

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,  
RSBC 1996, c. 313 as amended**

**- AND -**

**IN THE MATTER OF DEAN FRANK JAMES WALFORD**

**- AND -**

**IN THE MATTER OF LOAN DEPOT CANADA**

**DECISION ON MERITS**

<b>Date of Hearing:</b>	June 22 – 25, 2021
<b>Appearing for Staff:</b>	Mr. Rolf Warburton Ministry of Attorney General, Legal Services Branch  Ms. Marina Goodwin Ministry of Attorney General, Legal Services Branch
<b>Appearing for Mr. Walford:</b>	No one
<b>Appearing for Loan Depot Canada:</b>	No one
<b>Registrar’s Appointee:</b>	Cheryl Vickers

**Introduction and Preliminary Issue**

1. The Registrar of Mortgage Brokers (“Registrar”) issued a Notice of Hearing (“NOH”) to Dean Frank James Walford (“Mr. Walford”) and Loan Depot Canada on February 1, 2019. Loan Depot Canada is a registered Partnership in Nova Scotia, and Mr. Walford is a partner in Loan Depot Canada. Mr. Walford and Loan Depot Canada were served with the Notice of Hearing on March 13, 2019.
2. In November 2020, counsel for Staff of the Registrar (“Staff”) provided Mr. Walford with a copy of the Investigation Report and attached Exhibits. Counsel for Staff asked Mr. Walford to indicate, by December 18, 2020, his availability for a hearing in February, March, or April 2021. Mr. Walford did

not respond. On February 9, 2021, Mr. Walford was again served with a copy of the Investigation Report and attached Exhibits. Counsel for Staff advised Mr. Walford that she would proceed to set down a hearing in April, June, or July of 2021 and advise him of the date. Counsel asked Mr. Walford to advise by February 18, 2021 if he was not available on any days in April, June, or July of 2021. Mr. Walford did not respond.

3. On April 26, 2021, Mr. Walford was served with a letter advising that the hearing of this matter would take place on June 22 - 25, 2021.
4. On May 31, 2021, a process server attempted to serve Mr. Walford with copies of additional documents to be relied on at the hearing but was advised that Mr. Walford had gone to [REDACTED]. I issued an Order for Substitutional Service ("Order") on June 8, 2021. Mr. Walford was substitutionally served with the documents in accordance with the Order at his last known address on June 10, 2021. Additionally, an individual living at the last known address of Mr. Walford known to be [REDACTED] [REDACTED] was also served with the Order and asked to bring the Order to Mr. Walford's attention as well as the package of documents served in accordance with the Order.
5. By a telephone call to counsel for Staff on June 18, 2021 and followed up by email on June 21, 2021, Mr. Walford sought an adjournment of the hearing and provided updated contact information. In his email to counsel for Staff, Mr. Walford said he is [REDACTED] [REDACTED] [REDACTED] Mr. Walford claimed he had not received the information package regarding the case made against him and submitted that the situation does not allow him to review the accusations and discuss with counsel.
6. I denied Mr. Walford's application for adjournment. I do not accept that Mr. Walford has not received the information respecting the allegations against him as the Affidavit evidence before me indicates he was served with the Investigation Report and Exhibits in November of 2020 and again in February of 2021. Mr. Walford was consulted on the hearing dates and given the opportunity to indicate his availability, but he chose to ignore the proceedings against him until the last minute. Mr. Walford was served with the letter advising of the hearing dates in April of 2021, and he then relocated to [REDACTED] [REDACTED] and failed to provide updated contact information until virtually the eve of the hearing.
7. I determined that the hearing on the Merits would proceed as scheduled but indicated that Mr. Walford would be offered the opportunity to speak to Penalty and Costs following my decision on the Merits, if necessary.

