf, to reactivate Qiao's registration as a mutual fund dealing representative.
8. Qiao provided information for the Second Form 4, and he was ultimately responsible for ensuring that the information in the Second Form 4 was true.
9. In the Second Form 4, Qiao provided false information that he had left his previous employment with Investment Dealer A voluntarily, when in fact, he had been dismissed for cause.
10. By providing false information in the Second Form 4, Qiao contravened section 168.1(1)(b) of the Act.

***Aggravating Factors***

11. To support the false information in the First Form 4, Qiao forged a notice of termination and provided it Investment Dealer B.
12. To support the false information in the Second Form 4, Qiao forged a notice of termination and provided it Investment Dealer C.

***Public Interest***

13. It is in the public interest that the Executive Director issue an order under section 161 of the Act.

***Undertaking***

14. Qiao undertakes to pay \$20,000 to the Commission in respect of settlement of this matter.

**Order**

- ¶ 2 The Executive Director will issue an order (the Order) that, under section 161(1)(d)(iii) of the Act, Qiao is permanently prohibited from becoming and acting as a registrant.

**Consent to Regulatory Orders**

- ¶ 3 Qiao consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph ¶ 2 above.



**Waiver**

- ¶ 4 Qiao waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

**Counterpart**

- ¶ 5 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

- ¶ 6 June 28 , 2020

- ¶ 7 Lei Qiao  
Lei Qiao

(REDACTED) )  
Witness Signature )  
(REDACTED) )  
Witness Name (please print) )  
(REDACTED) )  
(REDACTED) )  
Address )  
(REDACTED) )  
Occupation )

*John Hinze*  
*Jul 23 2020 2:51 PM -07:00*

- ¶ 8 John Hinze  
Acting Executive Director