BETWEEN:

ONTARIO SECURITIES COMMISSION
(applicant)

- and -

CRAIG DUNKERLEY,
BGRE CAPITAL CORPORATION, BG WEALTH GROUP INC.,
BG WEALTH GROUP GROWTH FUND LP AND BG WEALTH GP INC.
(collectively, the respondents)

APPLICATION FOR ENFORCEMENT PROCEEDING

(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. The respondents engaged in fraudulent misconduct. To protect investors, the Ontario Securities Commission obtained a temporary cease trade order against them. Nonetheless, three of the respondents continued to trade in securities, breaching the order. Through this proceeding, the Commission seeks to hold the respondents accountable for their breaches of Ontario securities law and permanently remove them from the capital markets.

2. In about 2019, Craig Dunkerley founded “BG Wealth Group”, a brand name that Dunkerley used to refer to himself and Ontario-based real estate investment entities controlled by him that, by 2022, included the other four respondents. Dunkerley raised capital for the Group in reliance on exemptions from the prospectus requirement, to finance real estate projects in Ontario.

3. Between November 2023 and August 2024, the respondents defrauded four investors in the Group of approximately $908,000. By that time, the Group was experiencing severe cash flow issues. Nevertheless, the respondents made dishonest and misleading representations to the four investors that expressed or implied that the Group was able to meet its obligations as they came due. None of the respondents disclosed to the investors that the Group had missed mortgage payments or that it had largely stopped paying amounts owed to existing investors.

4. In February 2025, to protect investors, the Commission obtained the order, which prohibited the respondents from trading in securities. Yet from February to December 2025,

Dunkerley, BG Wealth Group Growth Fund LP and/or its general partner, BG Wealth GP Inc. traded limited partnership units to other investors, breaching the order 20 times.

B. GROUNDS

The Commission makes the following allegations of fact:

Craig Dunkerley and BG Wealth Group

5. In about 2019, Craig Dunkerley branded the Ontario-based real estate investment entities controlled by him, and their representatives, “BG Wealth Group”.

6. By 2022, the Group included all of the respondents:

   (a) Dunkerley, a resident of Ontario;

   (b) BGRE Capital Corporation (**BGRE**), a Canadian corporation of which Dunkerley was the sole director and officer;

   (c) BG Wealth Group Inc. (**BG Wealth**), a Canadian corporation of which Dunkerley was the sole director and Chief Executive Officer;

   (d) BG Wealth Group Growth Fund LP (the **Fund**), an Ontario limited partnership of which Dunkerley was the principal and directing mind; and

   (e) BG Wealth GP Inc. (the **Fund GP**), the Fund’s general partner and a Canadian corporation of which Dunkerley was the sole director and officer.

7. Under Dunkerley’s direction, the entities in the Group operated a real estate investment business. The Group’s real estate investment strategy involved: (a) acquiring undervalued properties in purportedly growing areas of Ontario; (b) renovating them; (c) renting them; and (d) ultimately, selling them at a profit. Dunkerley raised capital for the Group in reliance on exemptions from the prospectus requirement, to finance the real estate projects.

8. In marketing the Group’s securities to investors, Dunkerley often promoted the Group as opposed to particular entities in the Group. For example, certain private lending promotional materials did not refer to any particular issuer in the Group, but to the Group as a whole.

9. Dunkerley was responsible for all aspects of the Group’s operations, including real estate acquisition and development, internal administration and capital raising.

The fraudulent securities offerings

10. Between November 2023 and August 2024, the respondents raised approximately $908,000 from four investors, as follows:

(a) Dunkerley and BGRE accepted approximately $103,000 from Investor One for a promissory note of BG Wealth. The note was guaranteed by the Group and bore interest at a rate of 16% per annum.

(b) Dunkerley and BGRE accepted approximately $287,000 from Investor Two: $150,000 for a promissory note of BG Wealth and the remainder for Fund units. The note was guaranteed by Dunkerley and bore interest at a rate of 16% per annum. The units had a targeted annual yield of 5%.

(c) $400,000 was raised from Investor Three.

First, Dunkerley and BGRE accepted $200,000 for a secured convertible promissory note of the Fund. The note was guaranteed by BG Wealth and bore interest at a rate of 10% for the first quarter and 16% per annum thereafter.

Second, about two months later, Dunkerley and BGRE accepted an additional $200,000 from Investor Three. While neither Dunkerley nor BGRE provided a promissory note to Investor Three in exchange for the additional $200,000, it was reflected on the portfolio statements that the Group issued to Investor Three as "SCPN – Convertible Promissory Note". When Investor Three sought to redeem the investor's investments about eight months later, the Group referred to the additional $200,000 as the "second Lend" at "16% Annum".

(d) Dunkerley and BGRE accepted approximately $118,000 from Investor Four, who was an existing investor in the Group. While neither Dunkerley nor BGRE provided a promissory note to Investor Four in exchange for the additional $118,000, it was reflected on the portfolio statements that the Group issued to Investor Four as "PL16% – PL16%-Compounded Quarterly".

11. The units, promissory notes and other investments described in paragraph 10, above, were "securities", as defined in subsection 1(1) of the *Securities Act* (Ontario).

The fraudulent dishonesty and deprivation

12. In promoting, issuing and selling these securities, the respondents directly or indirectly engaged or participated in acts, practices or courses of conduct that they knew or reasonably ought to have known perpetrated a fraud on investors, contrary to subsection 126.1(1)(b) of the Act.

