

BC FINANCIAL SERVICES AUTHORITY

**IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*
SBC 2004, c 42 as amended**

AND IN THE MATTER OF

**COLIN FREDERICK EGGEN
(186806)**

DECISION ON LIABILITY

[This Decision has been redacted before publication.]

DATE AND PLACE OF HEARING: April 22, 2026

COUNSEL FOR BCFSA: Laura Forseille

COUNSEL FOR RESPONDENT: Self Represented

HEARING OFFICER: Andrew Pendray

Introduction

1. On July 6, 2025, the BC Financial Services Authority (“BCFSA”) issued, pursuant to section 40 of the *Real Estate Services Act*, RSBC 2004, c 42 (“RESA”), a notice of discipline hearing against Colin Frederick Eggen. An amended notice of discipline hearing (the “ANODH”) was issued on February 6, 2026.
2. The ANODH alleges that Mr. Eggen committed professional misconduct within the meaning of section 35(1) of RESA when he failed to disclose to the Superintendent of Real Estate (the “superintendent”) that he and the company of which he was the sole director, Novum AI Ltd. (“Novum”), were under investigation by the BC Securities Commission (the “BCSC”). The ANODH further alleges that Mr. Eggen committed professional misconduct when he failed to disclose that investigation when he applied to the superintendent to transfer his real estate licence on March 21, 2024.
3. A liability hearing was held before me on April 22, 2026, and proceeded by way of an oral hearing. BCFSA was represented by legal counsel, and called one witness, a BCFSA investigator. Mr. Eggen was self-represented, and testified on his own behalf. In his testimony, Mr. Eggen did not make any specific denials as to the allegations against him.
4. For the reasons that follow, I find that Mr. Eggen committed professional misconduct within the meaning of section 35(1) of RESA as alleged in the ANODH.

Notice of Hearing

5. The ANODH alleges that Mr. Eggen committed professional misconduct within the meaning of section 35(1) of RESA as follows when he:
 - a. Failed to disclose to the Superintendent that you and NOVUM AI Ltd. (of which you were the sole director) were subject to investigation by the BC Securities Commission contrary to s. 23(2)(a)(i) of the Rules; and
 - b. Made a false or misleading statement in a document that is required to be produced under RESA, contrary to s. 35(1)(g) of RESA, when you failed to disclose the BC Securities Commission's investigation in your licence transfer application on March 21, 2024.

Issues

6. The issue before me is whether BCFSA has proven that Mr. Eggen committed professional misconduct within the meaning of section 35(1) as alleged above.

Jurisdiction and Standard of Proof

7. Pursuant to section 2.1(3) of RESA, the superintendent may delegate any of its powers in writing. The Senior Hearing Officer and Hearing Officers of BCFSA's Hearings Department have been delegated the statutory powers and duties of the superintendent under sections 42 through 53 of RESA.
8. BCFSA must prove its case on the balance of probabilities. In other words, it must prove that it is more likely than not that the facts alleged occurred. To make a finding against the respondent, I must find that the evidence is "sufficiently, clear, convincing and cogent" to satisfy that standard: *FH v McDougall*, 2008 SCC 53.
9. In general, evidence is a matter of procedure: *Cambie Hotel (Nanaimo) Ltd v British Columbia (General Manager, Liquor Control and Licensing Branch)*, 2006 BCCA ("*Cambie Hotel*"), para 38. As an administrative tribunal, the superintendent is not bound by the rules of evidence in the same way a court would be. Absent statutory provision to the contrary, the superintendent may consider any evidence it considers relevant, including hearsay evidence: *Adams v British Columbia (Superintendent of Motor Vehicles)*, 2019 BCCA 225.
10. Further, the fact that the legislation may provide for a formal structure for enforcement proceedings does not preclude hearsay evidence from being admitted at a hearing: *Cambie Hotel*, para 38. RESA has no provision importing civil or criminal rules of evidence into proceedings before the superintendent. The superintendent may, however, draw upon principles underlying court rules of evidence to exclude, assess, or weigh evidence and none of the above precludes the necessity to assess and weigh evidence.
11. The superintendent must also afford procedural fairness to a respondent where a decision may affect his or her rights, privileges or interests. This right includes a right to be heard. The superintendent affords every respondent an opportunity to respond to the case against him or her by providing advance notice of the issues and the evidence, and an opportunity to present evidence and argument. The superintendent must determine facts, and decide issues set out in the ANODH, based on evidence. The superintendent may, however, apply its individual expertise and judgment to how it evaluates or assesses evidence.

