

Citation: Hui (Re), 2025 BCRMB 8

Date: 2025-06-30

File No. INV19.228.48172;

INV24.016.41333

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

AND

IN THE MATTER OF

KA CHAI HUI also known as ELVIS HUI

(REGISTRATION NO. 500477)

AND

GUARANTI MORTGAGES CORP.

(REGISTRATION NO. X300397)

Corrected Decision: The amount in bullet point #2 in paragraph 102 and the spelling of the Respondent's counsel was corrected on July 2, 2025.

DECISION ON PENALTY

AND COSTS

[This Decision has been redacted before publication.]

Date of Hearing:	Written submissions dated March 28, April 22, and May 7 - 9, 12, 2025
Counsel for BCFSA:	Simon Adams and Michael Jones
Counsel for Respondents:	Nerissa Yan and Jaime Gray, Yan Muirheads LLP
Hearing Officer:	Thelma O'Grady

Introduction

1. In a January 30, 2025 decision, *Hui (Re)*, 2025 BCRMB 2 (the "Liability Decision"), I determined that Ka Chai (Elvis) Hui and Guaranti Mortgages Corp. ("Guaranti") had

breached section 8(1) and 8(1)(i) of the *Mortgage Brokers Act* (the “MBA” or the “Act”) as admitted to in the Agreed Statement of Facts dated on or about May 12 and May 13, 2024 (the “ASF”).

2. I further found that because of the lack of reliable evidence, the alleged breach of section 8(1)(e) of the MBA (the “Obstruction Allegation”), had not been proven and was therefore dismissed.
3. This disciplinary matter was commenced by way of a Notice of Hearing issued by the Registrar of Mortgage Brokers (the “Registrar”) on July 28, 2021, pursuant to sections 8 and 8(1) of the MBA. An Amended Notice of Hearing was issued on April 22, 2024 (the “ANOH”).
4. In general terms, in addition to the Obstruction Allegation, the ANOH alleged that between December 4, 2018 and April 23, 2019, Mr. Hui submitted mortgage applications for four borrowers when he knew or ought to have known that the mortgage applications did not contain truthful information, and that Mr. Hui and Guaranti failed to retain copies of the borrowers’ documents in the mortgage files, and failed to make proper disclosure to a lender that Mr. Hui and Guaranti were being compensated by the borrower.
5. The matter went to hearing in July 2024. BCFSA did not proceed on one allegation in the ANOH. The ASF was submitted into evidence on July 5, 2024 and set out the admissions to liability of most of the allegations in the ANOH. Therefore, the liability hearing focused solely on the Obstruction Allegation of the ANOH.
6. In my January 30, 2025 Liability Decision, I retained jurisdiction with respect to penalty and costs. With neither party requesting an in-person hearing, this matter proceeded by way of written submissions on those issues. This decision relates to the appropriate orders to be issued against Mr. Hui and Guaranti in respect to their admissions.
7. On March 28, 2025, BCFSA sought the following orders against Mr. Hui and Guaranti:
 - pay an administrative penalty of \$40,000, pursuant to section 8(1.1) of the MBA;
 - Mr. Hui also be suspended and not be eligible to apply for registration as a submortgage broker under the MBA for a period of 24 months, pursuant to section 8(1)(a) of the MBA; and
 - Mr. Hui and Guaranti pay investigative and hearing expenses incurred by BCFSA in the amount of \$41,605.92.
8. In his written Response dated April 22, 2025, Mr. Hui argued that the appropriate and just order of sanctions in the circumstances would be:
 - a \$5,000 administrative penalty;
 - with no period of ineligibility; and

- that BCFSA is not entitled to any amount of costs.
9. On May 7, 2025, BCFSA provided brief Reply submissions including an affidavit from the Manager of Licencing & Registration with the Education and Licensing Department of BCFSA.
 10. On receiving the Reply, Mr. Hui applied to enter a sur-reply. I received written submissions as to the admissibility of a sur-reply from both parties on May 12, 2025.
 11. Mr. Hui argued, that pursuant to *Gao v. BC Hydro and others*, 2025 BCHRT 40 that a sur-reply should be admitted because a new issue had been raised in the Reply. He argued that the Reply also raised new allegations, and that fairness required that the party should have an opportunity to address them.
 12. BCFSA argued that:
 - to submit a sur-reply to the reply evidence of BCFSA would be engaging in impermissible case splitting. “Case splitting has been described as a failure to adduce essential evidence in the first instance, followed by an attempt to ‘patch-up’ the case under the guise of reply evidence” (*Summit Leasing Corporation v Rutledge*, 2024 BCSC 1989 (CanLII), at para 15).
 - it was clear that Mr. Hui would have been aware of all the facts and correspondence at the time when he provided his sworn evidence, but he elected to not include that evidence in the first instance for selective strategic reasons;
 - it is procedurally unfair to allow a party to elect to only put in favourable facts, or favourable portions of correspondence, and purposefully omit other unfavourable facts known to them for some strategic goal; and
 - the proceedings necessarily need to end at some point.
 13. I agreed with the reasoning of BCFSA and ruled that there was no legal basis to allow Mr. Hui to respond with a sur-reply to the facts he elected to omit.

Issues

14. The issues to determine are:
 - a. the appropriate penalty against Mr. Hui and Guaranti in accordance with section 8(1.1) of the MBA;
 - b. whether Mr. Hui should be suspended under s. 8(1)(a) of the MBA and if so, for how long; and
 - c. whether Mr. Hui and Guaranti should pay investigative and hearing costs pursuant to section 6(9) of the MBA.

Jurisdiction

15. BCFSA Hearing Officers are appointed to act for the Registrar in respect of orders under sections 8 and 6(9) of the MBA, pursuant to a February 19, 2025 Acting Capacity Instrument.

Notice of Hearing

16. The ANOH is attached as Appendix A.

Background

17. The background to this matter is set out in the liability decision. I will not reproduce the entirety of that background and evidence here. The following summary is intended to provide context for my reasons.
18. Mr. Hui was originally registered as a submortgage broker on October 19, 2012. In or around October or November 2018, Mr. Hui left his previous employer, [Brokerage 1], to start his own company, Guaranti. Mr. Hui took three assistants from [Brokerage 1] with him. Mr. Hui was the Designated Individual (the "DI") for Guaranti until April 13, 2021.
19. The launch of his own business was a busy time for Mr. Hui. As his counsel described it, "Mr. Hui had not yet completely worked out all of the kinks for his new business and had faced some significant hurdles", including:
 - His previous employer, [Brokerage 1], declined to release Mr. Hui's client database to him. It took Mr. Hui around a month, and some struggle, to obtain his client data base;
 - After leaving [Brokerage 1], Mr. Hui's clients advised him that his previous employer was sending solicitation letters to his clients upon their mortgage renewal in order to poach his clients;
 - Mr. Hui was taking on approximately 400 files and had meetings with over 600 clients and potential clients;
 - because of the volume of the workload, Mr. Hui hired three new assistants who did not have significant experience having just graduated from university;
 - he relied on his staff and delegated much of the work to his assistants whom he failed to adequately supervise.
20. On or about May 1, 2019, staff of the Registrar began a routine audit of Mr. Hui's mortgage files. Four of the files were later escalated to the investigation team. The investigation related to four borrowers with mortgage applications submitted between December 2018 and April 2019.

