

IN THE MATTER OF THE MORTGAGE BROKERS ACT  
R.S.B.C. 1996, c. 313

And

CASCADE PACIFIC MORTGAGE CORPORATION and  
C [REDACTED]

**CONSENT ORDER**

The following agreement has been reached between Cascade Pacific Mortgage Corporation ("Cascade Pacific") and C [REDACTED] ("C [REDACTED]") and the Registrar of Mortgage Brokers ("the Registrar"):

**A. ORDERS:**

Cascade Pacific and C [REDACTED] consent to and the Registrar makes the following orders (collectively "this Order"):

1. That the registration of Cascade Pacific as a mortgage broker is cancelled pursuant to Section 8(1) of the *Mortgage Brokers Act* ("the Act") on the date of this Order\*.
2. That the registration of C [REDACTED] as a submortgage broker is suspended pursuant to Section 8(1) of the *Act* for a period of ten (10) weeks commencing on the date of this Order and culminating on January 26, 2007.
3. That C [REDACTED] and/or any company or partnership in which C [REDACTED] is an officer, director, partner, shareholder or has an ownership interest in is ineligible for registration as a mortgage broker for a period of two years from the date of this Order.
4. That C [REDACTED] will complete the winding-up of Cascade Pacific in accordance with the requirements of the office of the Registrar within ten weeks of the date of this Order. Failure to comply with this term will result in the continuation of C [REDACTED] suspension until such time as this term has been complied with.

5. That C [REDACTED] will successfully complete the mortgage broker course offered through the University of British Columbia prior to December 31, 2007:
6. That C [REDACTED] pay an administrative penalty of \$10,000.00. This amount will be paid by equal monthly installments of \$1,000.00 to commence 30 days after the completion of his suspension.
7. That C [REDACTED] pay partial costs of the investigation of \$4,000.00, such amount to be payable within ten weeks of the date of this Order. Failure to comply with this term will result in the continuation of C [REDACTED]'s suspension until such time as payment has been made.

\*The date of this Order is November 17, 2006.

## B. FACTS AND ADMISSIONS:

As a basis for this Order, Cascade Pacific and C [REDACTED] acknowledge the following facts as correct and make the following admissions:

1. C [REDACTED] is the owner of Cascade Pacific and at all material times was identified as the submortgage broker responsible for the operations of Cascade Pacific.
2. Cascade Pacific did not file a Statutory Declaration confirming that:
  - 1) no trust funds were received or handled during the fiscal year ending April 30, 2004; and
  - 2) no funds were received that should have been held in trust during the fiscal year ending April 30, 2004

until September 13, 2004, more than three months after it was due, contrary to s. 6(c) of the Mortgage Brokers Act Regulations ("the Regulations") and contrary to s. 8 of the Conditions of Registration.
3. Cascade Pacific did not file with the Registrar financial statements in a form satisfactory to the Registrar for the fiscal year ending April 30, 2005 within 120 days of April 30, 2005, contrary to s. 6(b) of the Regulations and contrary to s. 6 of the Conditions of Registration.
4. C [REDACTED] admits that he did not ensure that Cascade Pacific filed its financial filings with the Registrar within the prescribed time and in the prescribed form, and thereby conducted business in a manner prejudicial to the public interest.

5. Cascade Pacific failed to provide disclosure statements in the prescribed form to lenders or investors for whom Cascade Pacific arranged mortgages, contrary to sections 17.1 and 17.2 of the *Act*. Those lenders include: [REDACTED]
6. Cascade Pacific failed to disclose to borrowers in the prescribed manner that Cascade Pacific or its associate or related party had a direct or indirect interest in the mortgage transaction brokered by Cascade Pacific, contrary to sections 17.3 and 17.5 of the *Act*. Those borrowers include: [REDACTED]
7. Cascade Pacific failed to disclose to lenders in the prescribed manner that Cascade Pacific or its associate or related party had a direct or indirect interest in the mortgage transaction brokered by Cascade Pacific, contrary to sections 17.4 and 17.5 of the *Act*. Those lenders include: [REDACTED]
8. C [REDACTED] admits that he did not ensure that Cascade Pacific provided proper disclosure to lenders and borrowers pursuant to sections 17.1, 17.3 and 17.4 of the *Act*, and did not ensure that Cascade Pacific retained copies of the information statements for the prescribed period of time pursuant to sections 17.2 and 17.5, and thereby conducted business in a manner that was prejudicial to the public interest.
9. Cascade Pacific received money on behalf of mortgagees from the disposition of property following the bankruptcy of a project the mortgagees had invested in through Cascade Pacific. Cascade Pacific did not deposit those funds in a trust account as required, contrary to s. 8(1) (b) of the *Act* and contrary to the Conditions of Registration.
10. C [REDACTED] admits that he did not ensure that Cascade Pacific deposited those funds into a trust account as required, and thereby conducted business in a manner that was prejudicial to the public interest.
11. C [REDACTED] signed a statutory declaration on September 13<sup>th</sup>, 2004 in which he solemnly declared that Cascade Pacific did not handle trust funds or receive funds that should have been held in trust for the year ended April 30, 2004 when in fact Cascade Pacific did so, contrary to s. 8(1) (d) of the *Act*.
12. Cascade Pacific advertised or indicated it was a mortgage broker other than under its registered name Cascade Pacific, that being Pacific Cascade Financial Services Ltd., contrary to s. 21(1) (c) of the *Act*.

13. C [REDACTED] submitted to the Registrar a number of Applications for Registration which contained statements which were false or misleading, contrary to s. 8(1) (d) of the Act, as follows:

- a) In an Application for Registration received by the Registrar on March 29, 2001, C [REDACTED] failed to disclose a pending legal proceeding filed against him by [REDACTED] on August 20, 1999;
- b) In an Application for Registration dated March 3, 2003, C [REDACTED] failed to disclose pending legal proceedings filed against him by [REDACTED] on October 2, 2002 and by [REDACTED] on September 25, 2002. He also failed to disclose the pending legal proceeding filed against him by [REDACTED] on August 20, 1999; and
- c) In an Application for Registration received by the Registrar on March 2, 2005, C [REDACTED] failed to disclose pending legal proceedings filed against his company, Pacific Cascade Hydro Inc., by [REDACTED] on December 30, 2003 and by [REDACTED] on February 11, 2004. He also failed to disclose the pending legal proceedings filed against him by [REDACTED] and by [REDACTED] which had been disclosed in his Application for Registration dated March 3, 2003, but which were still outstanding at the time of his 2005 Application. He also failed to disclose the pending legal proceeding filed against him by [REDACTED] on August 20, 1999.

**C. WAIVER:**

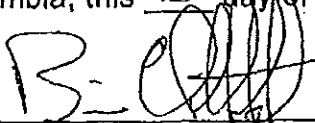
Cascade Pacific and C [REDACTED] waive their right to a hearing under section 8(1) of the Act and waive their right to appeal under section 9 of the Act.

Dated at Surrey, British Columbia, this 17<sup>th</sup> day of November, 2006.

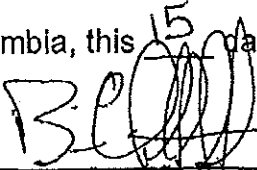


W. Alan Clark  
Registrar of Mortgage Brokers  
Province of British Columbia

Dated at Vancouver, British Columbia, this 15 day of November, 2006.

  
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For Cascade Pacific Mortgage Corporation

Dated at Vancouver, British Columbia, this 15 day of November, 2006.

  
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