

**BRITISH COLUMBIA SECURITIES COMMISSION**  
*Securities Act, RSBC 1996, c. 418*

Citation: Re Zhu, 2023 BCSECCOM 461

Date: 20230925

**Shijun "Clark" Zhu**

<b>Panel</b>	Marion Shaw	Commissioner
	Deborah Armour, KC	Commissioner

**Date of Ruling**                      September 25, 2023

**Ruling**

**I. Introduction**

- [1] In a settlement agreement with the executive director of the British Columbia Securities Commission dated May 5, 2021, cited as 2021 BCSECCOM 162, Shijun “Clark” Zhu (Zhu) agreed to an order under section 161(1)(g) of the *Securities Act*, RSBC 1996, c. 418 (Act) to pay to the Commission \$38,639.69, being the amount obtained in commissions as a result of his contraventions of the Act (Order).
- [2] In an order cited as 2021 BCSECCOM 163 and issued as a result of the settlement agreement, the executive director ordered various prohibitions against Zhu. Under section 161(1)(g) of the Act, the executive director ordered Zhu to pay disgorgement of \$38,639.69, representing the commissions Zhu received through his misconduct.
- [3] The Commission received \$38,639.69 from Zhu in payment of the amount ordered under section 161(1)(g) of the Act (Funds).
- [4] On July 25, 2023, the executive director of the Commission applied to the Commission for approval of a proposed claims process under section 15.1 of the Act relating to the Funds.

**II. Ruling**

- [5] Having reviewed the materials filed by the executive director and considering the public interest, we approve the claims process proposed by the executive director, in the manner set out in Appendices A, B and C of this Ruling.

September 25, 2023

**For the Commission**

Marion Shaw  
Commissioner

Deborah Armour, KC  
Commissioner

## APPENDIX A

Item	Proposal
Notice	Staff will: a) post a notice (in the form attached as <b>Appendix B</b> ) on the Commission's public website in English and Chinese; and b) email the notice to known eligible applicants whose email addresses are presently in staff's possession
Notice Period	Eligible applicants will have three months from the date the notice is posted to file claims
Claims Form	Eligible applicants will be required to use a claims form (attached as <b>Appendix C</b> )
Reporting	After the notice period has expired and applications are vetted, staff will file a report with the panel, making recommendations on claims

## APPENDIX B – Notice

### NOTICE THAT THE BC SECURITIES COMMISSION HAS RECEIVED MONEY PURSUANT TO AN ORDER AGAINST SHIJUN “CLARK” ZHU

Notice posted on \_\_\_\_\_

The British Columbia Securities Commission (Commission) received \$38,639.69 as a result of an [order](#) made by the executive director under section 161(1)(g) of the *Securities Act* (the Act) against Shijun “Clark” Zhu.

Pursuant to section 15.1 of the Act, the Commission must publish a notice if funds are received from an order under section 161(1)(g) so that persons who lost money as a direct result of the misconduct that resulted in the order may make a claim.

On May 5, 2021, the executive director of the Commission and Zhu entered into a [settlement agreement](#) in which Zhu admitted contravention of sections 34(a) and 34(b) of the Act by being in the business of trading and advising without being registered. In 2016, Zhu entered into investment agreements with five investors, receiving discretionary authority over trading accounts with assets totalling \$532,854. By 2018, Zhu’s trading caused or contributed to the depletion of the investors’ funds.

As part of the settlement, Zhu agreed to pay \$38,639.69 to the Commission, representing the fees he received through his misconduct. Zhu also undertook to pay a \$40,000 administrative penalty and agreed to various market prohibitions.

If you are an investor who lost money in this matter, you may be eligible to recover funds. Please use this Form to make your claim by no later than \_\_\_\_\_, 2023.

