



Citation: 2020 BCSECCOM 295

Notice of Hearing

Shijun “Clark” Zhu

(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 the Respondent under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Summary

1. In 2016, Shijun “Clark” Zhu (Zhu) entered into investment agreements with five investors. As a result, he received discretionary authority over trading accounts with assets totaling USD\$527,330. Zhu conducted discretionary trades for investors on a trading platform and expected to earn a portion of the profits from successful trading.
2. The Respondent contravened sections 34(a) and 34(b) of the Act because he traded and advised in securities when he was not registered to do so.

Background

3. Zhu is a resident of Burnaby, British Columbia. Zhu was registered under the Act to sell scholarship plan securities in 2011 and mutual fund securities from 2011 to 2012. He was not registered under the Act in any capacity from 2016 to 2018.

Misconduct

Unregistered trading

4. Between July 2016 and September 2016, Zhu entered into investment agreements with five investors. These investors invested a total of USD\$527,330.
5. Zhu traded in securities when he used a platform to trade contracts or instruments based on currency. Zhu made frequent discretionary trades for investors from July 2016 to July 2018.
6. Zhu earned USD\$29,492 in commissions by trading for the investors.
7. By 2018, Zhu lost nearly all of the investors’ funds.
8. Zhu contravened section 34(a) of the Act by being in the business of trading without being registered.



Unregistered advising

9. Zhu managed the trading accounts of five investors and made investment decisions for them when he traded contracts or instruments based on currency.
10. Zhu contravened section 34(b) of the Act by being in the business of advising without being registered.

Hearing Process

- ¶ 2 The Respondent or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Wednesday, September 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 his 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.
- ¶ 4 If the Respondent or his 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 his absence.

Peter J Brady

Jul 28 2020 11:31 AM -07:00

- ¶ 5 Peter J. Brady
Executive Director