21. BCFSA conducted the investigation through both its in-house investigators as well as an outsourced contractor. Much of the investigation was focused on one client of Mr. Hui's and he is the client that BCFSA alleged Mr. Hui had counseled to obstruct the investigation.
22. Mr. Hui was informed in early 2021 that he was under investigation and was interviewed for the first time by BCFSA on May 28, 2021. Mr. Hui was subsequently interviewed on three later occasions.
23. On July 28, 2021, BCFSA issued a Notice of Hearing. On April 22, 2024 the ANOH was issued which, in general terms, alleged that:
 - Mr. Hui conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1) and 8 (1)(i) of the MBA, when between December 4, 2018 and April 23, 2019, he submitted applications for four borrowers when he knew or ought to have known that the mortgage applications did not contain truthful information;
 - Mr. Hui and Guaranti failed to retain required documents contrary to section 6(a) of the *Mortgage Brokers Act Regulations* (the "Regulations"); and
 - Mr. Hui and Guaranti failed to provide a Form 10 to a lender as required by section 17.4 of the MBA in order to make proper disclosure.
24. The ANOH also contained the Obstruction Allegation, which alleged that Mr. Hui conducted himself in a manner which would make him disentitled to registration if he were an applicant under section 4 of the MBA contrary to section 8(1)(e) of the MBA by obstructing or attempting to obstruct an ongoing investigation. It was alleged that Mr. Hui counselled one of his clients to not cooperate with the Registrar's summons, and counselled him to provide fraudulent documents to the Registrar and to delete evidence of their communication.
25. On May 12, 2024 Mr. Hui signed the ASF admitting to all the allegations except one allegation which was not pursued by BCFSA, and excluding the Obstruction Allegation. The ASF is attached as Appendix B.
26. The liability hearing regarding the Obstruction Allegation began in July 2024 and the evidence at the liability hearing included: the ASF, a Joint Book of Documents and the evidence of three witnesses. BCFSA called investigator [Investigator 1], and [Client 1], the client in the Obstruction Allegation. Mr. Hui testified on his own behalf as the Respondent.
27. On January 30, 2025, I rendered my decision on the Obstruction Allegation where I found that there was not sufficiently clear, convincing and cogent evidence to satisfy, on the balance of probabilities test, that Mr. Hui counselled [Client 1] to not cooperate with the Registrar's summons; counselled [Client 1] to provide fraudulent documents to the

Registrar and that he provided those documents to [Client 1] for that purpose; or that Mr. Hui counselled [Client 1] to delete the evidence of their communication, being their WeChat Conversation.

Liability Findings

28. In my Decision on Liability, I found that Mr. Hui conducted business in a manner prejudicial to the public, contrary to section 8(1)(i) of the MBA. In particular, and as set out in the ASF, Mr. Hui admitted to each of allegations 1(a), (b), (c) and (d) in the ANOH, which alleged:

1. In his capacity as a submortgage broker, Mr. Hui conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA in that he, in respect of one or more of the mortgage applications involving four borrowers as set out in the attached Schedule "A":

a. Knew, or ought to have known, that some or all of the bank statements and letters of employment submitted or relied on in support of the respective mortgage applications were not genuine;

b. Obtained financing on behalf of one or more borrowers through [Bank 1]'s Non-Resident Mortgage Program when he knew, or ought to have known, that the borrowers did not meet the underwriting criteria for the bank's program;

c. Was in possession of two different versions of the same bank statement of the borrower, where the altered version showing a higher balance was saved in the borrower's mortgage file and the genuine version was found elsewhere; and

d. Submitted two concurrent mortgage applications to different lenders and failed to disclose to lenders that the borrower was seeking concurrent mortgage financing for the purchase of other properties.

29. Mr. Hui also admitted in the ASF, and I further found, that he failed to keep such books and records as are necessary for the proper recording of their business transactions or financial affairs as required by section 6(a) of the Regulations. In that respect, Mr. Hui admitted to the following allegations:

4. Contrary to section 6(a) of the Regulations, Mr. Hui, and Guaranti, in respect of one or more of the mortgage applications involving four borrowers as set out in the attached Schedule "A":

a. Failed to retain documents relating to the employment of the borrowers in the mortgage files;

b. Failed to retain copies of the genuine bank statements of the borrower in the proper mortgage file, with the borrower's mortgage file having an altered version of the banks.

30. Finally, I found that Mr. Hui failed to, within the prescribed time, provide to every person who is a lender under a mortgage in that transaction a written disclosure statement that meets the requirements of subsection (2) contrary to section 17.4 of the MBA. Mr. Hui admitted to allegation 5 in the ANOH that:
 5. Contrary to section 17.4 of the MBA, failed to make proper disclosure as required under that section when Mr. Hui and Guaranti failed to provide a Form 10 to a lender disclosing that Mr. Hui and Guaranti were being compensated by the borrower.
31. In regard to the one contested allegation, the Obstruction Allegation in allegations 3(a), (b) and (c) of the ANOH, as noted above, I found that the allegation had not been proven on the balance of probabilities and I dismissed it.
32. BCFSA did not proceed on allegation 2 in the ANOH.

Sanctioning Principles and Considerations

33. Section 8 of the MBA addresses the orders that the Registrar may make in respect of registration and compliance with the Act. Specifically, section 8(1) provides that:
 - 8 (1) After giving a person registered under this Act an opportunity to be heard, the registrar may do one or more of the following:
 - (a) suspend the person's registration;
 - (b) cancel the person's registration;
 - (c) order the person to cease a specified activity;
 - (d) order the person to carry out specified actions that the registrar considers necessary to remedy the situation;
 - if, in the opinion of the registrar, any of the following paragraphs apply:
 - ...
 - (i) the person has conducted or is conducting business in a manner that is otherwise prejudicial to the public interest;
34. A broker who undertakes such actions as Mr. Hui admitted to is conducting business in a manner prejudicial to the public contrary to section 8(1)(i) of the MBA.
35. Having reviewed the applicable legislation, I turn next to the general principles to be considered in the regulatory context.
36. The primary purpose of legislation governing regulated industries is public protection. It follows that the fundamental purpose of sanctions in a regulatory discipline proceeding is to further the legislation's primary goal of public protection. This also means that regulatory decision-makers must consider the impact of unprofessional conduct on the public's confidence in the industry and the regulation of the industry.
37. The purpose of sanction orders under the MBA was stated in *Allan (Re)* (May 10, 2020) as follows:

“...is fundamentally to ensure protection of the public by promoting compliance with the MBA, thereby protecting the public from mortgage brokering activity that is non-compliant, not in the public interest, and that may result in loss of public confidence in the mortgage industry.”

38. Sanctions may serve multiple purposes, including:

- a. Denouncing misconduct, and the harms caused by misconduct;
- b. Preventing future misconduct by rehabilitating specific respondents through corrective measures;
- c. Preventing and discouraging future misconduct by specific respondents through punitive measures (specific deterrence);
- d. Preventing and discouraging future misconduct by other professionals (general deterrence);
- e. Educating respondents, other professionals, and the public about rules and standards; and
- f. Maintaining public confidence in the industry.

