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**BCSC panel finds that Salmon Arm man and his company made misrepresentations and false or misleading statements to investors**

**Vancouver** – A British Columbia Securities Commission (BCSC) panel has found that a Salmon Arm man and his mortgage investment corporation made misrepresentations and false or misleading statements in documents required to be filed under the *Securities Act*.

Donald Bergman was the sole director of All Canadian Investment Corporation (ACIC), which provided loans to owners and developers of residential and commercial real estate. The loans were secured by mortgages on those properties.

ACIC raised $1.6 million from 56 investors between January 2014 and December 2015 through three offering memorandums that explained how the loans would be secured. An offering memorandum must contain specific information about an investment to help potential investors make a decision on whether to purchase the security.

The offering memorandums said the mortgages would be registered in the appropriate land title office, and were the first or second mortgage on the property; however, ACIC did not register some of the mortgages and cancelled some of the registrations. In addition, some of its mortgage loans were secured by mortgages that ranked lower in priority than represented in the documents.

Starting in 2015, dividends to ACIC investors dwindled. In 2017, the Supreme Court of British Columbia appointed a monitor to assist ACIC in the liquidation of the company’s assets. Losses for preferred shareholders are estimated to be between 81.9 per cent and 96.1 per cent.

The panel found that Bergman and ACIC made false or misleading statements in the offering memorandums because some of the loans were not secured as promised. The difference between the offering memorandums’ statements and the truth, the panel said, concerned issues “of fundamental importance to investors […] as these representations went to the safety and security of their investment.”

The panel, which also found that Bergman and ACIC made misrepresentations to investors, will impose sanctions after considering submissions from BCSC staff and the respondents.

**About the British Columbia Securities Commission (**[**www.bcsc.bc.ca**](http://www.bcsc.bc.ca)**)**

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

* A securities market that is fair and warrants public confidence
* A dynamic and competitive securities industry that provides investment opportunities and access to capital

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