

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

FREDERICK JOHNATHON NIELSEN also known as FRED NIELSEN

CONSENT ORDER

(Pursuant to section 8 (1.4) of the *Mortgage Brokers Act*)

[This Order has been redacted before publication.]

WHEREAS Frederick Johnathon Nielsen also known as Fred Nielsen ("Mr. Nielsen") has never been registered as a submortgage broker under the *Mortgage Brokers Act*, RSBC 1996, c 313 ("MBA");

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing to Mr. Nielsen, on July 8, 2021 ("Notice of Hearing");

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

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Nielsen, and Mr. Nielsen accepts the following findings made against him:

1. Contrary to section 8(1.4) of the MBA, Mr. Nielsen carried on business as a mortgage broker or submortgage broker without being registered to do so, as required by section 8(1.4) and without being exempted from registration pursuant to section 11 of the MBA, in that from approximately September 2018 to June 2019 he carried out one or more of the following mortgage broker activities in respect of eight (8) mortgage applications:
 - a. Arranged the mortgages directly with the borrowers and forwarded mortgage applications to Sonja Andersen ("S.A."), a registered submortgage broker, for the purpose of obtaining financing on behalf of the borrowers;
 - b. Referred borrowers to S.A and acted as a liaison between them.

- c. Gathered personal information, income documents and other supporting documentation directly from the borrowers, and then provided this information to S.A. for the purpose of supporting mortgage applications;
- d. Vetted the borrower's qualifications for mortgages;
- e. Held himself out as a mortgage broker and advised borrowers on their mortgage applications;
- f. Charged or attempted to charge the borrowers fees for arranging mortgages; and
- g. Received remuneration in excess of \$1,000 during any one year for arranging mortgages.

B. ORDERS AND PENALTY

Pursuant to sections 8, 8 (1.4), and 6(9) of the MBA, Mr. Nielsen hereby consents to, and the Registrar hereby makes the following orders:

1. Pursuant to section 8(1.4) of the MBA, Mr. Nielsen shall pay an administrative penalty of \$45,000.00;
2. Pursuant to section 6(9) of the MBA, Mr. Nielsen shall pay investigation costs in the amount of \$15,000.00;
3. All amounts are immediately due and payable, and all payments must be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority. This order may be filed with the court pursuant to the MBA, and steps to enforce this order may be taken if payment is not made in full within thirty (30) calendar days.

C. AGREED FACTS

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

1. Mr. Nielsen has never been registered as a mortgage broker or submortgage broker under the MBA.
2. Between September 2018 and June 2019 Mr. Nielsen conducted business as a mortgage broker or submortgage broker without being registered to do so and without being exempted from registration by arranging mortgages and receiving compensation for arranging eight (8) mortgages (the "Mortgages Applications") in collaboration with S.A., who at all material times was a registered submortgage broker.
3. In particular, Mr. Nielsen directed the course of one or more of the Mortgage Applications by:
 - a. Holding himself out as a mortgage broker and meeting directly with the borrowers to solicit mortgage business;
 - b. Made assurances to the borrowers that he could obtain them a mortgage;
 - c. Referred the borrowers to S.A.;
 - d. Advising the borrowers on what information and documents were required for their mortgage applications;

- e. Collected the borrowers' information and documents and forwarded the information and documents to S.A.; and,
4. In each of the Mortgage Applications, the income documents provided by Mr. Nielsen to S.A. were false and not genuine, with these documents subsequently being submitted to the lenders. The documents included Canada Revenue Agency documents that inflated the borrowers' annual income significantly.
5. Mr. Nielsen received over \$1,000 per year in total compensation from S.A. for arranging mortgages between September 2018 and June 2019.
6. Mr. Nielsen also collected at least \$18,500 in fees from the borrowers listed above for arranging the Mortgage Applications.

D. WAIVER

Mr. Nielsen waives his right to a hearing under sections 4 and 8 of the MBA and waives his right to appeal under section 9 of the MBA.

Approved as to form and content by:

"FREDERICK NIELSEN"

_____ this 23rd day of February, 2023.

Frederick Johnathon Nielsen
also known as Fred Nielsen

"MICHAEL JONES"

_____ this 2nd day of March, 2023.

Michael Jones

Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 2nd day of March, 2023 at Victoria, British Columbia.

"JONATHAN VANDALL"

Jonathan Vandall

Acting Registrar of Mortgage Brokers
Province of British Columbia