39. Sanction principles include the following:

- a. Using corrective sanctions where appropriate;
- b. Proportionality is to be considered generally and when dealing with several instances of misconduct;
- c. The severity of sanctions may increase where a respondent's prior disciplinary records warrant progressive discipline;
- d. Fines and suspensions should be considered with reference to the specific circumstances of the case and respondent; and
- e. Effective sanctions should prevent profit from wrongdoing.

40. In assessing the appropriate sanction against Mr. Hui and Guaranti, I may rely on principles of specific deterrence (deterring the person whose conduct is at issue), general deterrence (deterring those who might be inclined to engage in similar conduct), and maintaining public confidence in the industry and the regulation of the industry.

41. Administrative tribunals generally consider a variety of mitigating and aggravating factors in determining sanctions, largely based on factors which have been set out in cases such as *Law Society of British Columbia v. Ogilvie*, 1999 LSBC 17, and *Law Society of British Columbia v. Dent*, 2016 LSBC 5. In *Dent*, the panel summarized what it considered to be the four general factors, to be considered in determining appropriate disciplinary action:

a) Nature, gravity, and consequences of conduct

[20] This would cover the nature of the professional misconduct. Was it severe? Here are some of the aspects of severity: For how long and how many times did the misconduct occur? How did the conduct affect the victim? Did the lawyer obtain any financial gain from the misconduct? What were the consequences for the lawyer? Were there civil or criminal proceedings resulting from the conduct?

b) Character and professional conduct record of the respondent

[21] What is the age and experience of the respondent? What is the reputation of the respondent in the community in general and among his fellow lawyers? What is contained in the professional conduct record?

c) Acknowledgement of the misconduct and remedial action

[22] Does the respondent admit his or her misconduct? What steps, if any, has the respondent taken to prevent a reoccurrence? Did the respondent take any remedial action to correct the specific misconduct? Generally, can the respondent be rehabilitated? Are there other mitigating circumstances, such as mental health or addiction, and are they being dealt with by the respondent?

d) Public confidence in the legal profession including public confidence in the disciplinary process

[23] Is there sufficient specific or general deterrent value in the proposed disciplinary action? Generally, will the public have confidence that the proposed disciplinary action is sufficient to maintain the integrity of the legal profession? Specifically, will the public have confidence in the proposed disciplinary action compared to similar cases?

42. While the factors set out above are not binding on me, I find them to be of use in considering the appropriate penalty to be issued.

Discussion:

The Misconduct

43. As discussed in *Kia (Re)*, Decision on Merits, October 3, 2017 (Registrar of Mortgage Brokers) ("*Kia*"):

Submortgage brokers and mortgage brokers are regulated by the Act and the Regulations and are subject to the orders and directions issued in the public interest by the Registrar. They must conduct reasonable due diligence with respect to information they provide to lenders...

A submortgage broker's failure to disclose known material facts or knowingly misrepresenting facts to a lender undermines public confidence, places borrowers at risk of being placed in mortgages that they cannot afford, and places lenders at risk of making loans that they would not otherwise have made.

Kia, page 30

44. As stated in *Labonte (Re)* 2023 BCRMB 17 ("*Labonte*"):

98. Simply put, I consider that when a submortgage broker submits false or misleading information to a lender, the submortgage broker is creating a risk to the public.

(...)

100. The risk to the public that is created through the provision of misleading information of the type that Ms. Labonte has admitted to in this case could place borrowers at risk of entering mortgages they cannot in fact afford, and lenders at risk making loans that they would not otherwise have made. Overall, the provision of this type of inaccurate information by submortgage brokers undermined public confidence in the submortgage industry.

45. By not conducting due diligence and by submitting false information to the lenders, I consider that Mr. Hui's actions created a significant risk of adverse outcomes for both the applicants (who may not have in fact been able to afford a mortgage approved based on incorrect financial information) and for lenders (who may have funded mortgages based on that incorrect financial information).

46. In addition, Mr. Hui admits that he and Guaranti failed to retain records required under the Regulations, and that they did not provide the required disclosure to a lender.

47. The protection of the public requires that the Registrar take steps to ensure that mortgage brokers are engaging in business with prospective lenders in a manner that is to the benefit of the public as a whole, not solely for the clients of the mortgage broker.

Other relevant Factors

48. With the above noted context in mind, I turn to the nature of Mr. Hui's conduct in terms of the four general factors as set out in *Dent*.

a) Nature, gravity, and consequences of conduct

49. As set out in the ASF, Mr. Hui admitted that he:

- submitted the subject mortgage applications for four borrowers, including supporting information and documentation to lenders with employment, financial and residential information that he knew or ought to have known was false.
- failed to conduct reasonable due diligence into the financial, occupational, and residential circumstances of the borrowers by not confirming information that was suspect in the circumstances.

- acted in a manner that would cause lenders to be misled in underwriting and approving mortgage applications.
- 50. Mr. Hui's conduct in submitting the impugned mortgage applications occurred between December 2018 and April 2019 and involved *four* different mortgage applications. Furthermore, as a consequence of each of these mortgage applications, Mr. Hui would have earned commissions as the mortgage broker.
- 51. Mr. Hui argues that the misconduct was in and around the transitory period when he was leaving his employment and starting a new company. Mr. Hui argues that his actions were not deliberate or intentional. However, I find that Mr. Hui's misconduct can be categorized as a blind disregard to his duties.
- 52. Fortunately, there is no evidence before me that there was any specific harm caused either to the lenders or the applicants. Nevertheless, Mr. Hui's misconduct created a high risk for significant financial loss or unpayable debt.
- b) Character and professional conduct record of the respondent
 - 53. When Mr. Hui was starting his new business and engaged in his misconduct, he had already been a mortgage broker for 12 years.
 - 54. Mr. Hui argues that I should consider the fact that he had no prior disciplinary record with BCFSA or its predecessor regulators. In my view, Mr. Hui's lack of a prior discipline record is properly considered a neutral factor (or the lack of an aggravating factor). Individuals who participate in a regulated industry are subject to the laws, rules, and regulations. Compliance with the regulatory regime is expected.
- c) Acknowledgement of the misconduct and remedial action
 - 55. By entering into the ASF in May 2024, Mr. Hui has admitted to his misconduct and thus has taken some responsibility for his actions. The only allegation he did not admit to (the Obstruction Allegation) was taken to hearing and while during that phase of the hearing Mr. Hui proved to be a difficult and recalcitrant witness, I ultimately found that the Obstruction Allegation was not proven.
 - 56. Mr. Hui states for the first time in his April 22, 2025 affidavit that he feels great remorse for his conduct, which he suggests is supported by the steps he has taken to ensure that the conduct is not repeated. Mr. Hui submitted two affidavits in support of his submissions: one sworn by him and the other by [Individual 1], a submortgage broker with Guaranti.
 - 57. Mr. Hui's affidavit discussed the transition period setting up his new business as well as what remedial action he has taken since April 2021. He testified that he had a new DI named [Designated Individual 1] and an experienced submortgage broker, [Individual 1] to oversee his work. He further testified that in February 2025, he agreed to conditions