Background

12. The evidence and information before me consists of a number of documents entered as exhibits at the oral hearing, as well as the evidence of a BCFSA investigator, [Investigator 1], and the evidence of Mr. Eggen.
13. Although I have reviewed all of the evidence, the below is not meant to be a complete recitation of all the evidence tendered in this matter.
14. Mr. Eggen was first licensed in October of 2020. He is no longer licensed, with his licence having expired on November 23, 2024.
15. In addition to being licensed under RESA, Mr. Eggen was also the sole director of Novum AI Ltd., which had been incorporated on July 8, 2022. In his evidence at the hearing of this matter, Mr. Eggen explained that he and his [family member] had seen some healthy profits being generated for themselves through their investing activities, and that they had wanted to provide the same opportunity to their family and friends, through Novum.
16. On June 19, 2023, the BCSC issued, pursuant to section 141 of the *Securities Act*, RSBC c.418 (the "Securities Act"), an order to provide information or produce records to Novum, Mr. Eggen, and his [family member] [Individual 1]. In that June 19, 2023 order, the BCSC noted that it considered that Novum, Mr. Eggen, and [Individual 1] were each persons purporting to distribute securities in reliance on an exemption from the prospectus required in section 61 of the Securities Act, and required that they provide the names of every person they had distributed securities to since July 8, 2022, contact information for each investor, the date of every distribution to each investor, and a detailed description of how each investor learned about Novum and came to invest with or through them, and how those investors qualified for an exemption from the prospectus requirement for each distribution of securities to them.
17. On June 22, 2023, the BCSC issued, pursuant to section 164 of the Securities Act, a cease trade order to Novum. That cease trade order was issued on the basis that Novum had failed to file a preliminary prospectus or prospectus for the distribution of securities or a report of exempt distribution. The cease trade order required that all persons cease trading in the securities of Novum.
18. BCFSA's investigation into Mr. Eggen commenced in early July 2023, with [Investigator 1] conducting corporate searches of Novum on July 6, 2023.
19. On July 21, 2023, the BCSC issued an investigation order to Novum, Mr. Eggen and [Individual 1], pursuant to section 142 of the Securities Act. In that investigation order, the BCSC indicated that the matter to be investigated was the subjects' conduct relating to the distribution of Novum securities, advising and trading in securities, compliance with registration requirements under the Securities Act, misrepresentations to Novum investors, and use of Novum investor funds.
20. BCSC's investigation continued from that point, with the BCSC issuing a further order to provide information or produce records to Novum, Mr. Eggen, and [Individual 1], on August 2, 2023.
21. Having commenced his investigatory activities in July of 2023, [Investigator 1], on behalf of BCFSA, sent an investigation letter to Mr. Eggen on August 15, 2023. In that letter BCFSA indicated that it had commenced an investigation into Mr. Eggen's conduct in his capacity as a real estate licensee, and had been commenced in relation to a Cease Trade Order that had been issued by the BC Securities Commission on June 22, 2023. The letter noted that Mr. Eggen was the sole director of Novum, and that BCFSA understood that there was an ongoing BCSC investigation against Mr. Eggen and Novum.

