

# 2006 BCSECCOM 419

## Notice of Hearing

**Ian Gregory Thow, 611276 B.C. Ltd., 657594 B.C. Ltd.,  
679071 B.C. Ltd., 699109 B.C. Ltd., 705671 B.C. Ltd.,  
A.Y.G. Investments Inc., M600 Holdings Ltd.,  
Thow Financial Planning Corp., Vancouver Island Jet Inc.,  
and 1047145 Alberta Ltd.  
(collectively, the Respondents)**

### Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts.

#### **Background**

##### ***The Parties***

1. Between May 1988 and May 2005 Ian Gregory Thow (Thow) was employed by various mutual fund dealers and registered at various times under the Act as a Registered Representative, Trading Partner/Director/Officer, Officer (Non-Trading), Officer (Trading) Branch Manager and Sales Person.
2. Between November 1998 and May 2005, Thow was:
  - a) employed as an Officer and Director, Branch Manager and Mutual Fund Salesperson with Berkshire Investment Group Inc. (Berkshire), a mutual fund dealer;
  - b) registered under the Act to trade only mutual funds and no other securities; and
  - c) not registered under the Act as an advisor.
3. 611276 B.C. Ltd., 657594 B.C. Ltd., 679071 B.C. Ltd., 699109 B.C. Ltd., 705671 B.C. Ltd., A.Y.G. Investments Inc., M600 Holdings Ltd., Thow Financial Planning Corp., Vancouver Island Jet Inc. and 1047145 Alberta Ltd. (collectively, the Corporate Respondents) were, at all relevant times, owned or controlled by Thow.
4. On September 12, 2005, Thow was petitioned into bankruptcy.

## 2006 BCSECCOM 419

### ***Misappropriation of Client Funds***

5. Between approximately January 2003 and May 2005, Thow represented to certain clients (Clients) that he was able to invest money for them in various securities, including shares of the National Commercial Bank of Jamaica, a Berkshire initial public offering and mortgages (the Securities) that would yield high returns. Thow's representations were all false.
6. Relying on the false representations, the Clients provided Thow with investment funds (Client Funds). Subsequently, Thow falsely represented to the Clients that the Client Funds had been invested in the Securities.
7. Thow used some or all of the Client Funds for his personal use.
8. Thow received and misappropriated up to \$30 million.

### **Misconduct**

#### ***Breaches of the Act***

9. Thow failed to deal fairly, honestly and in good faith with his clients contrary to section 14(2) of the *Securities Rules*, BC Reg. 194/97, as amended, and Rule 2.1.1(a) of the Mutual Fund Dealers Association Rules.
10. Thow, while registered as a Mutual Fund Sales Person, traded in non-mutual fund securities, contrary to section 34(1)(a) of the Act.
9. Thow made statements that he knew or ought to have known were misrepresentations, contrary to section 50(1)(d) of the Act.
10. Thow perpetrated a fraud on persons in British Columbia and elsewhere, contrary to sections 57 and 57.1 of the Act.

#### ***Conduct Contrary to the Public Interest***

11. The Respondents' conduct as set out in this Notice was contrary to the public interest.

### **Hearing Process**

- ¶ 2 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.

## 2006 BCSECCOM 419

- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Thursday, July 20, 2006, at 11:30 am if they wish to be heard before the Commission sets a date for the Hearing.
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 5 June 29, 2006
  
- ¶ 6 Brenda M. Leong  
Executive Director