## The Notice of Hearing

The Notice of Hearing alleges that:

8. Contrary to section 8(1.4) of the *Mortgage Brokers Act* ("MBA"), Mr. Walford carried on business as a mortgage broker or submortgage broker without being registered to do so as required by section 21(1)(a) of the MBA, and without being exempted from registration pursuant to section 11 of the MBA by:
  - a. Directing the course of mortgage applications on behalf of five or more borrowers including giving instructions or directions to one or more Registrants as to the employment and income information of the borrowers, the merits of the mortgage applications, borrower qualifications, and providing personal information of borrowers to Registrants.
  - b. Conducting one or more of the following activities on behalf of any one or more of the borrowers:
    - i. Accepting the personal information of borrowers for the purposes of obtaining financing on their behalf;
    - ii. Obtaining documents and information from borrowers to support their mortgage applications;
    - iii. Collecting personal information of borrowers and forwarding that information to one or more Registrants;
    - iv. Acting as a liaison between the borrowers and Registrants and referring borrowers to a Registrant;
    - v. Ordering appraisals for multiple borrowers to support mortgage applications;
    - vi. Vetting borrowers' qualifications for mortgages;
    - vii. Receiving remuneration in excess of \$1,000 for arranging mortgages; and
    - viii. Submitting documents to a potential lender on behalf of a borrower which were later determined not to be authentic, and which resulted in economic loss to the lender.
  - c. Held himself out to the public as a mortgage broker by identifying himself as a mortgage broker to borrowers and by maintaining a profile on LinkedIn.com wherein he held himself out as offering services of a mortgage broker.
  - d. Contrary to section 8(2) of the MBA, after the issuance of a Cease and Desist Order ("CDO") by the Registrar of Mortgage Brokers on September 12, 2011, he continued to carry on the business of a mortgage broker or submortgage broker, in that he:
    - i. Obtained multiple credit bureau reports pertaining to specific borrowers;

- ii. Submitted mortgage applications to lenders on behalf of borrowers, of which 90 mortgage applications related to properties in British Columbia; and
  - iii. Created mortgage applications of borrowers of which 114 mortgage applications pertained to properties in British Columbia.
9. Contrary to section 8(1.4) of the MBA, Loan Depot Canada carried on business as a mortgage broker in British Columbia without being registered to do so as required by section 21(1)(a) of the MBA and without being exempted from registration pursuant to section 11 of the MBA by permitting Mr. Walford to hold himself out as a mortgage broker or submortgage broker with Loan Depot Canada while neither were registered under the MBA.
10. Contrary to section 8(2) of the MBA, Loan Depot Canada carried on the business of a mortgage broker despite the issuance of a CDO by the Registrar of Mortgage Brokers on September 12, 2011 in that it:
  - a. Obtained multiple credit bureau reports pertaining to specific borrowers;
  - b. Submitted mortgage applications to lenders on behalf of borrowers, of which 90 mortgage applications related to properties in British Columbia; and
  - c. Created mortgage applications of borrowers of which 114 mortgage applications pertained to properties in British Columbia.

### **Issue**

11. The issue is whether the evidence presented at the hearing supports the allegations in the Notice of Hearing. The standard of proof is the civil standard of balance of probabilities, based on evidence that is sufficiently clear, convincing, and cogent (*F.H. v. McDougall*, 2008 SCC 53).

### **Evidence and Findings**

12. I heard evidence from [REDACTED] and [REDACTED]. [REDACTED] is an Investigator with the Registrar, and she had primary conduct of the investigation into the allegations against Mr. Walford. [REDACTED] gave evidence as to how the investigation unfolded and the steps Staff took to gather information and documents, and she identified a number of documents obtained during the course of the investigation that were compiled into two binders marked Exhibit 1 and Exhibit 2. These include documents provided by lenders, property appraisals, and spreadsheets compiling data from D+H Mortgage Technology Corporation (D+H), the operator of the Filogix software used by mortgage brokers to create and submit mortgage applications and to perform credit bureau checks. The documents include transcripts of interviews of borrowers [REDACTED] [REDACTED] conducted in the course of the investigation.