- imposed by BCFSA which included direct supervision by an approved individual in order to renew his registration as a submortgage broker.
58. In her Affidavit sworn April 22, 2025, [Individual 1] testified that since February 26, 2025, she has been the DI of the business and directly supervises Mr. Hui in accordance with registration conditions that have been attached to his registration under the MBA.
59. Concerning the remedial action, Mr. Hui submits that from in or around April 2021 to the present, he has taken the following steps to ensure that he does not repeat his misconduct:
- a. implemented new policies and protocols at Guaranti that align with BCFSA's guides, the MBA and the Regulations;
 - b. took on fewer files and engaged in an active role in managing and overseeing each file;
 - c. employed only a single, experienced assistant with whom Mr. Hui works directly on each of his files;
 - d. employed a new DI, [Designated Individual 1]; and
 - e. had an experienced submortgage broker, [Individual 1], oversee the business and supervise Mr. Hui.
60. However, in their submissions, BCFSA argued that:
- Mr. Hui did not mention his previous supervision, which was required by conditions set in place since October 2022, was required because Mr. Hui had not alerted the Registrar of the departure of his earlier DI, [Designated Individual 2], on or around June 1, 2023;
 - Mr. Hui did not mention that [Designated Individual 1] was his wife and had been supervising him since June 23, 2023;
 - BCFSA had found it was a conflict of interest for Mr. Hui's wife to be supervising him and that is why [Individual 1] took over his supervision in February 2025; and
 - Mr. Hui had testified during the hearing that his wife was not working and was looking after their two children when Mr. Hui worked.
61. In support of its arguments, BCFSA submitted the affidavit of [BCFSA Staff 1], the Manager of Licencing & Registration with the Education and Licensing Department of BCFSA. In it, [BCFSA Staff 1] testified that [Designated Individual 1] had been licensed as a trading representative under the *Real Estate Services Act* on April 4, 2022 and registered as a submortgage broker and the DI at Guaranti on June 3, 2023. She testified that on October 22, 2024, [Designated Individual 1] confirmed that she was the wife of

- Mr. Hui and accordingly, [BCFSA Staff 1] advised her that it was a conflict of interest for her to have taken on the role of Mr. Hui's supervisor when she became the DI.
62. [BCFSA Staff 1] also attached as an exhibit a copy of the Reasons for Conditions as set out by [BCFSA Staff 2], Acting Registrar of Mortgage Brokers, when Mr. Hui renewed his registration in February 2025.
 63. Thus, the new DI in June 2023 described by Mr. Hui in his remedial step (d) was in fact his wife. The appointment of a new DI was necessitated because the existing DI left in June 2023. At that time, Mr. Hui failed, pursuant to conditions on his registration set in October 2022, to report the departure of his DI. Furthermore, when he then appointed his wife as the new DI, he appears to have been once again wilfully blind to his duties as a mortgage broker. It should have been an obvious fact to him that this constituted a conflict of interest and was contrary to the intent of the conditions on his registration. Additionally, Mr. Hui was less than forthright during the hearing in his testimony in chief on September 5, 2024 when he testified that his wife was not working.
 64. As for Mr. Hui's remedial step (e) above, being supervised by an approved individual was a condition imposed by BCFSA in February 2025 in order for Mr. Hui to renew his registration as a submortgage broker. The submortgage broker has only directly supervised Mr. Hui as the DI of the brokerage since February 27, 2025, when BCFSA discovered that the existing DI at that time was actually Mr. Hui's wife.
 65. In fact, the remedial steps (d) and (e), taken by Mr. Hui were necessitated by the subsequent actions he took which were unrelated to his misconduct between December 2018 and April 2019.
 66. The evidence from BCFSA reveals flaws in the remedial steps listed by Mr. Hui. I am unable to put any significant weight on his evidence. I find that there are issues with the candour and forthrightness of Mr. Hui's evidence of remedial steps.
 67. In his affidavit, Mr. Hui now swears that he is complying with the conditions of his registration set in February 2025. I find that this is a very short time in which to establish his compliance with the regulator.
- d) Public confidence in the profession including public confidence in the disciplinary process
68. Mr. Hui's conduct strikes at the heart of the mortgage broker industry.
 69. Lenders require the full disclosure from a submortgage broker regarding the borrower's assets and liabilities in order to determine whether the borrower presents an acceptable risk. Specifically, lenders rely on the information from submortgage brokers as true and rely on a relationship of trust between the lender and the broker in making decisions on applications. The broker's disclosure obligation to the lenders is an ongoing one. Mr. Hui's misconduct undermines public confidence in the broker industry.

Previous Sanction Decisions and Consent Orders

70. The parties have referred to a number of previous disciplinary decisions and consent orders. I turn to a review of the cases cited.

71. The cases BCFSA has referred to include the following:

- In *Anderson (Re)*, 2023 BCRMB 128 (“*Anderson*”), Mr. Anderson was found to have conducted mortgage business in BC in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA by failing to disclose borrower financial liabilities to lenders in respect to four mortgage applications and failing to verify the accuracy of the borrowers’ information for two of those mortgage applications. The Registrar opined that Mr. Anderson took it upon himself to decide what information did or did not make it to the lender. Having regard to the seriousness of the misconduct, the sanction given was the maximum allowable administrative penalty of \$50,000 and costs of \$15,987.05.
- In *Labonte*, a registered submortgage broker admitted in an agreed statement of facts to having conducted mortgage business in BC in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA by: failing to use due diligence in verifying the accuracy of income and documents she submitted to lenders; and submitting inaccurate information in support of the borrowers’ income, including altered Notice of Assessments and T1s where she knew or ought to have known the documents were altered; and *intentionally* (my emphasis added) providing false information to lenders. She also failed to keep books and records necessary for the proper recording of her business transactions and financial affairs, contrary to section 6(a) of the Regulations. Ms. Labonte had no prior history and was a relatively new registrant. However, the hearing officer reasoned that the severe nature of the misconduct required a significant sanction, and she was accordingly given a sanction of 24 months’ suspension, a \$30,000 administrative penalty, and costs in the amount of \$13,736.49.
- In *Yu (Re)*, 2024 BCRMB 313 (“*Yu*”), Mr. Yu entered into an agreed statement of facts with regard to three mortgage applications in which he admitted to having conducted mortgage business in BC in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA by: providing misleading information to lenders by failing to disclose concurrent mortgage financing; stating properties would be owner-occupied when they would not be; and submitting false residential tenancy agreements. The registrant was found to have created multiple false documents using fictitious information and signing such documents by imitating the signatures of his client, third parties, and fictitious individuals. The registrant subsequently included these fraudulent documents in mortgage applications submitted to lenders. Considering the seriousness of the misconduct and the need for specific and general

deterrence to protect the public from this kind of conduct, Mr. Yu was suspended for 14 months and ordered to pay costs of \$18,000.