22. The August 15, 2023 investigation letter set out that Mr. Eggen was specifically being investigated to determine whether he had failed to disclose the fact of the BCSC investigation promptly to the superintendent, as required by section 23(2) of the *Real Estate Services Rules* (the “Rules”), as well as whether his underlying conduct associated with Novum was contrary to section 35(2) of RESA.
23. In the August 15, 2023 letter, [Investigator 1] requested that Mr. Eggen provide a detailed statement regarding his involvement with BCSC’s investigation, including his knowledge of the events leading to the matter, a detailed statement as to why the Cease Trade Order was not disclosed to BCFSA, and proof that Mr. Eggen had disclosed the matter to his managing broker as required by section 23(4) of the Rules. Mr. Eggen was required to provide his response by August 25, 2023.
24. Pursuant to section 144 of the Securities Act, the BCSC issued a demand for production of records to Mr. Eggen on August 16, 2023.
25. On August 25, 2023, Mr. Eggen sent an email to BCFSA in which he indicated that he had engaged legal counsel to respond to the BCSC investigation. Mr. Eggen noted in that email that he considered the BCSC investigation to have no merit, and indicated that Novum was not an operating company with any form of active business, but was a holding company for friends and family. Mr. Eggen concluded by indicating that “if any relevant issues arise in connection with this matter, I will inform BCFSA in accordance with my professional obligations”.
26. BCFSA wrote to Mr. Eggen again on August 31, 2023. In that letter it informed Mr. Eggen that his August 25, 2023 email did not satisfy the requests set out in the August 15, 2023 investigation letter, and that as the subject of an investigation under RESA, Mr. Eggen was compelled to provide the information requested in the August 15, 2023 investigation letter. BCFSA noted that section 35(1)(e) of RESA provided that a licensee who failed or refused to cooperate with an investigation under section 37 of RESA commits professional misconduct, and that section 21 of the Rules required that a licensee promptly reply to an inquiry from the superintendent, no later than the date set by the superintendent. Mr. Eggen was given until September 11, 2023 to provide his response to the August 15, 2023 investigation letter.
27. Mr. Eggen replied to the August 31, 2023 letter from BCFSA by way of an email dated September 6, 2023. In that email, Mr. Eggen indicated that he had not been aware of a requirement to inform his managing broker of the BCSC investigation, but that he would do so right away. He indicated further that he would update BCFSA once a decision had been made by the BCSC as to whether he met the criteria for an exemption to the prospectus requirements.
28. [Investigator 1] then wrote to Mr. Eggen, copying Mr. Eggen’s managing broker on September 7, 2023. He indicated in that email that Mr. Eggen’s September 6, 2023 response was again not a sufficient reply to the August 15, 2023 investigation letter and that the September 11, 2023 deadline continued to apply for the provision of the information requested.
29. Mr. Eggen provided further information to [Investigator 1] on September 11, 2023. That email explained that Novum had been formed as a holding company for his personal investments as well as a “vehicle for friends and family to participate in group investing through third party trading platforms”. Mr. Eggen indicated that he had received the cease trade order from BCSC on June 22, 2023, and that he had not been aware that he was required to disclose the fact of this order to BCFSA. He indicated that this was not an intentional omission, but rather a misunderstanding of the rules. Mr. Eggen also provided a copy of an email to his managing broker, dated September 6, 2023, disclosing the cease trade order to his managing broker.
30. In a September 12, 2023 email, [Investigator 1] requested that Mr. Eggen provide further details as to the type of investments Novum was involved with, details and copies of any agreements or contracts he had entered into with investors, details about any other investors other than a schedule

of participants he had provided on September 6, 2023, details regarding other individuals involved in the management of Novum, and any other information he would like BCFSa to consider.

