

**IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT  
R.S.B.C. 1996, C. 141, AS AMENDED**

**- AND -**

**TED Y. NITTA & ASSOCIATES  
461886 B.C. LTD.  
and  
TED Y. NITTA**

**ORDER UNDER SECTIONS 244(2) AND 238, AND  
NOTICE OF RIGHT OF HEARING OR APPEAL  
UNDER SECTION 238(2)**

WHEREAS it appears to the Superintendent of Financial Institutions (the "Superintendent") that:

1. Ted Y. Nitta & Associates is registered firm with the B.C. Corporate Registry by Ted Y. Nitta Insurance and Financial Services Ltd.
2. Ted Y. Nitta Insurance and Financial Services Ltd. is a registered corporation with the B.C. Corporate Registry, having one director, Ted Y. Nitta.
3. 461886 B.C. Ltd. is registered corporation with the B.C. Corporate Registry, having one director, Ted Y. Nitta.
4. Venturex Global Investment Corporation is a registered company under the Canada Business Corporation Act, but is not registered with the B.C. Corporate Registry. The directors as of August 29, 2000 were Gregory P. Clark, Shiu Wai (Bill) Wan, and Ted Y. Nitta. On December 13, 2000 Richard Thomas Nomura replaced Ted Y. Nitta as a director.
5. Neither Ted Y. Nitta & Associates, 461886 B.C. Ltd., nor Ted Y. Nitta, have a business authorization to carry on deposit business pursuant to the *Financial Institutions Act* ("Act").
6. On September 5, 2005, staff of the Financial Institutions Commission ("FICOM") were given a copy of a three page document regarding a client of Ted Y. Nitta.

7. The three page document provided information including:
  - (a) A letter from Ted Y. Nitta & Associates dated in 2002 sent to a client regarding "interest payment." The letter noted, "Please find enclosed a cheque in the amount of \$ \*\*. This represents the interest payment on your above referenced guaranteed investment deposit with Ted Y. Nitta & Associates which matured on \*\* 2002. Please find enclosed a statement confirming the re-investment into a like term."
  - (b) A notice on the letterhead of 461886 B.C. Ltd. dated in 2004 and referenced a "Policy No. GID-04-\*\*\*\*" and "Plan Type: Venturex Global Investment Corporation". The document notes, "This statement confirms your deposit of \$ \*\* which was received on \*\* 2004, and allocated as follows. Please note, the transfer of holdings and now administered with 461886 B.C. Ltd." This document further sets out the current balances of the "Guaranteed Investment Account(s)" and "Daily Interest Account" along with information regarding the "deposit date, deposit amount, interest rate, maturity date, and maturity value."
  - (c) A summary of the client's "Guaranteed Investment Deposits" with Ted Y. Nitta & Associates. The document also sets out similar information regarding the "deposit date, deposit amount, interest rate, maturity date, and maturity value."
8. On September 8, 2005, a sample copy of client's account status was provided by Ted Y. Nitta to FICOM staff. The document is provided by 461886 B.C. Ltd. and references "Policy No.: #03-0116-01" and "Plan Type: Venturex Global Investment Corporation" and sets out the "Policy Date: January 16, 2003". It also states "Statement Date: January 16, 2003". The document also states "This statement confirms the receipt of \$400,000 which was received on January 16, 2003". The maturity date of the client's guaranteed investment deposit is noted to be January 16, 2008, and information regarding the "deposit date, deposit amount, interest rate, maturity date, and maturity value" was also included. The annual interest rate of 8% is stated to be paid monthly in the amount of \$2,666.67."
9. FICOM staff was also advised by Ted Y. Nitta that approximately 40 clients have been provided with guaranteed investment deposits documents, and that a total of between \$1.2 and \$1.6 million deposits are outstanding.
10. FICOM staff obtained information from the British Columbia Securities Commission and the Insurance Council which shows that at least \$6,000,000 in deposits have been taken in a similar manner by Ted Y. Nitta & Associates, 461886 B.C. Ltd., or Ted Y. Nitta since 2002.