72. BCFSA also submitted three Consent Order cases:

- In *Abedi (Re)*, 2025 BCRMB 415, Mr. Abedi entered into a consent order in which he admitted to having conducted mortgage business in BC in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA by, with regard to one mortgage application, submitting false employment information and failing to use reasonable due diligence to verify the accuracy of the borrower's employment information. Mr. Abedi agreed to an administrative penalty of \$45,000 and to pay investigative costs of \$2,500.
- In *Dewshi (Re)*, 2023 BCRMB 116, Ms. Dewshi entered into a consent order where she admitted to having failed, on three mortgage applications, to adequately complete Form 10s (the disclosure statements) as required by the prescribed terms of the MBA. Ms. Dewshi agreed to pay an administrative penalty of \$20,000 and investigative costs of \$15,000. BCFSA emphasized that this case is the only recent example of a case where a registrant's misconduct was only regarding a failure to adequately complete a Form 10.
- In *Yung (Re)*, 2024 BCRMB 517, Mr. Yung entered into a consent order in which he admitted to having conducted mortgage business in BC in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA, with respect to mortgage applications for six properties, by providing misleading or false information to lenders that he knew or reasonably ought to have known was misleading or false. The applications were all for two clients who wished to buy multiple properties at the same time without disclosing to borrowers that they were buying multiple properties. Mr. Yung initially agreed to help and submitted mortgage applications on behalf of the clients in respect of six properties, but when two lenders withdrew funding, he realized the gravity of the situation and withdrew the remaining applications. He then self-reported the misconduct to BCFSA and took a number of other remedial steps. Mr. Yung admitted that he *knew* the mortgage applications were false or misleading when he submitted them. Mr. Yung agreed to pay an administrative penalty of \$40,000.

73. The cases Mr. Hui has referred to include the following:

- In *Aaltonen (Re)*, 2023 BCRMB 16, Ms. Aaltonen submitted mortgage applications containing information that she specifically knew to be false and directed her client to include false income information in their mortgage applications, including directing her client to obtain documentation showing that he earned an income which she knew to be false. Ms. Aaltonen was given an administrative penalty in the amount of

\$30,000. On appeal to the Financial Services Tribunal, the administrative penalty was reduced to \$10,000 (2024 BCFST 2). However, this matter involved circumstances where interim conditions had been imposed upon Ms. Aaltonen prior to the disciplinary hearing. The FST accepted that Ms. Aaltonen had only \$30,000 in savings to pay the penalty and cover her family's living expenses, and that she had an estimated loss of income of \$150,000 as a result of the interim conditions.

- In *Rego and Shankar (Re)* (January 15, 2018), Mr. Rego was found to have engaged in conduct that was dishonest. He submitted an appraisal to three lenders he knew had been rescinded, and submitted numerous mortgage applications which he knew were misleading. He was found to have benefitted in excess of \$52,000 from this activity. Additionally, Mr. Rego knew that Mr. Shankar was not registered under the MBA but continued to front for him and take directions from him in submitting mortgage applications. He was also found to have made false statements during the investigation. Mr. Rego was ordered to pay an administrative penalty of \$50,000, but no suspension was ordered.
- In *Ford v. British Columbia (Registrar of Mortgage Brokers)*, [2002] B.C.C.O. No. 7, a decision of the former BC Commercial Appeals Commission, the Commission upheld a four-month suspension of Mr. Ford's registration under the MBA and an administrative penalty of \$1,000. Mr. Ford had determined that his clients would not be able to obtain a mortgage given their financial circumstances, and he recommended that they obtain a gift letter falsifying information regarding funds for the down payment. Mr. Ford then submitted the falsified gift letter, knowing it to be false, to the lender with the mortgage application.

74. Mr. Hui also submitted Consent Order cases:

- In *Smith (Re)* (February 14, 2021), pursuant to a consent order, the Registrar ordered that Ms. Smith pay an administrative penalty of \$4,000, costs of \$1,000 and that Ms. Smith be supervised for 12 months. No suspension was ordered. Ms. Smith was found to have acted in a manner prejudicial to the public interest when she facilitated unregistered mortgage broker activities of a submortgage broker in respect of five borrowers and provided borrowers' personal information to lenders which was provided to her by the unregistered submortgage broker.
- In *Nevis (Re)* (November 9, 2015), pursuant to a consent order, Mr. Nevis was ordered to pay an administrative penalty of \$10,000 and conditions were placed on his registration after he was found to have acted in a manner prejudicial to the public interest when he failed to properly investigate borrowers, failed to advise lenders that borrowers were seeking concurrent financing, prepared mortgage applications for submission to lenders which contained information which he knew or ought to have

known was false, and prepared mortgage applications for submission to lenders over a short period of time, for the same borrower, where there were unexplained variations in the information provided. No suspension was ordered.

- In *McLeod (Re)* (September 15, 2008), pursuant to a consent order, Mr. McLeod, was suspended for three weeks and ordered to pay a \$7,500 administrative penalty after he was found to have counselled his assistant to draft and submit a document to the Registrar which was not genuine in support of his niece's application for registration.
- In *Lee (Re)* (November 8, 2017), pursuant to a consent order, the Registrar ordered that Mr. Lee be suspended for a period of two months, after Mr. Lee was found to have acted in a manner prejudicial to the public interest when he altered a client document without the knowledge of his client and submitted the altered document to a prospective lender with the intent that the prospective lender would act on it as though it were genuine. No administrative penalty was ordered.

Decision on Sanction

75. In determining the appropriate penalty, consideration should be given to disciplinary action that has been issued in similar cases. While prior disciplinary decisions and consent orders are not binding on me, they can be of assistance in determining a penalty that the public will have confidence in.
76. In reviewing these previous decisions, there is of course no case that has identical facts to Mr. Hui's case. I must therefore consider the previous decisions in aggregate and analyze the specifics of conduct and the resulting sanctions.
77. Regarding consent orders, I consider them of limited utility in determining sanctions. Caution must be taken in regard to a penalty from a consent order. There may be a myriad of reasons for a respondent to agree to a sanction, which are not apparent from a review of the consent order.
78. The majority of cases submitted by counsel had different facts from this case, or the activities of the submortgage brokers were more egregious than here.
79. For example, in the *Anderson* case, the licensee took it upon himself to decide what information did or did not make it to the lender. In the *Labonte* case, the submortgage broker intentionally provided false information to lenders. In the *Yu* case the licensee created the false documents that were submitted to the lenders. In *Rego*, the licensee submitted an appraisal to three lenders he knew had been rescinded, and submitted a mortgage application he knew was misleading. He also was found to have submitted various contracts and mortgage applications he knew or ought to have known were not

genuine, made false statements during the investigation, and facilitated unregistered mortgage broker activity.