13. [REDACTED] was a registered submortgage broker with [REDACTED]. The documents include copies of emails between Mr. Walford and [REDACTED]. [REDACTED] identified email correspondence between himself and Mr. Walford and gave evidence respecting his dealings with Mr. Walford.
14. Certificates signed by the Acting Registrar under section 10 of the MBA<sup>1</sup> show that neither Mr. Walford nor Loan Depot Canada has ever been registered as a mortgage broker under the MBA.
15. On September 12, 2011, the Registrar issued a CDO to Loan Depot Canada and to Mr. Walford ordering that they cease and desist engaging in unregistered mortgage broker activity in the Province of British Columbia unless and until they become registered to do so under the MBA.
16. I will deal with each allegation in the NOH and the evidence relevant to each allegation. The first allegation in the NOH is that Mr. Walford carried on business as a mortgage broker or submortgage broker without being registered by carrying out a number of activities.

**A. NOH Allegation 1(a) – Did Mr. Walford direct the course of mortgage applications on behalf of five or more borrowers?**

The evidence shows that Mr. Walford directed the course of five mortgage applications on behalf of six borrowers in 2016 (borrowers [REDACTED]) and in 2017 (borrowers [REDACTED]). Mr. Walford provided [REDACTED], then a registered mortgage broker, with mortgage applications already filled out and with the borrowers' income and personal information.

With respect to borrower [REDACTED] Mr. Walford, as agent for Loan Depot Canada, conducted a credit check in May 2016<sup>2</sup>, created a mortgage application through Filogix in August of 2016<sup>3</sup>, and emailed the application to [REDACTED].<sup>4</sup> Mr. Walford commissioned an appraisal of the purchase property intended to be used by a prospective lender<sup>5</sup> and provided [REDACTED] with a copy.<sup>6</sup> Mr. Walford obtained an addendum to the contract of purchase and sale to correct the spelling of [REDACTED]'s name which had been misspelled on all the documentation and forwarded the Addendum to [REDACTED] for forwarding to the notary.<sup>7</sup> Via email, Mr. Walford asked [REDACTED] to inquire into a second mortgage for [REDACTED],<sup>8</sup> directed [REDACTED] as to closing dates

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<sup>1</sup> Exhibit 1, Tabs 1 and 4

<sup>2</sup> Ex. 1, Tab 24, Ex. 2, Tab 6.

<sup>3</sup> Ex. 1, Tab 22 and Ex. 2, Tab 5.

<sup>4</sup> Ex. 2, Tab 9.

<sup>5</sup> Ex. 2, Tabs 21-26.

<sup>6</sup> Ex. 2, Tab 10.

<sup>7</sup> Ex. 2, Tabs 11, 13 and 14.

<sup>8</sup> Ex. 2, Tab 16.

and the name of the notary,<sup>9</sup> and advised [REDACTED] that [REDACTED]  
[REDACTED].<sup>10</sup>

[REDACTED] met with Mr. Walford in person to arrange financing for his purchase. He understood Mr. Walford was a mortgage broker. [REDACTED] provided Mr. Walford with his personal and financial information and Mr. Walford completed all necessary documentation for [REDACTED].<sup>11</sup>

With respect to borrower [REDACTED], Mr. Walford created a mortgage application through Filogix in April of 2016<sup>12</sup> and conducted credit checks.<sup>13</sup> He provided documents by email to [REDACTED] who acted as a submortgage broker. [REDACTED], in turn, emailed documents that needed to be signed by the borrower to Mr. Walford for signature.<sup>14</sup>

With respect to borrower [REDACTED], Mr. Walford conducted credit checks<sup>15</sup> and commissioned an appraisal of the [REDACTED] property being purchased by [REDACTED] for use by a lender.<sup>16</sup>

[REDACTED] acted as the submortgage broker. He could not specifically recall that Mr. Walford referred this file to him but said the only deals he ever did for [REDACTED] properties came from Mr. Walford.

