

IN THE MATTER OF
THE *SECURITIES ACT*, RSNS 1989, C 418, AS AMENDED (the *Act*)

- and -

IN THE MATTER OF YUNFU JIANG (the Respondent)

AMENDED NOTICE OF HEARING
(Sections 134, 135, and 135A of the *Act*)

WHEREAS by Notice of Hearing dated August 9, 2023, the Nova Scotia Securities Commission (the Commission) gave notice it will hold a hearing pursuant to sections 134, 135, and 135A of the *Act* on a date and at a time and place to be designated by the Commission (the Hearing);

AND WHEREAS the Commission convened a pre-hearing conference on September 26, 2023, pursuant to Part 9 of Rule 15-501 *General Rules of Practice and Procedure* and ordered that the Hearing will take place on January 18, 2024, by videoconference;

TAKE NOTICE by this Amended Notice of Hearing the Commission will hold the Hearing pursuant to sections 134, 135, and 135A of the *Act* on January 18, 2024, by videoconference, from 10:00 am to 4:30 pm or so soon thereafter as the Hearing can be held;

AND TAKE NOTICE that the purpose of the Hearing will be for the Commission to consider whether it is in the public interest for the Commission to make:

1. an order pursuant to section 134 of the *Act* in relation to the Respondent in a manner to be determined by the Commission;
2. an order pursuant to section 135 of the *Act* that the Respondent pay an administrative penalty in an amount to be determined by the Commission;
3. an order pursuant to section 135A of the *Act* that the Respondent pay costs in connection with the investigation and conduct of the proceedings before the Commission; and
4. such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of the Director of Enforcement for the Commission dated August 2, 2023, attached to this Notice of Hearing and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE NOTICE that disclosure of evidence and copies of documents to be presented at the Hearing will be provided in accordance with Rule 15-501 *General Rules of Practice and Procedure* and any orders granted by the Commission;

AND TAKE NOTICE that any party to the proceeding may be represented by legal counsel or an authorized agent;

AND TAKE NOTICE that the Respondent shall provide written notice to the Commission at least seven (7) days prior to the date of the Hearing of their intention to attend or participate in the Hearing, or as otherwise ordered by the Commission, and if no such notice is provided within this time or upon the failure of any party to attend or participate in the Hearing, the Hearing may proceed in the absence of that party and an order granted and such party is not entitled to any further notice of the proceeding without leave of the Commission;

AND TAKE NOTICE that orders made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Amended Notice of Hearing, contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

DATED at Halifax, Nova Scotia, this 5th day of October, 2023.

NOVA SCOTIA SECURITIES COMMISSION



Peter Lamey, Acting Secretary

IN THE MATTER OF
THE *SECURITIES ACT*, RSNS 1989, CHAPTER 418, AS AMENDED (the *Act*)

-and-

IN THE MATTER OF YUNFU JIANG
(the Respondent)

STATEMENT OF ALLEGATIONS

Introduction

1. The Director of Enforcement (**Director**) of the Nova Scotia Securities Commission (**Commission**) makes the following allegations against the Respondent Yunfu Jiang (**the Respondent**).
2. At all material times hereto the Respondent was an individual resident in Nova Scotia. The Respondent presently resides in Greenwich, Nova Scotia.

Breach of Undertakings

3. The Respondent signed and failed to comply with written undertakings to the Director in violation of section 29EB of the Nova Scotia *Securities Act*, RSNS 1989, c 418 (**the Act**).
4. Between August 4 and August 13, 2020, the Respondent accepted approximately \$536,000 USD (**the Funds**) from fifty-four (54) individuals or companies (**the Lenders**). None of the Lenders resided in Nova Scotia.
5. The Funds were directly transferred from the Lenders into a bank account in the Respondent's name in Nova Scotia (**the Account**).
6. On or about August 30, 2020, further to an *ex parte* application by the Director, the Commission issued a freeze direction prohibiting the use or withdrawal of the Funds (**the Freeze**).
7. On or about April 30, 2021, the Respondent signed written undertakings to the Director (**the Undertakings**). The Undertakings stated:

"I, Yunfu Jiang, hereby undertake that I will do as follows in the event the Nova Scotia Securities Commission (the Commission) revokes the Freeze Direction issued by the Commission on August 30, 2020, releasing the funds which are currently being held in an account in my name at the Bank of Montreal (respectively, the Funds and the Account):

1. I will email or contact through social media each of the individuals who provided the Funds (the Depositors) to seek clear instructions as to where or to whom they would like to have their portion of the Funds sent.