31. The BCSC continued its investigation into Mr. Eggen and Novum during this period of time, with a summons to attend before a BCSC investigator issued to Mr. Eggen on September 14, 2023.
32. Mr. Eggen provided a further reply to [Investigator 1] on September 25, 2023, including the details requested in [Investigator 1]'s September 12, 2023 email, and copies of agreements entered into with investors. In his testimony at the hearing of this matter, [Investigator 1] indicated that he considered this response from Mr. Eggen to have been a sufficient response to the information that BCFSa had requested.
33. [Investigator 1] further explained, however, that as part of BCFSa's investigation processes, he would mark on BCFSa's information management system that a licensee was under investigation. He explained that having done so, he was made aware of Mr. Eggen's application to transfer his licence by BCFSa's licensing department.
34. Mr. Eggen's application to transfer his license to a new brokerage was received by BCFSa on March 21, 2024. That transfer application requires the licensee making the application to answer a number of questions. Question number 7 reads as follows:

Are you the subject of an investigation or disciplinary proceedings under real estate, insurance, mortgage broker or securities legislation, or by a professional body, in British Columbia or another jurisdiction?
35. On his March 21, 2024 transfer application, Mr. Eggen's indicated response to the above was "No".
36. In his testimony, Mr. Eggen indicated that he was unsure of why he would have responded "No" to that question, and questioned whether he may have simply clicked that option by accident. He indicated that he felt that if he had been typing he would have indicated "Yes".
37. [Investigator 1] testified that it was not until December 4, 2025 that he was made aware of a resolution of the BCSC's investigation into Mr. Eggen. On that date, he received an email from a BCSC investigator, who indicated that the BCSC had settled its case against Mr. Eggen.
38. That settlement agreement is publicly available on the BCSC's website, and indexed as 2025 BCSECCOM 504.
39. In the settlement agreement, Mr. Eggen acknowledged that as the sole director of Novum he authorized Novum in various contraventions of section 34(1)(a) of the Securities Act, that is engaged in unregistered trading, and that by virtue of section 168.2 of the Securities Act, he had also contravened section 34(1)(a) of the *Securities Act*. In acknowledging that misconduct, Mr. Eggen agreed that Novum had entered into investment contracts with 12 investors, for a total of approximately \$480,000, that he had acted in furtherance of each of those trades, and that the investors had lost all of their money.
40. Mr. Eggen also admitted to having contravened section 50(3) of the Securities Act, making a false or misleading statement. In that regard, Mr. Eggen admitted that Novum's website made claims that were false or misleading, including regarding the size of Novum's fund, and the returns Novum generated per year.
41. Finally, Mr. Eggen admitted that he contravened section 57.5(1)(b) of the Securities Act by obstructing BCSC's investigation through the deletion of text message communications he had with investors that were on his phone and had been ordered to be produced.

42. The settlement agreement required Mr. Eggen to pay a \$30,000 monetary penalty, as well as to accept a 25 year prohibition from trading in or purchasing securities.

Reasons and Findings

Applicable Legislation

43. The relevant portions of RESA provide as follows:

Misconduct by licensee

- 35 (1) A licensee commits professional misconduct if the licensee does one or more of the following:
- (a) contravenes this Act, the regulations under this Act or under section 43 [regulations for residential real property right of rescission] of the Property Law Act or the rules;
...;
 - (g) makes or allows to be made any false or misleading statement in a document that is required or authorized to be produced or submitted under this Act.

44. The relevant portions of the Rules provide as follows:

- 23 (1) In this section, "**discipline sanction**" means a warning, reprimand, fine, educational requirement, imposed restriction or condition, suspension or cancellation, or any other sanction arising from a disciplinary matter.
- (2) A licensee must promptly notify the superintendent, in writing, if any of the following circumstances apply:
- (a) the licensee is subject to any disciplinary or regulatory proceedings in which the licensee may be or has been made subject to a discipline sanction under legislation in British Columbia or another jurisdiction regulating
 - (i) real estate, insurance or securities activities, or...

