



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**In the Matter of Staff's Recommendation
To Impose Terms and Conditions on the Registration of
Mang Hei (Jaclyn) Wu**

**Opportunity to be Heard by the Director
Under Section 31 of the *Securities Act* (Ontario)**

Decision

1. For the reasons outlined below, it is my decision to accept staff's recommendation to impose the terms and conditions set out in the accompanying Schedule A on the registration under the Securities Act (Ontario) (the **Act**) of Mang Hei (Jaclyn) Wu (**Wu** or the **Registrant**), as a dealing representative, in the category of exempt market dealer, pursuant to section 28 of the Act.

Background

2. Ms. Wu is registered as a dealing representative in the category of exempt market dealer (**EMD**) in the provinces of British Columbia and Ontario. Her sponsoring firm is Rethink and Diversify Securities Inc. (**Rethink**).
3. The British Columbia Securities Commission (**BCSC**) is Ms. Wu's principal regulator as her "working office" (as that term is defined in Multilateral Instrument 11-102 *Passport System*) is located in British Columbia.
4. On February 27, 2024, after giving the Registrant an opportunity to be heard, Mark Wang, exercising the delegated authority of the Executive Director of the BCSC, issued a decision (the **Wang Decision**)¹ imposing, effective March 12, 2024, the conditions (the **BC Terms and Conditions**) on Ms. Wu's registration under the Securities Act (British Columbia) (the **BC Act**) set out in Appendix

¹ Decision of the Director of Capital Markets Regulation, Mark Wang, February 27, 2024.

A of his Decision (which are reproduced in Schedule B of this, my decision). The BC Terms and Conditions were reflected on the National Registration Database (**NRD**) as being effective March 14, 2024.

5. In his Decision, Mr. Wang stated that he viewed the conditions “as necessary and protective and preventive in nature”.²
6. In his Decision, Mr. Wang stated that: “Concerns have arisen that relate to activities that JW [Ms. Wu] is involved in relating to trading in securities. As JW is a registrant, she holds a privileged position of being licensed to deal with the investing public. As the concerns relate to the activities of JW with respect to Elixir Technology Inc., the conditions are targeted and intended to mitigate risk arising from that activity while the concerns remain unresolved.”³
7. In his Decision, Mr. Wang further stated that “the question of fitness for registration is compounded by the fact that JW [Ms. Wu] does not appear willing to assist in resolving the Commission’s concerns in a timely matter.” He stated that the enforcement division of the BCSC had demanded information from Ms. Wu pursuant to section 144 of the BC Act and noted that “Ms. Wu has not responded to these demands in a timely or fulsome way.”⁴
8. Although Ms. Wu had argued before Mr. Wang that she had not failed to cooperate with the BCSC, in his Decision, Mr. Wang found that the demand for production from the BC Commission had remained unfulfilled. He found “the totality of JW’s [Ms. Wu’s] engagement with staff to be unreasonable in the context of the privileged position she holds as a registrant.”⁵
9. Counsel for Ms. Wu has stated that, on March 28, 2024, counsel had produced materials contained within the BCSC demand for production and, on the same day, made an application for a review of the Wang Decision under subsection 165(3) of the BC Act.
10. In the meantime, however, NRD indicates that the BC Terms and Conditions remain in effect.
11. By letter dated April 2, 2024, Staff advised Ms. Wu that they are recommending that the same terms and conditions imposed by the BCSC be imposed on her registration in Ontario.

² Ibid, page 4.

³ Ibid, page 2.

⁴ Ibid, page 3.

⁵ Ibid, page 4.