80. The *Aaltonen* case relied upon by Mr. Hui had mitigating facts that were unique to the personal circumstances of the respondent in that matter, and which do not apply to the circumstances of this case. I find that case to be of limited relevance.
81. Mr. Hui also relies upon the *Smith* Consent Order, which involved facilitating unregistered activity after a submortgage broker was approached by an unregistered person to partner on mortgage transactions. The submortgage broker in that matter had been excluded from the industry for over a year and a half pending the resolution of the matter. Because it was a Consent Order, the factual background set out is limited, but I do not agree that matter is comparable to the circumstances before me.
82. The *McLeod* Consent Order and the *Ford* Commercial Appeals Commission decision relied upon by Mr. Hui are aged cases that are not factually similar to the case before me. I also do not accept that they reflect the current need for significant sanctions in the case of serious misconduct to achieve adequate deterrence, public protection, and to uphold public confidence in the industry and the disciplinary process.
83. Unlike in many of the cases submitted by both parties, in this case we have no admission or finding that Mr. Hui intentionally submitted false information or directed his clients to obtain false documents, or that Mr. Hui created the false documents.
84. In the ASF, Mr. Hui simply admits that he *knew or ought to have known* (italics added) that the information being submitted was false; that he failed to conduct reasonable due diligence into the financial, occupational, and residential circumstances of the borrowers by not confirming information that was suspect in the circumstances; that he acted in a manner that would cause lenders to be misled in underwriting and approving mortgage applications; and that he failed to retain records required under the Regulations and did not provide the required disclosure to a lender.
85. However, this case still involves a complete derogation by Mr. Hui and Guaranti from the professional standards required by the MBA. These actions included a complete failure to perform basic due diligence, submitting applications that they knew or ought to have known were false, and conducting business in a manner that would cause lenders to be misled. The conduct is unacceptable for mortgage brokers and would cause the public to question whether they could have confidence that the industry was being appropriately and sufficiently regulated.
86. Sanction orders should be both protective and preventative. They should be aimed at achieving compliance, deterring repeat offences by the subject specifically, and more generally by others in the industry or by those considering entering the industry, and upholding public confidence in the industry and the regulation of the industry.

87. Specific deterrence in this case requires a significant sanction in order to ensure that Mr. Hui does not consider again derogating from the professional standards required by the MBA.
88. Furthermore, the importance of general deterrence here is clear. Public interest is best served by setting a penalty that communicates to Mr. Hui, the public and other licensees that actions such as these will be met with a sanction of significance.

Penalty

89. Taking into account the sanctioning principles set out above, and given the nature of the misconduct engaged in and the significant risk to the public, I conclude that a significant sanction is required in this case to adequately achieve specific and general deterrence and to uphold public confidence in the industry. I am satisfied that the circumstances of this case warrant an administrative penalty of \$25,000.

Suspension

90. A number of cases illustrate the type of misconduct warranting licence suspension. As discussed above, cases such as *Labonte* are more egregious on their facts than in this case. Based on previous sanction cases, the nature of the misconduct at issue in this matter, and given my determination in respect of the appropriate administrative penalty in this matter, I do not think that an order of a period of suspension is required or appropriate in the circumstances of this matter.

Enforcement Expenses/Costs

91. Cost orders are discretionary. In *Allan (Re), Decision on Penalty and Costs*, August 19, 2020, the designate of the Registrar noted that:

Costs are typically awarded to the litigant who has been substantially successful, unless there is some reason why that party ought to be deprived of costs (*Fotheringham v. Fotheringham*, 2001 BCSC 1321). While a costs award is discretionary, the burden of displacing the usual rule that costs follow the event falls on the person who seeks to displace that rule (*Giles v. Westminster Savings Credit Union*, 2010 BCCA 282).
92. The objectives of costs awards include encouraging conduct to reduce the duration and cost of litigation, discourage conduct with the opposite effect, and encourage settlement whenever possible and appropriate.
93. Pursuant to the admissions made in the ASF, BCFSA has been successful in respect of allegations 1(a)-(d), 4(a) and (b), and 5 set out in the ANOH and therefore Mr. Hui and Guaranti have been found to have contravened the MBA. Section 6(9) of the MBA permits an order of costs be made. As the MBA does not establish its own tariff of costs, legal costs may be assessed on the basis of the Supreme Court Tariff.

94. BCFSA has submitted a Bill of Costs as per the *Supreme Court Civil Rules* with disbursements related to the investigation in the amount of \$41,605.92.
95. Mr. Hui argues that BCFSA is not entitled to costs because it did not prove the Obstruction Allegation and that some of the hours of the forensic analysis and investigation must have been spent on the Obstruction Allegation.
96. BCFSA has claimed \$15,967.18 for forensic work by [Company 1], who it engaged to analyze the content of the WeChat conversations on [Client 1]'s phone.
97. However, I find that the investigation costs awarded to BCFSA, should be only the costs which it would have incurred if there was no further investigation or hearing regarding the Obstruction Allegation.
98. While BCFSA states in its reply submissions that it only began to investigate the obstruction matter after it obtained the WeChat messages, it is not clear to me what relevance, if any, those messages had to the admitted allegations that are subject to the sanctions. In these circumstances, I am not prepared to make an order for those costs.
99. Thus, I find that BCFSA is entitled to recover investigative costs in the amount of \$25,638.74 which are the "initial" investigative costs claimed by BCFSA reduced by the \$15,967.18 paid to [Company 1].
100. These investigative costs were incurred as a result of the misconduct proven against Mr. Hui and it is therefore appropriate that he bear that cost. It is also noted that BCFSA has not sought costs for the sanction portion of the hearing, notwithstanding that it was necessary due to Mr. Hui's misconduct.

Conclusion

101. I am satisfied that the circumstances of this case warrant imposition of an administrative penalty of \$25,000 against Mr. Hui and Guaranti but no period of suspension. Further, I am satisfied that Mr. Hui and Guaranti should be ordered to pay investigative costs of \$25,638.74.

Orders

102. Having found that Mr. Hui conducted mortgage business in British Columbia in a manner prejudicial to the public interest, I make the following orders:
 - Pursuant to s. 8(1.1) of the *Mortgage Brokers Act*, Ka Chai Hun also known as Elvis Hui and Guaranti Mortgages Corp., jointly and severally, are ordered to pay a \$25,000 administrative penalty to BCFSA within 60 days of the date of this order.
 - Pursuant to section 6(9) of the *Mortgage Brokers Act*, Ka Chai Hun also known as Elvis Hui and Guaranti Mortgages Corp., jointly and severally, are ordered to pay

to BCFSA \$25,638.74 for costs of the inquiry, within 60 days of the date of this order.

Right of Appeal

103. Pursuant to section 9 of the Mortgage Brokers Act, Ka Chai Hun also known as Elvis Hui and Guaranti Mortgages Corp. may appeal the above orders to the Financial Services Tribunal within 30 days from the date of the decision: *Financial Institutions Act*, RSBC 1996, ch 141, section 242.1(7)(d) and *Administrative Tribunals Act*, SBC 2004, section 24(1).

Issued at Vancouver, British Columbia, this 30th day of June 2025.

“Original signed by Thelma O’Grady”

Thelma O’Grady
Hearing Officer

Appendix “A”

File # INV19.28.481.172;

INV24.016.41333

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE MORTGAGE BROKERS ACT

RSBC 1996, c 313 as amended

AND

IN THE MATTER OF

KA CHAI HUI also known as ELVIS HUI

(REGISTRATION NO. 500477)

AND

GUARANTI MORTGAGES CORP.

(REGISTRATION NO. X300397)

AMENDED NOTICE OF HEARING

(Pursuant to sections 8 and 8(1) of the *Mortgage Brokers Act*)

NOTICES OF HEARING issued by the Registrar of Mortgage Brokers include allegations that will be considered at a hearing. Allegations contained in a Notice of Hearing are unproven until the Registrar of Mortgage Brokers, or their appointee, has determined their validity.