Analysis

45. At the outset, I note that in neither his testimony at the hearing of this matter nor in his brief submissions did Mr. Eggen put forth an argument that he had not committed the allegations set out in the ANODH.
46. Rather, Mr. Eggen testified that he had never intended to bring any harm to his friends and family, that he had not fully understood the requirements of the Securities Act, and that he regretted that he had not obtained the right advice.
47. Mr. Eggen also testified that he now recognized that he had not understood the rules under RESA properly, and that he had not been aware that he had to notify his managing broker of the securities investigation right away. He described having delayed his initial response to BCFSA's investigation requests on advice of legal counsel. Mr. Eggen stated that he was not intending to debate any of the evidence presented by BCFSA at the hearing, but noted that there had been no complaints made about him other than by one individual.

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48. Mr. Eggen was not cross-examined, and I found him to be a forthcoming and contrite witness. While he attempted, to a degree, to explain his error in marking “No” on his licence transfer application, he acknowledged that the answer he had provided on that application was incorrect, and that he in fact knew that he was under investigation at the time he completed that application.
49. With Mr. Eggen’s testimony and his lack of denial of the misconduct alleged in mind, I turn to an assessment of whether the allegations against him have been proven.
- Did Mr. Eggen fail to disclose to the superintendent that he and NOVUM AI Ltd. were subject to investigation by the BC Securities Commission contrary to s. 23(2)(a)(i) of the Rules?*
50. I find that Mr. Eggen did fail to disclose the fact that he was subject to an investigation by the BCSC to the superintendent, contrary to section 23(2)(a)(i) of the Rules.
51. As set out above, the requirements of section 23(2)(a)(i) are that licensees notify the superintendent “promptly” when they are subject to any disciplinary or regulatory proceedings in which the licensee may be subject to a discipline sanction.
52. Mr. Eggen received, on behalf of Novum, an order to cease trading on June 22, 2023. Such an order is an enforcement order issued under section 164 of Part 18 of the Securities Act, and is available to the Securities Commission to be issued without providing the respondent with an opportunity to be heard. In my view, such an order is equivalent to a discipline sanction as contemplated by section 23(2)(a)(i) of the Rules. I note, in reaching that conclusion, that an order to cease trading is one of the discipline sanctions that is available to the Securities Commission to be issued after a hearing (section 161(1)(b) of the Securities Act).
53. I consider that Mr. Eggen would clearly have been aware, upon receipt of the order to cease trading on June 22, 2023, that he was subject to the type of investigation that section 23 of the Rules requires be promptly reported to the superintendent. Mr. Eggen did not do so. While he has testified that he was not aware of that Rule, I do not consider that claimed lack of awareness to be an answer to the question of whether or not Mr. Eggen failed to abide by the Rules required of him by the legislation and the regulator. As a member of a regulated profession, Mr. Eggen has a duty to be aware of the actions required of him under RESA and the Rules.
54. Despite receiving the June 22, 2023 order to cease trading, and subsequently receiving the July 21, 2023 investigation order which provided clear delineation as to the specifics of the BCSC investigation into his and Novum’s activities, Mr. Eggen took no steps to notify BCFSA of the fact that he was under investigation by the BCSC. Even upon receiving BCFSA’s investigation letter on August 15, 2023, Mr. Eggen sought to deflect the nature of the BCSC investigation, describing it as having no merit.
55. I find the evidence to show that Mr. Eggen was well aware of the fact that he and Novum were the subject of regulatory proceedings on the part of the BCSC from at least the receipt of the cease trade order on June 22, 2023. There is no evidence before me to indicate that he made any effort to inform the superintendent of that fact prior to [Investigator 1] contacting him about BCFSA’s investigation on August 15, 2023, and Mr. Eggen provides no defence for not having provided that information to the superintendent promptly other than to say he had not been aware of the requirement to do so.
56. In the circumstances, I find it to be clear that Mr. Eggen did not notify the superintendent promptly of the fact that he was facing disciplinary or regulatory proceedings and remained under investigation for which he may be subject to further discipline sanctions. That he did not notify the superintendent at all makes clear that he did not satisfy the requirement to notify the superintendent “promptly”.

57. As a result, I find that Mr. Eggen breached section 23(2)(a)(i) of the Rules. As set out in section 35(1)(a) of RESA, a licensee commits professional misconduct when they contravene the Rules.