2. If a Depositor chooses to have their portion of the Funds remain in the Account until such time as they provide further instructions as to the disposition of their portion, then their portion of the Funds will so remain in the Account.
3. In the event that a Depositor cannot be contacted and/or does not provide instructions as to where or to whom they would like to have their portion of the Funds sent, those Funds will remain in the Account until such time as instructions are provided as to disposition.
4. I will maintain a record of my communications with the Depositors per the above Undertakings and provide a copy of that record to enforcement staff of the Commission.
5. In no case will the Funds be used to purchase securities or derivatives or forwarded to any entity or individual for the purpose of facilitating the purchase of securities or derivatives, on behalf of the Depositors, from or of GTV Media Group Inc., Saraca Media Group Inc., Voice of Guo Media Inc., Canada Himalaya Club Media Inc., or their affiliates, subsidiaries, divisions, successors, assigns, or related entities.
6. If the Bank of Montreal is willing, I may make arrangements with the Bank of Montreal for the Depositors to provide their instructions directly to the Bank of Montreal for action, subject always to Undertaking 5 in this agreement.
7. Once all instructions from the Depositors have been received and carried out, I will provide to enforcement staff of the Commission copies of bank records documenting any money transfers or movements out of the Account consequent on the Depositors' instructions."
8. The Director provided a copy of the Undertakings to the Commission and applied for a release of the Freeze. The Commission released the Freeze on or about May 26, 2021.
9. The Respondent did not comply with the Undertakings. To the contrary, the Director says that:
 - (a) On or about June 14, 2021, the Respondent withdrew the Funds from the Account as a lump sum.
 - (b) On or about June 28, 2021, the Respondent informed Commission Enforcement Staff (**Staff**) there may be some "delay with respect to implementation of the undertaking". At this time, the Respondent did not advise Staff the Funds had already been withdrawn or that the Undertaking could not be fulfilled.
 - (c) On or about September 8, 2021, the Respondent transferred the Funds to a third-party company in British Columbia where the Funds were co-mingled with other assets held by the third-party company.
 - (d) By December 31, 2021, neither the Respondent nor the third-party company held or controlled any of the Funds.
 - (e) On or about March 8, 2022, the Respondent told Staff he continued to hold the Funds.
 - (f) The Respondent did not attempt to, nor did he obtain instructions from the Lenders as to the disposition of their portion of the Funds.

- (g) At no time has the Respondent provided to Staff copies of instructions he received from the Lenders or of his attempts to obtain instructions from the Lenders.
- (h) The Respondent did not inform Staff prior to removing the Funds from the Account or transferring the Funds elsewhere.
- (i) The Respondent did not provide Staff with records documenting the movement of the Funds as required by paragraph 7 of the Undertakings.
- (j) The Respondent knowingly misled Staff about his compliance with the Undertakings.

Violations of Nova Scotia Securities Laws

- 10. By withdrawing the Funds from the Account, transferring the Funds without first obtaining the Lenders' instructions, and failing to account to the Director regarding the transfer of the Funds out of the Account, the Respondent did not comply with the Undertakings and contravened s 29EB of the *Act*.
- 11. The Respondent's conduct as described herein was contrary to the public interest and undermined investor confidence in the efficiency and fairness of Nova Scotia's capital markets.

Relief Sought

- 12. Based on all of the above and such other allegations as the Commission may allow, the Director seeks orders under ss 134, 135, and 135A of the *Act*.

DATED at Halifax, Nova Scotia this 2 day of August, 2023



Stephanie Atkinson
Director of Enforcement, Nova Scotia Securities Commission

