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BC Financial Services Authority

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

AND

IN THE MATTER OF

Jordan Lee Ly
(503375)

CONSENT ORDER

(Pursuant to sections 8 (1.2) of the *Mortgage Brokers Act*)

[This Order has been redacted before publishing.]

WHEREAS JORDAN LEE LY, ("J. Ly") was at all material times registered as a submortgage broker with Clear Trust Mortgages Inc. dba: Dominion Lending Centres Clear Trust Mortgages under the *Mortgage Brokers Act*, RSBC 1996 Chapter 313 (the "MBA"), and J. Ly's registration terminated on August 28, 2019, and is no longer registered under the MBA;

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing to J. Ly on January 27, 2021 ("Notice of Hearing") pursuant to the MBA;

AND WHEREAS the following agreement has been reached between J. Ly and the staff of the Registrar ("Staff");

AND WHEREAS the Registrar agrees to the following terms of a consent order (the "Consent Order"):

A. FINDINGS

The Registrar makes the following findings against J. Ly, and J. Ly accepts the following findings made against him:

1. In his capacity as a submortgage broker, J. Ly conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1)(i) of the Act, in that from March 2019 to June 2019, in respect of 7 borrowers in support of 7 mortgage applications as set out in the attached Schedule "A", J. Ly:

    a. Submitted to lenders for at least 6 of the 7 mortgage applications as set out in Schedule "A" income and banking information, including Notices of Assessments and T1 General Income Tax and Benefit Returns, when he knew or ought to have known that the documents and information were not genuine;

    b. Failed to take sufficient or any steps to verify the borrower's personal information, employment information, and supporting documents he submitted to lenders; and

    c. Submitted to lenders mortgage applications on behalf of borrowers without having met the borrowers.

2. In his capacity as a submortgage broker, J. Ly conducted business in a manner that is prejudicial to the public interest contrary to section 8(1)(i) of the Act by facilitating the unregistered mortgage broker activities of a third party in respect of 7 borrowers and 7 mortgage applications as set out in the attached Schedule "A" by:

a. Permitting a third party to direct the course of mortgage applications, including taking instructions from the third party to input information on mortgage applications including employment and income information and other personal information of borrowers;

b. Accepting personal information, employment information, and supporting documents, including Notices of Assessment and T1 General Income Tax and Benefit Returns, from a third party without taking sufficient or any steps to verify their accuracy or authenticity; and

c. Submitting to lenders mortgage applications on behalf of borrowers at the direction of a third party without having met borrowers.

B. ORDERS AND PENALTY

Pursuant to sections 4, 6(9), and 8 (1.2) of the MBA, J. Ly hereby consents to, and the Registrar hereby makes the following orders:

1. J. Ly, currently unregistered, is not eligible to apply and agrees to not re-apply for registration under the MBA, either as a mortgage broker or a submortgage broker, and acknowledges that the Registrar will not accept an application for registration by J. Ly under the MBA;
2. Pursuant to section 8(1.2) of the MBA, J. Ly shall pay an administrative penalty of $10,000;
3. Pursuant to section 6(9) of the MBA, J. Ly shall pay partial investigation costs in the amount of $5,742.38; and
4. All payments will be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority, and all amounts outstanding thirty (30) days following execution of this order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act,* RSBC. 1996, c 138.

C. AGREED FACTS

As a basis for this Consent Order, J.Ly acknowledges the following facts as correct and makes the following admissions:

Background

1. J. Ly was first registered as a submortgage broker under the MBA on November 23, 2018, and was at all material times registered as a submortgage broker with Clear Trust Mortgages Inc (“Clear Trust”).
2. Clear Trust terminated J. Ly’s registration on August 28, 2019, and J. Ly has since been unregistered to present.
3. At all material times, Jay Kanth Chaudhary (“JKC”) was not registered as a mortgage broker or a submortgage broker.

Facts

4. In September 2017, Staff received a complaint which stated that a number of realtors and mortgage brokers were facilitating the unregistered mortgage broker activities [of] JKC.
5. On February 12, 2019, Staff executed an Order to Enter under section 6(7.1) of the MBA on a residential unit rented by JKC. Staff found a note containing J. Ly’s Filogix credentials including J. Ly’s email and password for log in. Staff was able to log in to J. Ly’s Filogix account with the information found on the note.
6. Staff’s investigation revealed that from March to June 2019, J. Ly collaborated with a third party who he has identified only as “Victor” by facilitating Victor’s unregistered mortgage broker activity. It is believed that Victor is JKC.
7. From March to June 2019, J. Ly permitted a third party to direct the course of 7 mortgage applications and took instructions from the third party to input information on mortgage applications including employment and income information and other personal information of borrowers.

8. In doing so, J. Ly accepted personal information, income information, and supporting documents, including Notices of Assessment and T1 General Income Tax and Benefit Returns, in respect of borrowers from the third party.

9. J. Ly did not take sufficient, or any, steps to confirm the accuracy or authenticity of any of the documents for the 7 mortgage applications and submitted the documents and information to lenders.

10. J. Ly never met or communicated with the borrowers and received all information and documents related to the borrowers from the third party.

11. In 6 of the 7 mortgage applications described above, the information and documents J. Ly submitted to lenders were confirmed to be false and not genuine. The false documents in the mortgage applications included Canada Revenue Agency documents that inflated borrowers' annual income. In another case, the false documents included Canada Revenue Agency documents for a year in which the borrower had not filed any tax documents. The documents also listed a tax preparer that did not in fact prepare the borrower's taxes, as well as a tax preparer which had never been registered as a sole proprietorship or corporation.

Other Factors

12. J. Ly has no discipline history with the Registrar.

D. WAIVER

J. Ly waives their right to a hearing under sections 4 and 8 of the MBA and waives their right to appeal under section 9 of the MBA.

Approved as to form and content by:

_"JORDAN LEE LY"_____ this ___ day of _____, 2022.
JORDAN LEE LY

_"DESIREE LEE"_____ this _14_ day of _June_, 2022.
DESIREE LEE
Legal Counsel for the Staff of the Registrar of Mortgage Brokers

Issued this _14_ day of _June__, 2022 at Vancouver, British Columbia.

"CHRIS CARTER"

_____
Chris Carter
Acting Registrar of Mortgage Brokers
Province of British Columbia

Schedule "A" to the Consent Order

Borrower	Property relating to mortgage application
[Borrower 1]	[Redacted], Coquitlam, BC

[Borrower 2]	[Redacted], Surrey, BC
[Borrower 3]	[Redacted], Coquitlam, BC
[Borrower 4]	[Redacted], North Vancouver, BC
[Borrower 5]	[Redacted], North Vancouver, BC
[Borrower 6]	[Redacted], North Vancouver, BC
[Borrower 7]	[Redacted], Maple Ridge, BC