With respect to borrower [REDACTED], Mr. Walford created a mortgage application through Filogix<sup>17</sup> and conducted credit checks.<sup>18</sup> He commissioned an appraisal of the property being purchased by [REDACTED] for financing purposes<sup>19</sup> and forwarded the letter of transmittal and other documents to [REDACTED].<sup>20</sup>

This was not the first mortgage that Mr. Walford had helped [REDACTED] obtain.<sup>21</sup>

With respect to the borrowers [REDACTED] and [REDACTED], Mr. Walford created a mortgage application through Filogix in February of 2017<sup>22</sup> and conducted credit checks.<sup>23</sup> He referred the deal to [REDACTED] and provided [REDACTED] with documents.<sup>24</sup> [REDACTED], in turn, sent documents back to Mr. Walford for signing by the

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<sup>9</sup> Ex. 2, Tab 12.

<sup>10</sup> Ex. 2, Tab 15.

<sup>11</sup> Ex. 2, Tab 27.

<sup>12</sup> Ex. 1, Tab 22 and Ex. 2, Tab 50.

<sup>13</sup> Ex. 1, Tab 24 and Ex. 2, Tab 49.

<sup>14</sup> Ex. 2, Tab 52 and 53.

<sup>15</sup> Ex. 1, Tab 24.

<sup>16</sup> Ex. 2, Tabs 57-59.

<sup>17</sup> Ex. 1, Tab 22 and Ex. 2, Tab 32

<sup>18</sup> Ex. 1, Tab 24 and Ex. 2, Tab 33

<sup>19</sup> Ex. 2, Tabs 39-41.

<sup>20</sup> Ex. 2, Tabs 31, and 36-38.

<sup>21</sup> Ex. 2, Tab 42.

<sup>22</sup> Ex. 1, Tab 22 and Ex. 2, Tab 43.

<sup>23</sup> Ex. 1, Tab 24, and Ex. 2, Tabs 44 and 45.

<sup>24</sup> Ex. 2, Tab 48.

borrowers.<sup>25</sup> [REDACTED] asked Mr. Walford questions respecting the mortgage transaction, and Mr. Walford responded to her.<sup>26</sup>

I find the evidence supports allegation 1(a) and that allegation 1(a) has been proven on a balance of probabilities.

***B. NOH Allegation 1(b) – Did Mr. Walford conduct specific activities on behalf of one or more borrowers?***

*(i) Accept personal information of borrowers for the purpose of obtaining financing on their behalf.*

Mr. Walford provided personal information for [REDACTED] in the mortgage application forms created by him through Filogix.<sup>27</sup> [REDACTED]' evidence was that he obtained personal information and completed applications from Mr. Walford. I find it is likely that Mr. Walford provided [REDACTED] with the personal information of [REDACTED] for inclusion in the mortgage application created by [REDACTED] for [REDACTED].<sup>28</sup>

[REDACTED] advised that he gave Mr. Walford personal information.<sup>29</sup>

*(ii) Obtain documents and information from borrowers to support their mortgage applications.*

Mr. Walford obtained forms signed by [REDACTED],<sup>30</sup> banking information from [REDACTED]<sup>31</sup> and a "signback" form from [REDACTED].<sup>32</sup> Mr. Walford forwarded documents to [REDACTED] and asked her to sign and return them.<sup>33</sup> [REDACTED] said he gave Mr. Walford "pretty much everything" including social insurance number and tax information.<sup>34</sup>

*(iii) Collect borrowers' personal information and forward to registrants.*

The evidence indicates that Mr. Walford forwarded mortgage applications that he created including personal information such as social insurance numbers and marital status to [REDACTED], a Registrant such as those for [REDACTED].<sup>35</sup> [REDACTED] admitted to receiving borrowers' personal information from Mr. Walford. I find it is likely that the personal information included in the

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<sup>25</sup> Ex. 2, Tab 48.

<sup>26</sup> Ex. 2, Tab 48.

<sup>27</sup> Ex. 2, Tabs 5, 32, 43 and 50.

<sup>28</sup> Ex. 2, Tabs 55 and 56.

<sup>29</sup> Ex. 2, Tab 27

<sup>30</sup> Ex. 2, Tab 48

<sup>31</sup> Ex. 2, Tabs 19-20.