11. Information provided by legal counsel for Ted Y. Nitta & Associates, and Ted Y. Nitta shows that 461886 B.C. Ltd. has taken in at least \$6,000,000 raised through issuing "guaranteed investment deposits" directly or through Ted Y. Nitta & Associates or Ted Y. Nitta. This company invests on its own behalf in other ventures, including Venturex Global Investment Corporation.
12. A lawsuit was filed by Lillian Siider in the Supreme Court of British Columbia on or about June 27, 2005. She alleged that she and/or her now deceased husband gave Ted Y. Nitta & Associates, 461886 B.C. Ltd., or Ted Y. Nitta money for guaranteed investment deposits beginning in 1995 with the last guaranteed investment deposits maturing June and July, 2005. She sued for the return of the matured deposits and earned interest, alleging Ted Y. Nitta refused her previous request to return her funds and pay the interest.
13. Section 81(1) of the *Act* reads:

A person must not carry of deposit business in British Columbia unless the person is

- (a) an extraprovincial trust corporation that has a business authorization to carry on deposit business,
- (b) a credit union or extraprovincial credit union that has a business authorization to carry on deposit business,
- (c) a bank, or
- (d) a corporation that is the subsidiary of a bank and is a loan company to which the *Trust and Loan Companies Act* (Canada) applies.

14. Section 1 of the *Act* defines "Deposit business" as follows:

"Deposit business" means the business of receiving on deposit or soliciting for deposit money that is repayable,

- (a) on demand,
- (b) after notice,
- (c) on expiry of a specific term, or
- (d) at specified intervals for a specified term...

15. Section 2 of the *Definitions Regulation* B.C. Reg. 311/90 states:

In the *Financial Institutions Act* "carry on deposit business" does not include raise money through the issue of security instruments for the purpose of business other than deposit business.

AND WHEREAS the Superintendent finds that by the above noted conduct Ted Y. Nitta & Associates, 461886 B.C. Ltd., and Ted Y. Nitta are not issuing security instruments, or if they are then they are doing so for the purpose of deposit business.

AND WHEREAS the Superintendent finds that the above described information is evidence that Ted Y. Nitta & Associates, 461886 B.C. Ltd., and Ted Y. Nitta, have and are carrying on unauthorized deposit business contrary to Section 81(1) of the Act.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, pursuant to Section 244(2) of the Act Ted Y. Nitta & Associates, 461886 B.C. Ltd., and Ted Y. Nitta are committing an act or pursuing a course of conduct that does not comply with the Act.

AND WHEREAS the Superintendent considers, pursuant to Section 238(1)(b) of the Act that the length of time that would be required to hold a hearing would be detrimental to the due administration of the Act.

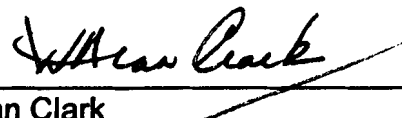
AND WHEREAS the Financial Institutions Commission has delegated to the Superintendent the powers and duties under section 244 of the Act in the Instrument of Delegation executed June 2, 2005.

**NOW THEREFORE the Superintendent orders pursuant to Sections 244(2) and 238 of the Act that Ted Y. Nitta & Associates, 461886 B.C. Ltd. and Ted Y. Nitta:**

**Cease from either directly or indirectly carrying on unauthorized deposit business in British Columbia.**

TAKE NOTICE THAT each of Ted Y. Nitta & Associates, 461886 B.C. Ltd., and Ted Y. Nitta may request a hearing before the Superintendent under section 238(2)(a) of the Act or appeal to the Financial Services Tribunal under section 238(2)(b) of the Act.

Dated at the  
City of Surrey,  
Province of British Columbia  
this 19<sup>th</sup> day of September, 2005.



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W. Alan Clark  
Superintendent of Financial Institutions  
Province of British Columbia

TO: Ted Y. Nitta  
#243 – 268 Shell Road  
Richmond, British Columbia  
V6X 4C9

Ted Y. Nitta & Associates  
#243 – 268 Shell Road  
Richmond, British Columbia  
V6X 4C9

641886 B.C. Ltd. #243 – 268 Shell Road  
Richmond, British Columbia  
V6X 4C9