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News Release

B.C. residents must pay \$956,000 for role in cross-border fraud

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Vancouver – Three B.C. residents must pay a combined total of almost \$956,000 for their participation in an elaborate fraud that promised investors large returns on gold mining operations in Africa and Brazil that didn't exist, the B.C. Securities Commission (BCSC) [has ruled](#).

A BCSC panel ordered Sabrina Ling Huei Wei to pay a \$500,000 administrative penalty, plus pay the BCSC \$90,000, representing the amount she obtained from the scheme. Justin Colin Villarin must pay a \$200,000 penalty plus the \$15,718 he obtained from the scheme, and James Bernard Law must pay a \$150,000 penalty.

All three were also banned from participating in B.C.'s investment market for varying amounts of time: Wei's ban is permanent, while Villarin was banned for 25 years and Law for 20 years.

The panel had [previously found](#) that all three solicited B.C. investors, organized events and sold membership units to Massachusetts-based DFRF Enterprises, LLC and Florida-based DFRF Enterprises, LLC between 2014 and 2015. Investors were promised extraordinarily high, no-risk returns on supposedly lucrative gold mining operations in Mali and Brazil. In reality, none of the investments were used for gold mining, DFRF received no proceeds from gold mining, and DFRF's only source of money was investors.

The scheme raised over US\$15 million from more than 1,400 investors, according to the U.S. Securities and Exchange Commission (SEC). The BCSC found that 137 B.C. residents or people connected to the province lost a total of \$1.5 million.

The fraud, described by the SEC as a Ponzi and pyramid scheme, was orchestrated out of the U.S. by Daniel Fernandes Rojo Filho, a Brazilian national who was living in Florida at the time of the scheme, along with other associates.

None of the funds raised by investors were used for gold mining, and bank records show no proof that DFRF had other legitimate business activities. Filho used more than US\$6 million of investors' money for personal expenses and luxury cars.

In 2019, in civil actions brought by the SEC, federal courts entered final judgments against Filho and several others – including Heriberto C. Perez Valdes, a former Florida resident – for fraud and selling securities without being registered. Filho was ordered to pay more than US\$11 million, and Valdes was ordered to pay US\$1.2 million.

The enforcement action began in 2015 when BCSC investigators – acting on a tip – posed as investors to attend a presentation for DFRF at a downtown Vancouver hotel. Attendees were told to expect a monthly return of up to 15 per cent on their membership in interest, and that their principal was guaranteed by insurance.

Several days after investigators witnessed the event, the BCSC issued an [investor alert](#) about DFRF, warning that several claims it was making were “characteristic of investment fraud.”

In October 2022, following several days of hearings, a BCSC panel ruled that Wei, Villarín and Law chose to enable Filho’s deceitful acts, and knew – or should have known – that Filho’s claims, and theirs, were fraudulent. Although they became increasingly aware of red flags surrounding DFRF, including the promise of unreasonably high returns, the lack of details about its finances or mines, and the BCSC’s investor alert, Wei, Law and Villarín continued to promote it to unwitting investors.

The bans on their participation in B.C.’s investment market include:

- trading in or purchasing any securities or derivatives, except for their own accounts
- becoming or acting as a director or officer of any issuer or registrant
- becoming or acting as a registrant or promoter
- advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets
- engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity
- engaging in promotional activities on her own behalf in respect of circumstances that would reasonably be expected to benefit her, and
- relying on any exemptions set out in the Securities Act, the regulations or a decision.

The panel also imposed the same bans, for life, on Filho and Valdes, under its authority to reciprocate orders by other securities regulators, self-regulatory organizations, exchanges or courts, either in Canada or abroad.

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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