

Lender Two – Loan Three

62. In January, 2020, Lender Two agreed to lend an additional \$20M to Ng and the Ng Group. In connection with the transaction, Ng granted a personal guarantee to Lender Two whereby he also guaranteed this loan to Lender Two.
63. On January 15, 2020, in furtherance of this loan, Ng executed a Pledge Agreement and a Securities Account Pledge and Control Agreement whereby Ng purportedly pledged the J Accounts and the R Account as security. Once again, at no time did Ng own, control or have any ownership interest in the J Accounts or the R Account.

(iii) B Corp – Falsified Collateral Records

64. At approximately the same time that Ng Group borrowed from Lender Two to acquire 50% share ownership of B Corp, on June 21, 2019, Ng Group in turn agreed to borrow approximately \$32M from B Corp (“B Corp Loan”). In connection with the transaction, Ng provided a guarantee to B Corp whereby he guaranteed the B Corp Loan to the Ng Group.
65. The B Corp Loan was purportedly secured against certain collateral, including a securities account at PI Financial, which Ng represented that he owned personally.
66. On June 21, 2019, in furtherance of the B Corp Loan, Ng entered into a General Security and Pledge Agreement, and a Securities Account Control Agreement with B Corp, referencing another PI Financial account as collateral - Account 58. These agreements specifically identified Account 58 as security for the B Corp Loan.
67. On June 21, 2019, Ng emailed B Corp with a falsified account summary for Account 58, which purported that the total current market value of the securities in Account 58 was \$90,444,768.18.
68. In reality, Account 58 was held in Ng’s name at PI Financial, but it had a balance of just \$4.

Summary – Fraudulent Conduct

69. Ng and Metcalfe perpetrated a fraudulent scheme by deceiving lenders into providing them with millions of dollars in loans in reliance on falsified and fictitious documentation purportedly evidencing substantial financial assets as security when this was not true.
70. These fraudulent acts constitute conduct unbecoming contrary to Consolidated Rule 1400.

Failure to Cooperate

71. Staff scheduled an interview with Ng for July 9, 2020, which Ng failed to attend.
72. Staff scheduled an interview with Metcalfe for August 13, 2020, which Metcalfe failed to attend.
73. The failure by Ng and Metcalfe to attend interviews with Staff constitutes a failure to cooperate, contrary to section 8104 of the Consolidated Rules.

DATED at Vancouver, British Columbia, this 2nd day of November, 2020.