<sup>32</sup> Ex. 2, Tab 36

<sup>33</sup> Ex. 2, Tab 53

<sup>34</sup> EX. 2, Tab 27

<sup>35</sup> Ex. 2, Tabs 1 and 30.

mortgage application created by [REDACTED] on behalf of [REDACTED] was provided to [REDACTED] by Mr. Walford.

(iv) *Act as a liaison between the borrowers and Registrants and refer borrowers to Registrants.*

Numerous emails in evidence demonstrate that Mr. Walford acted as a liaison between borrowers and [REDACTED]. Mr. Walford referred deals to [REDACTED]. [REDACTED] would email documents to Mr. Walford for signature by the borrowers and Mr. Walford would return signed documents to [REDACTED]. [REDACTED] confirmed that the various emails in evidence with respect to borrowers [REDACTED] accurately depicted the business relationship between him and Mr. Walford. Mr. Walford testified that Mr. Walford referred between 10 and 15 borrowers to him including the borrowers previously discussed.

(v) *Order appraisals for multiple borrowers to support mortgage applications.*

The evidence includes copies of nine appraisals ordered by Mr. Walford together with the invoices from the appraisal company to Loan Depot Canada and email correspondence between Mr. Walford and the appraisal company.<sup>36</sup>

(vi) *Vet borrowers' qualifications for mortgages.*

The evidence includes numerous examples of Mr. Walford conducting credit checks on borrowers.<sup>37</sup> [REDACTED] confirmed Mr. Walford would vet borrowing qualifications of clients including income, equity, credit, and borrowing histories before referring the clients to him.

(vii) *Receive remuneration in excess of \$1,000 for arranging mortgages.*

[REDACTED] testified that he paid Mr. Walford a commission of approximately 10-20% of his own remuneration on mortgage deals for his referrals, and while he could not recall the exact amount that he paid to Mr. Walford, he indicated that it was in excess of \$1,000 a year in the years they had a business relationship. [REDACTED]'s remuneration for the [REDACTED] mortgage deal was in excess of \$14,000.<sup>38</sup> Mr. Walford's commission on that deal alone, therefore, would have been in excess of \$1,400.

(viii) *Submit documents to a lender that were not genuine, resulting in a loss.*

The evidence indicates that on March 20, 2017, Mr. Walford deposited a "closed account" cheque of \$150,000 from a Loan Depot Canada account with [REDACTED] and \$50,000 cash to borrower [REDACTED]'s

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<sup>36</sup> Ex. 1, Tabs 26-43; Ex. 2, Tabs 21-26, 39-41, and 57-59.

<sup>37</sup> Ex. 1, Tab 24

<sup>38</sup> Ex. 2, Tab 46



■■■■ account.<sup>39</sup> On March 21, 2017, ■■■■ purchased a draft of \$202,680.19 which was deposited in trust to a notary public's account.<sup>40</sup> The deal closed on March 21, 2017 and on March 24, 2017, ■■■■ notified ■■■■ that the \$150,000 cheque was invalid having been drawn on a closed account, causing a financial loss to ■■■■ of \$149,691.44<sup>41</sup>

Surveillance video snapshots from the ■■■■■■ branch show Mr. Walford making the deposits into ■■■■'s account on March 20, 2017.<sup>42</sup>

I am satisfied that while acting as a mortgage broker, Mr. Walford submitted a cheque to a lender on behalf of a borrower that was not genuine, and that as a result, the lender suffered a loss.

I find that the evidence supports allegations 1(b)(i) through (viii) and that each of those allegations has been proven on a balance of probabilities.