For more information, please see:

- [Returning Funds to Investors](#) on the Commission’s website
- *Securities Act*, RSBC 1996, c. 418, [sections 15.1](#) and [161\(1\)\(g\)](#)
- Securities Regulation, BC Reg. 204/2021, [Part 3 – Claims Under Section 15.1 of the Act](#)

## **APPENDIX C**



## Claims Application Form

To make a claim, complete the form and submit it along with any documents that support your claim. For information about how to make a claim, please see the Commission document “Instructions for Making a Claim”.

### YOUR INFORMATION

Name / Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ Province / State: \_\_\_\_\_ Country: \_\_\_\_\_ Postal Code / Zip Code: \_\_\_\_\_

Email Address: \_\_\_\_\_

Daytime Telephone: \_\_\_\_\_ Home Telephone: \_\_\_\_\_

### DETAILS OF YOUR CLAIM:

This claim relates to the Commission order BCSECCOM# \_\_\_\_\_ or the disciplined person \_\_\_\_\_. These can be found on the BCSC website at [bcsc.bc.ca/Enforcement/Returning\\_funds\\_to\\_Investors](http://bcsc.bc.ca/Enforcement/Returning_funds_to_Investors) and on the Notice.

1. How much money did you directly lose in the investment that is the subject of the Commission order? Do not include any loss of opportunity to use the money for something else or interest on your loss. \$ \_\_\_\_\_  
Please provide details.

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2. Did you get anything back from your investment? For example, did you get any benefits, interest, dividends, redemptions, distributions, commissions or other payments? ☐ Yes ☐ No

If yes, how much did you get back? \$ \_\_\_\_\_

Please provide details.

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**BC Securities  
Commission**  
Invest Right

3. Have you received or are you entitled to receive compensation for your loss from anyone else? ☐ Yes ☐ No  
If yes, please provide details.

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4. Did you do anything to offset or reduce your loss, such as hedging transactions? ☐ Yes ☐ No  
If yes, what were those transactions and what were the results? Please provide details.

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5. Did you directly or indirectly take part in the misconduct that resulted in the Commission's order? ☐ Yes ☐ No  
If yes, how did you take part in the misconduct? Please provide details.

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6. Did you ever provide any records to the Commission that relate to your loss? ☐ Yes ☐ No  
If yes, who did you provide them to, when, and what were the records? Please provide details.

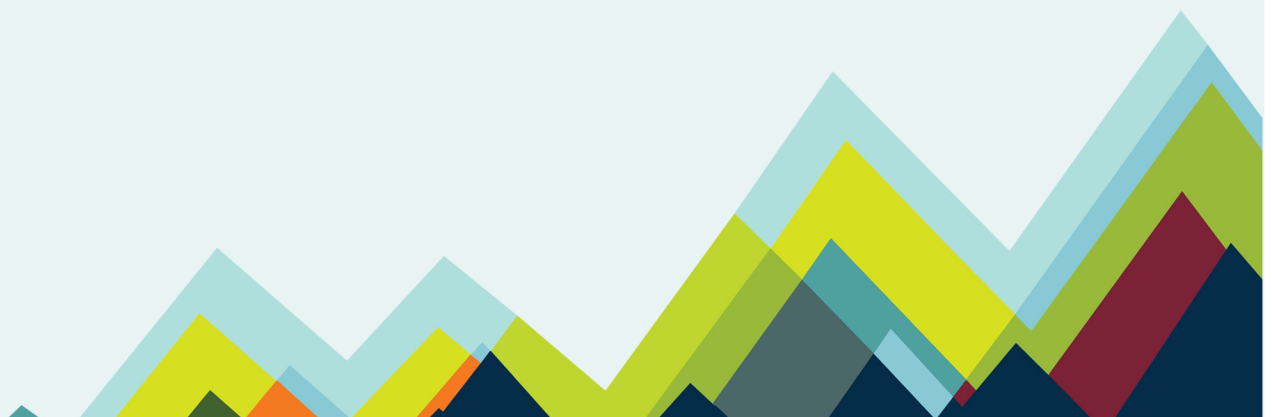
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7. Has the Commission ever denied any of your claims as part of any disgorgement process, for this loss or any other loss? ☐ Yes ☐ No

If yes, please provide details.

