

IN THE MATTER OF THE MORTGAGE BROKERS ACT  
R.S.B.C. 1996, C. 313

- AND -

CONNAUGHT MORTGAGE INVESTMENT CORPORATION  
And  
RICHARD BATEMAN ROMER  
And  
PERTTI JOHANNES AAKALA

**SUSPENSION ORDER**

(Pursuant to Section 8(2) of the *Mortgage Brokers Act*)

**UPON REVIEWING** the submissions and exhibits provided to me by my staff, I make the following findings and am of the opinion that:

1. Connaught Mortgage Investment Limited ("CMI") was registered in British Columbia as a mortgage broker under the *Mortgage Brokers Act* ("the *Act*") from November 30, 1995 to November 29, 2007. CMI is currently not registered as a mortgage broker under the *Act*. CMI is actively registered as a company in British Columbia.
2. Connaught Financial Corporation ("CFC") is a company actively registered in British Columbia. It was incorporated on June 1, 1995. CFC has never been registered under the *Act*.
3. Richard Bateman Romer ("Romer") is registered in British Columbia as a submortgage broker under the *Act* with Reliant Capital Limited and has been since November 19, 2004. Romer was registered with CMI from November 30, 1999 to October 29, 2004. Romer is the president and one of two directors of CMI. Romer is the president and one of two directors of CFC. Romer is currently registered in British Columbia as an associate broker under the *Real Estate Services Act* ("*RESA*") with Vancouver Management Ltd.
4. Pertti Johannes Aakala ("P. Aakala") was registered in British Columbia as a submortgage broker under the *Act* with CMI from January 13, 1999 to November 29, 2007. P. Aakala was the designated individual for CMI. P. Aakala is not currently registered under the *Act*. P. Aakala is the secretary and the only other

director of CMI. P. Aakala is the secretary and the only other director of CFC. Romer and P. Aakala are the only officers of both CMI and CFC. P. Aakala is currently registered in British Columbia as an associate broker under *RESA* with Sutton Group Langara Realty.

5. The Registrar of Mortgage Brokers (the "Registrar") received a complaint in late 2007 that Romer had misappropriated funds belonging to CMI.
6. CMI sold shares of CMI to investors to raise money purportedly to invest in mortgages.
7. [REDACTED] loaned Romer \$75,000.00 personally on or about April 1, 2005.
8. P. Aakala loaned CMI \$125,000.00 on July 22, 2005. P. Aakala subsequently assigned this receivable to [REDACTED] on October 15, 2007.
9. A review of the financial statements of CMI for the years 2001 to 2007 and the financial statements of CFC for the years 2006 and 2007 reveals that CMI loaned CFC a total of \$475,999.00.
10. On January 28, 2008, investigative staff with the Financial Institutions Commission ("the Investigative Staff") met with [REDACTED] the chartered accountants who prepared the financial statements for CMI. [REDACTED] advised that:
  - (a) CMI gave CFC loans totalling \$475,999.00. This amount was subsequently transferred from CFC to Romer personally.
  - (b) CMI wrote off a \$410,855.00 loan to CFC in fiscal year 2007 at Romer's direction;
  - (c) CMI wrote off an additional \$65,144.00 loan to CFC as reflected in the interim financial statement of November 30, 2007 at Romer's direction;
  - (d) The \$75,000 personal loan provided to Romer by [REDACTED] was deposited into the CFC account and then transferred to Romer.
  - (e) It appears that Romer repaid all or part of the \$75,000.00 loan using funds from CMI.
  - (f) There is approximately \$91,000 available to the CMI shareholders from assets held by CMI, which include:
    - i. \$50,000 through a ¼ share of an existing mortgage;
    - ii. \$21,000 in a CMI bank account; and

iii. \$20,000 held in trust by CMI's lawyer.

11. [REDACTED] further advised that CMI had an approximate short fall of \$550,000 of which approximately \$460,000 can be directly linked back to Romer through CFC.
12. The \$125,000.00 loan assigned to [REDACTED] is still outstanding and CMI does not have enough assets to repay the loan.
13. On January 23, 2008, Investigative Staff contacted Romer to allow him an opportunity to address the complaint. Romer advised that he would not speak with the investigator.
14. On January 23, 2008, P. Aakala contacted Investigative Staff and advised them that he had received an email from Romer stating that he had resigned as a director of CMI.
15. I find that Romer is the controlling mind of CMI and CFC. I further find that Romer has improperly transferred funds from CMI to CFC for his personal benefit.
16. I find that P. Aakala, as an officer and director and the designated individual of CMI, and as an officer and director of CFC, was negligent in his responsibilities toward CMI and its shareholders and thereby conducted business in a manner prejudicial to the public.
17. The Registrar may suspend or cancel a person's registration if, in the opinion of the Registrar, the person has conducted business in a manner that is prejudicial to the public interest.
18. The investigation into the conduct and activities of Romer, P. Aakala and CMI by the investigative staff is not complete and is ongoing.

I AM THEREFORE OF THE OPINION that Romer, P. Aakala and CMI have conducted business in a manner that is prejudicial to the public interest.

I AM OF THE OPINION that Romer has misappropriated funds from CMI, a company which he controls, for his own use. I am also of the opinion that P. Aakala either assisted or acquiesced in this misappropriation given his positions with both CMI and CFC.

I AM FURTHER OF THE OPINION that the length of time that would be required to give Romer, P. Aakala and/or CMI an opportunity to be heard under Section 8(1) of the *Act* would be prejudicial to the public interest. Romer has undertaken a course of conduct that undermines the integrity of the mortgage broker industry and which may properly

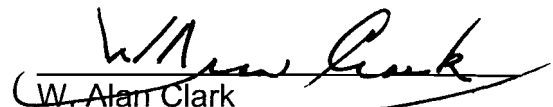
be described as criminal in nature. It is apparent that the investing public has suffered significant losses due to the actions of Romer.

I HEREBY SUSPEND under Section 8(2) of the *Act* the registration of Romer until the investigation into the conduct and activities of Romer, P. Aakala and CMI is completed and a determination is made by the Registrar after those parties have had an opportunity to be heard. Because P. Aakala and CMI are no longer registered, an order suspending their registration is not necessary at this time.

THIS SUSPENSION ORDER will remain in force for a period of one hundred and twenty days (120) from the date of this Order or until the determination referred to above is made by the Registrar, whichever is sooner. In the event that the determination referred to above is not made by the Registrar within one hundred and twenty (120) days of this Order, the staff of the Registrar may apply for a further Order under s. 8(2) of the *Act*.

TAKE NOTICE that Romer, P. Aakala, and/or CMI may, under Section 9 of the *Act*, appeal this Order of Suspension to the Financial Services Tribunal.

Dated at the  
City of Surrey,  
Province of British Columbia  
this 15th day of February, 2008.

  
W. Alan Clark  
Registrar of Mortgage Brokers  
Province of British Columbia

TO: Connaught Mortgage Investment Corporation  
401 – 6001 Yew Street  
Vancouver, BC V6M 3Y7

TO: Richard Bateman Romer  


TO: Pertti Johannes Aakala  


TO: Sutton Group Langara Realty  
7547 Cambie Street  
Vancouver, BC V6P 3H6

TO: Vancouver Management Ltd.  
205 – 2025 West 42<sup>nd</sup> Avenue  
Vancouver, BC V6M 2B5

TO: Financial Services Tribunal  
1200 – 13450 102<sup>nd</sup> Avenue  
Surrey, BC V3T 5X3