**C. NOH Allegation 1(c) – Did Mr. Walford hold himself out to be a mortgage broker?**

On his LinkedIn profile, Mr. Walford describes himself as a “mortgage alternative specialist”. His profile also describes him as “President, Self-employed, Loan Depot Canada partner Mortgages/Auto Sales and financing”.<sup>43</sup>

■■■■ believed Mr. Walford was a mortgage broker because a friend told him Mr. Walford was a mortgage broker and because Mr. Walford led him to believe he was a mortgage broker.<sup>44</sup>

■■■■ indicated Mr. Walford had been recommended to him and was known as a mortgage broker.<sup>45</sup>

Mr. Walford told ■■■■ he was a mortgage broker.<sup>46</sup> He offered to assist ■■■■'s parents to obtain a mortgage.<sup>47</sup>

■■■■' evidence was that he believed Mr. Walford was a registered mortgage broker because he used the same forms that mortgage brokers use and performed all the same functions with respect to arranging mortgages that he did.

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<sup>39</sup> Ex. 1, Tab 10A, 10B, and 10C

<sup>40</sup> Ex. 1, Tab 10D

<sup>41</sup> Ex. 1, Tab 10

<sup>42</sup> Ex 1, Tabs 10D and 10E

<sup>43</sup> Ex. 1, Tab 11

<sup>44</sup> Ex. 2, Tab 27

<sup>45</sup> EX. 2, Tab 42

<sup>46</sup> Ex. 2, Tab 54

<sup>47</sup> Ex. 2, Tab 54

I am satisfied Mr. Walford held himself out to be a mortgage broker and find allegation 1(c) is proven on a balance of probabilities.

***D. NOH Allegation 1(d) and NOH Allegation 3 – Did Mr. Walford and Loan Depot Canada continue to carry on the business of a mortgage broker or submortgage broker after the Registrar’s issuance of a Cease and Desist Order on September 12, 2011?***

All the mortgage broker activities discussed above occurred after the Registrar issued a CDO on September 12, 2011. It is clear from the evidence that Mr. Walford and Loan Depot Canada continued to carry on the business of a mortgage broker or submortgage broker following the CDO and into 2018.

Staff provided a spreadsheet containing information provided by D+H (the Filogix Spreadsheet). The Filogix Spreadsheet contains three worksheets containing data from an account associated with Loan

Depot Canada identified by the code [REDACTED] for the period September 12, 2011 to March 1, 2018.<sup>48</sup> Mr. Walford was the only individual operating as Loan Depot Canada in British Columbia. The worksheets show all of the mortgage applications created by [REDACTED],<sup>49</sup> all mortgage applications submitted by [REDACTED],<sup>50</sup> and all the credit bureau reports submitted by [REDACTED]<sup>51</sup> from September 12, 2011 to March 1, 2018. All the mortgage applications and credit bureau reports in evidence specifically name Mr. Walford. All the appraisals in evidence prepared for Loan Depot Canada also specifically name Mr. Walford. I am satisfied that Mr. Walford was the individual using the LCDC Filogix account with respect to mortgage applications for properties in British Columbia and credit checks for borrowers in British Columbia.

The Filogix worksheet showing credit bureau checks<sup>52</sup> shows Mr. Walford obtained multiple credit bureau reports on behalf of borrowers. [REDACTED] was able to identify several borrower names associated with mortgage applications or appraisals for properties in British Columbia including:

- Borrower is linked to property appraisals obtained by Mr. Walford and Loan Depot Canada for a property in [REDACTED];<sup>53</sup>
- Mortgage application and credit bureau report of [REDACTED], respecting property in [REDACTED] prepared and requested by [REDACTED] and indicating credit bureau inquiries by Loan Depot Canada on April 10, 2014, May 13, 2015 and June 29, 2016;<sup>54</sup>

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<sup>48</sup> Ex. 1, Tabs 22, 23 and 24