To: KA CHAI HUI also known as ELVIS HUI
211 – 6011 Westminister Highway
Richmond, BC, V7C 4R9

And To: Guaranti Mortgages Corp.
~~240 – 8833 Odlin Crescent~~
~~Richmond, BC, V6X 3Z7~~
211 – 6011 Westminister Hwy
Richmond, BC, V7C 4R9

TAKE NOTICE that the Registrar of Mortgage Brokers (“Registrar”) will hold a hearing pursuant to section 8 of the *Mortgage Brokers Act* (“MBA”) at the offices of the Registrar, BC Financial Services Authority, located at ~~2800 – 555 West Hastings Street~~600 – 750 West Pender Street in Vancouver, British Columbia, to provide each of you with an opportunity to be heard prior to the Registrar making any order under the MBA should it be determined that your conduct contravened the MBA, or regulations made under the MBA (“Regulations”).

The hearing will commence ~~at a date to be determined by the parties, and if no agreement is reached within one month of the date of this Notice, the hearing date will be determined by the Registrar on May 13, 2024.~~

AND TAKE NOTICE that the allegations against KA CHAI HUI also known as ELVIS HUI ("Mr. Hui") are as follows:

1. In his capacity as a submortgage broker, Mr. Hui conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1) of the MBA in that he, in respect of one or more of the mortgage applications involving four borrowers as set out in the attached **Schedule "A"**:
 - a. Knew, or ought to have known, that some or all of the bank statements and letters of employment submitted or relied on in support of the respective mortgage applications were not genuine;
 - b. Obtained financing on behalf of one or more borrowers through [Bank 1]'s Non-Resident Mortgage Program when he knew, or ought to have known, that the borrowers did not meet the underwriting criteria for the bank's program;
 - c. Was in possession of two different versions of the same bank statement of the borrower, where the altered version showing a higher balance was saved in the borrower's mortgage file and the genuine version was found elsewhere; and
 - d. Submitted two concurrent mortgage applications to different lenders and failed to disclose to lenders that the borrower was seeking concurrent mortgage financing for the purchase of other properties.
2. In his capacity as a submortgage broker, Mr. Hui conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1)(i) of the MBA in that he, in relation to the mortgage files of one or more of the borrowers as set out in the attached **Schedule "A"**:
 - a. Attempted to mislead the Staff of the Registrar by removing a copy of a borrower's work permit and a letter from Service Canada confirming the borrower's SIN from the mortgage file, before providing the file to Staff.
3. While registered as a submortgage broker, Mr. Hui conducted himself in a manner which would make him disentitled to registration if he were an applicant under section 4 of the MBA, contrary to section 8(1)(e) of the MBA, by obstructing, or attempting to obstruct, an ongoing investigation of the Registrar into his conduct by counselling his client, [Client 1], to do one or more of the following:
 - a. To not cooperate with the Registrar's summonses;
 - b. To provide fraudulent documents to staff of the Registrar that he provided to [Client 1] for that purpose; and

- c. To delete evidence of their communications, being their WeChat conversation.

AND TAKE NOTICE that the allegations against Mr. Hui and GUARANTI MORTGAGES CORP. ("Guaranti") are as follows:

4. Contrary to section 6(a) of the Regulations, Mr. Hui and Guaranti, in respect of one or more of the mortgage applications involving four borrowers as set out in the attached **Schedule "A"**:
 - a. Failed to retain documents relating to the employment of the borrowers in the mortgage files;
 - b. Failed to retain copies of the genuine bank statements of the borrower in the proper mortgage file, with the borrower's mortgage file having an altered version of the bank statement, showing a higher balance than the genuine version; and
5. Contrary to section 17.4 of the MBA, failed to make proper disclosure as required under that section when Mr. Hui and Guaranti failed to provide a Form 10 to a lender disclosing that Mr. Hui and Guaranti were being compensated by the borrower.

AND TAKE FURTHER NOTICE that in the event the Registrar determines that the conduct of either of you, as set out above, contravened the MBA or the Regulations, the Registrar may make any of the orders set out in section 8 of the MBA including, but not limited to, the remedies permitted pursuant to sections 8 and 8 (1.4) of the MBA. In addition, the Registrar may make an order against you for payment of the investigation and costs of the hearing, pursuant to section 6(9) of the MBA and may make any further orders under the MBA as deemed appropriate by the Registrar.

AND TAKE FURTHER NOTICE that in the event of your non-attendance at the hearing, the Registrar may proceed with the hearing in your absence. The Registrar may hear evidence and make findings regarding your conduct and may make orders described above, all without further notice to you.

AND TAKE FURTHER NOTICE that you are entitled, at your own expense, to be represented by legal counsel at the hearing and you and your counsel will have the right to cross-examine all witnesses called and to call evidence in your defence and reply in answer to the allegations.

Dated at Vancouver, British Columbia, this ~~28th day of July, 2021~~ 22nd day of April, 2024.

Registrar of Mortgage Brokers

"Original signed by Jonathan Vandall"

Per: Jonathan Vandall
Acting Registrar of Mortgage Brokers
Province of British Columbia

SCHEDULE “A” TO THE NOTICE OF HEARING

Borrower	Mortgage Application Dates
[Client 1] in respect of the purchase of [Property 1], North Vancouver, BC	December 4, 2018
[Client 2] in respect of the purchase of [Property 2], Surrey, BC	April 23, 2019
[Client 3] in respect of the purchase of [Property 3], Vancouver, BC and [Property 4], Vancouver, BC	April 4, 2019 and April 5, 2019
[Client 4] and [Client 5] in respect of the purchase of [Property 5], Richmond, BC	Mortgage application funded March 14, 2019

Appendix "B"

File# INV19.228.48172
INV24.016.4133

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

KA CHAI HUI also known as ELVIS HUI
(REGISTRATION NO. 500477)

AND

GUARANTI MORTGAGES CORP.
(REGISTRATION NO. X300397)

AGREED STATEMENT OF FACTS

A. REGISTRATION HISTORY

1. Ka Chai Hui also known as Elvis Hui ("Mr. Hui") was first registered with the Registrar of Mortgage Brokers (the "Registrar") as a submortgage broker on October 19, 2012.
2. Guaranti Mortgages Corp dba Dominion Lending Centres Guaranti Mortgages ("Guaranti") was first registered with the Registrar as a mortgage broker on September 24, 2015 and Mr. Hui was the Designated Individual for Guaranti until April 13, 2021.
3. On or about May 1, 2019, the Financial Institutions Commission (predecessor of the BC Financial Services Authority ("BCFSA")) began a routine audit on Mr. Hui's mortgage files.
4. During that audit a number of files raised some concerns and those files of concern were forwarded for investigation.

B. BORROWER [CLIENT 1]

5. On or about December 4, 2018, Mr. Hui submitted a mortgage application for borrower [Client 1] ("[Client 1]") to obtain funding for the purchase of a property at [Property 1] in North Vancouver, under [Bank 1] ("[Bank 1]")'s Non-Resident Mortgage Program ("NRMP").
6. Under [Bank 1]'s NRMP, borrowers must satisfy the following underwriting criteria to

qualify for financing:

- a. Borrowers can be Canadian citizens, permanent residents, or foreign residents but cannot reside in Canada;
- b. Canadian citizens or permanent residents who are temporarily relocated to another country by their employers are not eligible;
- c. Down payment must be from the borrower's own resources. There is an exception for gifted down payment if the funds are provided by immediate family members; and
- d. The maximum loan to value ratio is 65%.

