

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

HYI FINANCE INC.

AND

ANDREW YAU

CONSENT ORDER

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

[This Order has been redacted before publication.]

WHEREAS HYI Finance Inc. (“HYI Finance”) and Andrew Yau (“A. Yau”) have not been registered as a mortgage broker or submortgage broker under the *Mortgage Brokers Act*, RSBC 1996, c 313 (“MBA”);

AND WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) issued an Amended Notice of Hearing to A. Yau and HYI Finance, on May 15, 2024 (the “Amended Notice of Hearing”);

AND WHEREAS the following agreement has been reached between HYI Finance and A. Yau 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 HYI Finance and A. Yau, and HYI Finance and A. Yau accept the following findings made against them:

1. HYI Finance and A. Yau carried on business as a mortgage broker or submortgage broker in British Columbia without being registered to do so, as required by section 21(1), and without being exempted from registration pursuant to section 11 of the MBA, in that from approximately August 2014 through December 2021, they carried out one or more of the following mortgage broker activities in respect of the 71 mortgage transactions set out in the attached Schedule “A”:

- a. carried on a business of lending money secured in whole or in part by mortgages; and,
- b. during the years of 2015, 2016 and 2017, lent money on the security of 10 or more mortgages.

B. ORDERS AND PENALTY

Pursuant to section 8(1.4) of the MBA, HYI Finance and A. Yau hereby consent to, and the Registrar hereby makes the following orders:

1. HYI Finance and A. Yau must cease carrying on business as a mortgage broker or submortgage broker in British Columbia until they are registered to do so;
2. Pursuant to section 8(1.4) of the MBA, HYI Finance and A. Yau shall jointly and severally pay an administrative penalty of \$35,000;
3. Pursuant to section 6(9) of the MBA, HYI Finance and A. Yau shall jointly and severally pay investigation costs in the amount of \$3,500; and
4. 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 calendar days.

C. AGREED FACTS

As a basis for this Consent Order, HYI Finance and A. Yau acknowledge the following facts as correct and make the following admissions:

Background

1. HYI Finance is a company registered in British Columbia that has never been registered under the MBA to conduct mortgage broker activities.
2. At all material times, A. Yau was the director of HYI Finance.
3. A Yau has never been registered under the MBA to conduct mortgage broker activities.
4. On February 14, 2022, HYI Finance and A. Yau responded to a summons issued by BCFSFA and provided an Excel spreadsheet showing that HYI Finance had funded the following number of mortgages in between 2014 and 2021:
 - a. 3 mortgages in 2014;
 - b. 15 mortgages in 2015;
 - c. 17 mortgages in 2016;
 - d. 10 mortgages in 2017;
 - e. 3 mortgages in 2018;
 - f. 2 mortgages in 2019;
 - g. 5 mortgages in 2020; and
 - h. 3 mortgages in 2021.
5. In 2023, HYI Finance also provided financing to individuals for mortgages on three properties.
6. From 2014 - 2023, HYI Finance provided financing to individuals and corporations using its own funds secured by mortgages registered on the title of properties owned by individuals and corporations.
7. In 2015 and 2016 HYI Finance and A. Yau lent money on the security of 10 or more mortgages each year.

8. HYI Finance did not arrange mortgages on behalf of or receive funds from any third-party lenders. HYI Finance was not involved in lending funds other than its own.
9. Neither HYI Finance nor A. Yau were aware that loaning their own funds could constitute unregistered mortgage activities as defined by the MBA.
10. Neither HYI Finance nor A. Yau have a prior disciplinary history with the Registrar.
11. HYI Finance and A. Yau have fully cooperated with BCFSA's investigation of their unregistered activities and provided all requested documents.

D. WAIVER

HYI Finance and A. Yau waive their right to a hearing under ss 4 and 8 of the MBA and waive their right to appeal under s 9 of the MBA.

Approved as to form and content by:

“Original signed by A. Yau”

_____ this 30 day of January, 2025.

ANDREW YAU on behalf of himself
and on behalf of HYI Finance Inc.

“Original signed by Jenna Graham”

_____ this 19th day of February, 2025.

Jenna Graham
Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 20th day of February, 2025 at the City of Victoria, British Columbia.

“Original signed by Jonathan Vandall”

Jonathan Vandall
Acting Registrar of Mortgage Brokers
Province of British Columbia