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**BEFORE SUBMITTING YOUR CLAIM, YOU MUST CONFIRM THAT:**

1. The information in your form or that you submit in support of your claim is true and correct. The Commission may deny your claim if you make a statement or provide information that is false or misleading, or omit facts that make your statement or information false or misleading. After you submit your claim, if any information in your claim changes in a material respect, you must contact the Commission and report any change. If you do not contact the Commission and report changes, the Commission may deny your claim.
2. You are aware that the Commission is collecting personal information from you for the purpose of determining your claim of money pursuant to section 15.1 of the *Securities Act* and Part 3 of the Securities Regulation, and you consent to the Commission using it for that purpose. Information in your claim may be disclosed pursuant to the *Freedom of Information and Protection of Privacy Act* and the *Securities Act*. If you have questions about collection of your personal information in this form, you can contact the Commission's Privacy Officer by email at [foi-privacy@bcsc.bc.ca](mailto:foi-privacy@bcsc.bc.ca), by phone at 604-899-6500, or by mail at 701 West Georgia Street, P.O. Box 10142, Pacific Centre, Vancouver B.C. V7Y 1L2.
3. You are aware that it is an offence under section 168.1 of the *Securities Act* to make a statement or submit information to the Commission that, in a material respect and at the time and in light of the circumstances under which it is made, is false or misleading, or omit facts from the statement or information necessary to make that statement or information not false or misleading.



# INSTRUCTIONS FOR MAKING A CLAIM

**Please read these instructions before making a claim**

You may be eligible to claim money that the Commission received as payment of a Commission order.

## **DEADLINE FOR FILING YOUR CLAIM**

You must submit your claim within the time period set out in the Notice that relates to your claim. You can view the Commission's notice and the date it was posted on the Commission's website at [bcsc.bc.ca/Enforcement/Returning\\_Funds\\_to\\_Investors](http://bcsc.bc.ca/Enforcement/Returning_Funds_to_Investors).

## **HOW TO FILE A CLAIM**

Attached is the form required to make a claim for money the Commission receives as payment of a Commission order.

### **ONLINE**

To make a claim online, please go to our website at [bcsc.bc.ca/Enforcement/Returning\\_Funds\\_to\\_Investors](http://bcsc.bc.ca/Enforcement/Returning_Funds_to_Investors), press the 'Go' button under Start Your Claim.

### **EMAIL**

If you cannot submit the form online, please print the form, fill it out and email it along with supporting documents to [claimsprocess@bcsc.bc.ca](mailto:claimsprocess@bcsc.bc.ca). Please put the BCSECCOM# in the "Subject" line of your email. The BCSECCOM# is stated on the Notice for this case.

### **MAIL**

If you cannot submit the form online or email it, you can mail a completed form and supporting documents to:

Enforcement - Claims Process  
Claim number: BCSECCOM#  
British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia, Canada V7Y 1L2



British Columbia  
Securities Commission

### **WHAT HAPPENS AFTER MAKING YOUR CLAIM**

If the Commission determines that you are an eligible applicant, it may make a payment to you. When determining the amount to pay you, the Commission must consider the following:

- (a) the amount of money the Commission received from the order
- (b) the loss you suffered
- (c) the losses all eligible applicants suffered
- (d) any other information the Commission considers appropriate in the circumstances.

If there is not enough to pay the claims of all eligible applicants, the Commission may prorate claims among the eligible applicants. This means eligible applicants may get only some of the amount they claim.

If the Commission intends to deny all or part of your claim, other than to prorate your claim, you will have an opportunity to make submissions to the Commission before it decides your claim.

### **ADDITIONAL INFORMATION**

Section 15.1 of the *Securities Act* and Part 3 of the Securities Regulations relate to this claim process.

You can view these documents on the Commission's website at [bcsc.bc.ca/Securities\\_Law](http://bcsc.bc.ca/Securities_Law).