7. Mr. Hui's mortgage file contained the following documents for [Client 1] which were not genuine:

- a. A [Bank 2] account statement for the period between October 1, 2018 and October 31, 2018, which indicated that [Client 1] had a balance ranging between \$1,212,906.93 and \$1,221,910.83;
- b. A letter of employment from [Company 2] ("[Company 2]") which indicated that [Client 1] has been employed as a Financial Director since August 1, 2012, and earns 1,350,000 Yuan annually;
- c. A paystub for [Client 1] from [Company 2] dated November 21, 2018 which indicated he was paid a monthly base salary of \$112,500 Yuan per month; and
- d. A Bank of China Account Statement for the period between May 1, 2018 and October 31, 2018.

8. [Client 1]'s evidence at an interview on July 26, 2022 was that:

- a. at the time of his mortgage application, he worked for University Canada West and two other universities as a university instructor;
- b. he had not lived in Beijing for the last ten years and had never worked for [Company 2];
- c. that the [Bank 2] account statement showing a balance of \$1,212,906.93 was not his; and
- d. he denied to have provided these ingenuine documents to Mr. Hui.

9. Mr. Hui's mortgage file for [Client 1] also contained:

- a. [Client 1]'s mortgage application included a contract of purchase and sale dated April 11, 2018, in which [Client 1] provided the following information:
 - (i) he was a resident of Canada;
 - (ii) his address was [Property 6], North Vancouver;
 - (iii) his phone number contained a 306 area code (Canadian); and

(iv) his email address was from York University (Canadian).

10. In contrast to the information provided in the contract of purchase and sale, [Client 1]'s mortgage application stated that [Client 1] lived in China for the past six years and nine months.
11. The BC Land Title search for the subject property that [Client 1] purchased listed [Client 1]'s employment as university lecturer.
12. Mr. Hui ought to have known that this borrower would not meet the underwriting criteria for the [Bank 1]'s NRMP.

BORROWER [CLIENT 2]

13. On or about April 23, 2019, Mr. Hui submitted a mortgage application for borrower [Client 2] ("[Client 2]") to obtain funding for a property located at [Property 2] in Surrey under [Bank 1]'s NRMP.
14. [Client 2]'s mortgage was approved.
15. [Client 2]'s mortgage application contained a [Bank 3] ("[Bank 3]") bank account statement in support of [Client 2]'s income which [Bank 2] has since confirmed is not genuine.
16. Staff of the Registrar ("Staff") found a second [Bank 2] account statement belonging to [Client 2] misfiled in an unrelated mortgage file, showing lower account balances.
17. [Bank 3] confirmed that the second [Bank 3] account statement with the lower account balances was genuine.
18. Mr. Hui's mortgage file as found during the original audit, contained:
 - a. [Client 2]'s work permit approving work in Canada with a particular employer in Winnipeg expiring October 22, 2019; and
 - b. a letter from Service Canada confirming [Client 2]'s social insurance number.
19. Mr. Hui knew or ought to have known that [Client 2] would not have qualified for financing under [Bank 1]'s NRMP if it was disclosed to the lender that she worked for a company in Winnipeg.

C. BORROWER [CLIENT 3]

20. On or about April 4 or 5, 2019, Mr. Hui submitted two concurrent mortgage applications for borrower [Client 3] ("[Client 3]") to obtain funding for the purchase of two leasehold properties at UBC:
 - a. [Property 3], Vancouver ("Unit 1907"), mortgage application to [Bank 4]; and
 - b. [Property 4], Vancouver ("Unit 1708"), mortgage application to [Lender 1].
21. Mr. Hui advised a representative from [Bank 4] about the concurrent loan applications on the phone and by email. However, both mortgage applications for [Client 3] failed to sufficiently disclose that the borrower would be seeking financing to purchase a second property.

22. Both mortgage applications were accepted, and [Client 3] purchased the two properties using the mortgage funds.
23. On November 3, 2020, another representative from [Bank 4] confirmed that they were advised on the mortgage application that the property would be owner-occupied, not a rental, and that they were not aware that [Client 3] was seeking mortgage financing to purchase another property at the time.

D. BORROWERS [CLIENT 4] AND [CLIENT 5]

26. Mr. Hui assisted borrower [Client 4] ("[Client 4]") and borrower [Client 5] ("[Client 5]") with obtaining mortgage financing with [Lender 2], which was approved.
27. The borrowers subsequently proceeded to obtain financing on their own from [Bank 5] ("[Bank 5]").
28. During the audit and initial investigation, the following documents were found in Mr. Hui's mortgage file for [Client 4] and [Client 5], which were not genuine:
 - a. A job letter indicating [Client 4] was employed by [Company 3] as a full-time Product Manager since February 2014;
 - b. Payroll record from [Company 3]; and
 - c. Bank of China account statement.
29. When investigators requested mortgage files, Mr. Hui provided additional documents in [Client 4] and [Client 5]'s mortgage file now included new documents not previously in the mortgage file:
 - a. A job letter from [Company 4] indicating [Client 4] has been employed as a general manager since February 2014;
 - b. [Client 4]'s paystub from [Company 5]; and
 - c. [Client 5]'s job letter.
30. [Client 4] was at all relevant times employed by [Company 5], did not live in China, was not employed by the companies in China as indicated in the fraudulent job letters and did not have a bank account with the Bank of China.
31. The Employment Verification Documents for [Client 4] and [Client 5] were necessary records to keep in [Client 4] and [Client 5]'s mortgage file.
32. [Client 4] and [Client 5] directed that Mr. Hui be paid \$2,450 out of the mortgage proceeds from [Bank 5] for his assistance in obtaining a mortgage from [Lender 2].
33. Mr. Hui and Guaranti failed to make proper disclosure through a Form 10 to [Bank 5] of the funds they received from [Client 4] and [Client 5] for the brokerage fee in the amount of \$2,450.

E. GENERALLY

33. Mr. Hui submitted the subject mortgage applications for the subject borrowers referred to herein, including supporting information and documentation to lenders with employment,

financial and residential information that he knew or ought to have known was false.

34. Mr. Hui failed to conduct reasonable due diligence into the financial, occupational, and residential circumstances of the borrowers by not confirming information that was suspect in the circumstances.
35. Mr. Hui acted in a manner that would cause lenders to be misled in underwriting and approving mortgage applications.
36. Mr. Hui has no prior history of discipline with the Registrar.

The Registrar, Mr. Hui and Guaranti agree that this ASF contains facts that are not in dispute. The parties are at liberty to lead additional evidence on any matters contained in the ASF and on any matters for which there are no agreed facts. The Registrar, Mr. Hui and Guaranti agree that the documents and facts referred to herein will be admitted as evidence at any pre-hearing conference, settlement conference or hearing.

"Originally signed by Ka Chai Hui"

"Originally signed by Simon Adams"

KA CHAI HUI also known as ELVIS HUI on his own behalf and on behalf of GUARANTI MORTGAGE CORP.

Simon Admas
Legal Counsel for BC Financial Services Authority

Dated 12 day of May, 2024

Dated 13th day of May, 2024