Did Mr. Eggen make a false or misleading statement in a document that is required to be produced under RESA, contrary to s. 35(1)(g) of RESA, when he failed to disclose the BC Securities Commission's investigation in his licence transfer application on March 21, 2024?

58. Once again, the answer to the above question must be "Yes".

59. Mr. Eggen was well aware of BCSC's investigation into him, and the cease trading order, from June of 2022. It is clear from the fact that the settlement agreement was not reached until December 2025 that those disciplinary proceedings continued from June of 2022 until the settlement agreement was reached.

60. Despite Mr. Eggen's obvious knowledge of the ongoing nature of the BCSC's disciplinary proceedings against him, Mr. Eggen falsely indicated on his licence transfer application that he was not the subject of such proceedings.

61. Once again, Mr. Eggen does not dispute that it was false for him to have indicated that he was not the subject of BCSC regulatory proceedings. Rather, he has simply indicated that he does not know why he would have indicated "No", and he has suggested that he may simply have clicked the wrong option, given that he believes that if he had had to type in his answer he would have indicated "Yes".

62. Mr. Eggen's evidence on this issue was, in my view, nothing more than speculation. Mr. Eggen did not testify to having a direct recollection of having mistakenly clicked "No". In any event, even if that had been what occurred, Mr. Eggen had a responsibility to ensure that the licensing transfer document did not contain any false or misleading statements prior to submitting it to the superintendent.

63. Given that section 7(3) of RESA requires that a licensee may only provide real estate services on behalf of the brokerage to which they are licensed, the superintendent requires, pursuant to section 9 of RESA, that a licensee complete a licence transfer application form in order to amend their licence if they wish to move that licence to another brokerage. The licence transfer application form is therefore a document required to be produced under RESA.

64. Mr. Eggen falsely indicated on licensing transfer document that he was not the subject of an investigation or disciplinary proceedings under securities legislation. This was a breach of section 35(1)(g), and therefore constitutes professional misconduct under section 35(1) of RESA.

Conclusion

65. I find that Mr. Eggen committed professional misconduct within the meaning of section 35(1) of RESA when he:

- a. Failed to disclose to the superintendent that he and Novum AI Ltd. were subject to investigation by the BC Securities Commission contrary to section 23(2)(a)(i) of the Rules, thereby committing professional misconduct as contemplated by section 35(1)(a) of RESA; and
- b. Made a false statement in a document required to be produced under RESA, that is his licence transfer application, when he failed to disclose in that document that he was subject to a BC Securities Commission investigation and disciplinary proceeding. This is professional misconduct within the meaning of section 35(1)(g) of RESA.

Sanction

66. I retain jurisdiction to determine the issues of sanctions and expenses, and will hear evidence and submissions from the parties concerning orders under section 43(2) of RESA and expenses under section 44(1) of RESA, and any other actions available to the superintendent.
67. I leave it open to the parties to determine whether the issues of sanctions and expenses should be heard by way of oral hearing or written submissions. The parties are directed to contact the Hearing Coordinator by May 8, 2026, to schedule hearing dates or a schedule for written submissions.
68. Once the hearing or submissions process on sanctions has been completed, I will issue additional reasons on that matter that will form a part of this decision. In those reasons, I will make an order under section 43(2) of RESA and make such other orders under RESA as I may deem appropriate.
69. Once an order has been made under Part 4, Division 2 of RESA, Mr. Eggen will have a right to appeal to the Financial Services Tribunal under section 54(1)(e) of RESA. Mr. Eggen will have 30 days from the date of the sanction decision to file an appeal: *Financial Institutions Act*, RSBC 1996, c 141, section 242.1(7)(d) and *Administrative Tribunals Act*, SBC 2004, section 24(1).

DATED at Kelowna, BRITISH COLUMBIA, this 30th day of April, 2026.

“Original signed by Andrew Pendray”

Andrew Pendray
Hearing Officer