Law and Reasons

12. Section 28 of the Act provides that the Director may impose terms and conditions on a person or company if it appears to the Director that the person or company is not suitable for registration under the Act, or that the registration is otherwise objectionable.
13. Section 28 of the Act engages the OSC's public interest mandate, as derived from section 1.1 of the Act, which sets out the purpose of Act.
14. Section 1.1 of the Act sets out the purposes of the Act as including: (a) to provide protection to investors from unfair, improper or fraudulent practices, (b) to foster fair, efficient and competitive capital markets and confidence in capital markets; and (c) to contribute to the stability of the financial system and the reduction of systemic risk.
15. Section 2.1 of the Act provides that in pursuing the purposes of the Act, the Commission shall have regard to certain fundamental principles, including: *5. The integration of capital markets is supported and promoted by the sound and responsible harmonization and co-ordination of securities regulation regimes.*
16. Section 31 of the Act provides that the Director shall not impose terms and conditions on the registration of a person under section 28 of the Act without first giving the person an opportunity to be heard (an **OTBH**). In this case, an **OTBH** was conducted in writing with written submissions submitted by Joyce Taylor, Senior Legal Counsel, OSC, and Joven Narwal, Narwal Litigation LLP, counsel for Ms. Wu.
17. Staff submits that Ms. Wu's unrestricted registration in Ontario is "otherwise objectionable." Staff is, therefore, recommending that the Director impose on Ms. Wu's registration under the Act the terms and conditions set out in Schedule A, which mirror the BC Terms and Conditions imposed on her registration under the BC Act but are framed in the context of Ontario's Act.
18. Counsel for Ms. Wu has argued that imposing terms and conditions in Ontario was now unnecessary and would do nothing to protect Ontario investors. That the dispute concerning the BCSC's demand for the production of information was of a technical nature and arose out of counsel's concerns about the scope of the demand, which has no bearing on the ability of the Registrant to engage in trade or

promotional activities. And, since Ms. Wu is in the process of complying with the remaining component of the demand, there is no longer a failure to co-operate as characterized by Mr. Wang.

19. Even though counsel for Ms. Wu submits that she is co-operating with the demand for information, Ms. Wu has availed herself of the procedural right to a hearing and review of Mr. Wang's decision. Until such time as the BCSC makes a further decision on the BC Terms and Conditions, they remain in effect on Ms. Wu's registration under the BC Act.
20. Staff has submitted that it will not promote confidence in the capital markets if an individual, who has been found to need terms and conditions on her registration for the protection of investors in British Columbia, and who is currently subject to those terms and conditions in British Columbia, is then permitted to engage in registerable activities in Ontario without those same terms and conditions in place under the Act to protect Ontario investors; and that it would be objectionable for Ms. Wu to continue to be registered under the Act without the same terms and conditions.
21. It is similarly my view that, in the circumstances of this case, this outcome would not support the purposes of the Act set out in section 1.1 of the Act — or be consistent with the fundamental principle set out in paragraph 5 of section 2.1 of the Act. And that it would be objectionable for Ms. Wu to continue to be registered under the Act without corresponding terms and conditions.
22. It is, therefore, my decision, under section 28 of the Act, to impose the terms and conditions set out in the accompanying Schedule A on the registration of Ms. Wu, as a dealing representative in the category of exempt market dealer, effective immediately. In reaching this decision, I have deferred to the findings of fact in the BCSC adjudicative process, as currently reflected through the BC Terms and Conditions.
23. I would also note that, if there is a subsequent change in the applicability of the BC Terms and Conditions under the BC Act, the implication of that change for the corresponding terms and conditions in Ontario can be properly brought before the OSC by Ms. Wu and/or Staff if they should choose to do so.

“Debra Foubert”

Debra Foubert, J. D.

Special Advisor, CRR Transition

Ontario Securities Commission

Dated: June 10, 2024

Schedule A

Terms and Conditions for the of Registration of Mang Hei (Jaclyn) Wu

The registration of Mang Hei (Jaclyn) Wu as a dealing representative in the category of exempt market dealer is subject to the terms and conditions set out below. These terms and conditions were imposed by the Director pursuant to section 28 of the *Securities Act* (Ontario) (the **Act**).

Terms and Conditions

The individual's registration is subject to strict supervision and in addition, the individual must not:

- engage in a trade of the securities of Elixir Technology Inc., formerly Elixir Income Inc. (Elixir);
- supervise any registrant in relation to any registrable activities covered under securities legislation in Ontario;
- engage in promotional activity respecting Elixir securities.

These terms and condition of registration constitute Ontario securities law, and a failure by the registrant to comply with these terms and conditions may result in further regulatory action against the registrant, including a suspension of the registrant's registration.

Schedule B

Terms and Conditions on the Registration of Mang Hei (Jaclyn) Wu under the Securities Act (British Columbia)

The individual's registration is subject to strict supervision and in addition, the individual must not:

- engage in a trade of the securities of Elixir Technology Inc., formerly Elixir Income Inc. (Elixir)
- supervise any registrant in relation to any registrable activities covered under the securities legislation in British Columbia
- engage in promotional activity respecting Elixir securities.