<sup>49</sup> Exhibit 1, Tab 22

<sup>50</sup> Exhibit 1, Tab 23

<sup>51</sup> Exhibit 1, Tab 24

<sup>52</sup> Ex. 1, Tab 24

<sup>53</sup> Ex. 1 Tabs 24, 29 and 30

<sup>54</sup> Ex. 1, Tab 24; Ex. 2 Tab 55

- Mortgage application and credit bureau report of [REDACTED] respecting property in [REDACTED], prepared and requested by Mr. Walford and Loan Depot Canada using the filogix code [REDACTED];<sup>55</sup>
- Property appraisals obtained by Mr. Walford and Loan Depot Canada for a property in [REDACTED], and borrower [REDACTED];<sup>56</sup>
- Mortgage application of [REDACTED], respecting property in [REDACTED], prepared by Mr. Walford using the filogix code [REDACTED] and credit bureau reports of [REDACTED] indicating Loan Depot Canada accessed the credit bureau reports of both on May 15, 2016 and January 16, 2017;<sup>57</sup>
- Property appraisal obtained by Mr. Walford and Loan Depot Canada for a property on in [REDACTED], and borrowers [REDACTED];<sup>58</sup>
- Mortgage application of [REDACTED], respecting property in [REDACTED] prepared by Mr. Walford and Loan Depot Canada using filogix code [REDACTED];<sup>59</sup> and
- Credit bureau report of [REDACTED] requested by Mr. Walford and Loan Depot Canada using the filogix code [REDACTED], and mortgage application of [REDACTED] prepared by [REDACTED] for property in [REDACTED].<sup>60</sup>

[REDACTED] counted 90 mortgage applications associated with properties in British Columbia on the Filogix worksheet showing submitted mortgage applications using code [REDACTED].<sup>61</sup>

[REDACTED] counted 114 mortgage applications associated with properties in BC on the Filogix worksheet showing mortgage applications using code [REDACTED].<sup>62</sup> These include the mortgage applications previously discussed for [REDACTED].

I find the evidence supports allegations 1(d)(i) through (iii) and 3(a) through (c) and that each of these allegations is proven on a balance of probabilities.

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<sup>55</sup> Ex. 1, Tab 24; Ex. 2 Tab 49

<sup>56</sup> Ex. 1, Tabs 24, 26-28.

<sup>57</sup> Ex. 1, Tab 24, Ex. 2 Tabs 43-45

<sup>58</sup> Ex. 1, Tabs 24, 34-36

<sup>59</sup> Ex. 1 Tab 24, Ex 2. Tab 32

<sup>60</sup> Ex 1, Tab 24, Ex. 2 Tabs 1 and 5

<sup>61</sup> Ex. 1, Tab 23

<sup>62</sup> Ex. 1, Tab 22

***E. NOH Allegation 2 – Did Loan Depot Canada carry on business as a mortgage broker without being registered to do so and without being exempted from registration by permitting Mr. Walford to hold himself out as a mortgage broker or submortgage broker with Loan Depot Canada while neither was registered?***

The evidence shows that Mr. Walford used Loan Dept Canada Filogix codes and email accounts. Mr. Walford's LinkedIn profile identifies him as the President of Loan Depot Canada. By permitting Mr. Walford to hold himself out as a mortgage broker or submortgage broker and as a partner or representative of Loan Depot Canada, Loan Depot Canada also carried on the business of a mortgage broker. Loan Depot Canada has never been registered under the MBA.

I find the evidence supports allegation 2 and that this allegation is proven on a balance of probabilities.

**Conclusion**

17. I find that all the allegations in the NOH against Mr. Walford and Loan Depot Canada have been proven on the balance of probabilities by the evidence before me. Mr. Walford held himself out to be a mortgage broker, engaged in the business of a mortgage broker or submortgage broker, and received remuneration in excess of \$1,000 a year for mortgage broker activities without being registered as a mortgage broker or submortgage broker under the MBA and following the issuance of a CDO. By permitting Mr. Walford to hold himself out as a mortgage broker and carry on the business of a mortgage broker as a representative of Loan Depot Canada, Loan Depot Canada also carried on the business of a mortgage broker without being registered to do so and following the issuance of a CDO.

**Penalty**

18. I retain jurisdiction to determine issues of penalty and costs. The parties are at liberty to propose a schedule for the provision of written submissions to deal with these issues.

Issued at Vancouver, British Columbia, this 30th day of August, 2021.



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CHERYL VICKERS  
Appointee of the Registrar of Mortgage Brokers  
Province of British Columbia