13. By the start of November 2023, the Group was experiencing severe cash flow issues. While the Group owned about 14 properties in areas such as Owen Sound, Wasaga Beach and Tiny, Ontario, the Group also had significant liabilities. It was unable to pay its obligations as they came due. Among other things:

(a) The Group failed to make payments on its mortgage loans. By the start of November 2023, the Group had missed payments on three of 20 of its mortgage loans. The situation continued to deteriorate such that by the start of January 2024, the Group had missed payments on 14 of 20 of its mortgage loans and by the start of June 2024, the Group had missed payments on 19 of its 20 mortgage loans.

(b) The Group failed to make property tax payments on two properties.

(c) The Group failed to make payments of principal and interest owing on its promissory notes. By November 2023, the Group had largely stopped paying amounts owed to its investors.

14. Despite these cash flow issues, the respondents made dishonest and misleading representations to the four investors that expressed or implied that the Group was able to meet its obligations as they came due:

(a) Investors One and Three received the Group's private lending promotional materials, which stated:

> "For those looking to earn **a stable and regular return** on their funds, our Private Lending program **beats any bank account** or institutional investment product. By lending your own funds into our real estate capital programs, you earn **an annual return of 16% compounded quarterly**.
>
> That means for every $100,000 you contribute; **you receive $16,000 back in annual interest, paid monthly, with compounding is $16,990**.
>
> This program is a great option for individuals and institutions looking to **earn a steady return to further build their wealth**."
>
> [emphasis added];

(b) in emails to Investor Two, Dunkerley referred to a "strong flow of incoming new Capital and Cashflow from the properties" and stated that in his experience, the investment risks were "very low"; and

(c) in an email to Investor Four, Dunkerley stated: “We payout monthly investment partner payments on the 5th of every month.”

15. None of the respondents disclosed to the investors that the Group had missed mortgage payments or that it had largely stopped paying amounts owed to existing investors.

16. Beginning in September 2024, the Group’s cash flow issues led to the Group losing eight of its properties: five were sold by way of power of sale and three were sold after being placed under receivership orders. The Group also sold two other properties—one for less than its acquisition price. At least one other property is subject to a power of sale process.

17. The respondents’ dishonest conduct put investors’ pecuniary interests at risk and caused them substantial losses.

The breaches of the temporary cease trade order

18. Dunkerley, the Fund and the Fund GP also breached a temporary cease trade order (the **TCTO**).

19. On February 6, 2025, to protect investors, the Commission obtained the TCTO, which, among other things, stated that:

(a) all trading in securities of the Fund cease; and

(b) trading in any securities by Dunkerley, the Fund and the Fund GP, or by any person on their behalf, cease.

20. The TCTO was subsequently extended by the Capital Markets Tribunal, such that it remains in force.

21. Between February 28, 2025 and April 30, 2025, Dunkerley, the Fund and the Fund GP breached the order eight times when the Fund traded units to four investors. The units were issued to four investors upon the reinvestment of about USD 940 and CAD 18,300 of those investors’ distributions, as well as to one of those investors for USD 3,200 in cash. In trading the units, the Fund acted at the direction of its general partner, the Fund GP, and Dunkerley, the principal and directing mind of the Fund and the Fund GP.

22. On May 25, 2025, the Fund GP was dissolved under its constating legislation for non-compliance.

23. Between May 30, 2025 and December 31, 2025, Dunkerley and the Fund breached the order 12 times when the Fund traded units to six investors. The units were issued to six investors upon the reinvestment of about USD 980 and CAD 25,600 of those investors’

distributions, as well as to one of those investors for USD 1,000 in cash. In trading the units, the Fund acted at the direction of Dunkerley, the Fund's principal and directing mind.

24. Alternatively, Dunkerley misrepresented to the six investors that the Fund had issued them units, contrary to the public interest. The purposes of the Act include providing protection to investors from unfair, improper or fraudulent practices.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

25. The Commission alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

(a) the respondents directly or indirectly engaged or participated in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(1)(b) of the Act;

(b) Dunkerley, the Fund and the Fund GP breached the TCTO and therefore Ontario securities law;

(c) Dunkerley authorized, permitted or acquiesced in each of the other respondents' non-compliance with Ontario securities law, and is deemed to have failed to comply with Ontario securities law under section 129.2 of the Act; and

(d) in addition to breaching Ontario securities law, by engaging in the conduct described above, the respondents acted in a manner contrary to the purposes and principles of Ontario securities law, including the protection of investors from unfair, improper or fraudulent practices and the fostering of fair and efficient capital markets and confidence in them, such that it would be in the public interest for the Tribunal to make an order against them under subsection 127(1) of the Act.

26. These allegations may be amended, and further and other allegations may be added, as counsel may advise, and the Tribunal may permit.

D. ORDER SOUGHT

27. The Commission requests that the Tribunal make the following order(s):

(a) that the respondents cease trading in any securities or derivatives permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2 of subsection 127(1) of the Act;

(b) that the respondents be prohibited from acquiring any securities permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2.1 of subsection 127(1) of the Act;

(c) that any exemptions contained in Ontario securities law not apply to the respondents permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;

(d) that the respondents be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;

(e) that Dunkerley resign any position he may hold as a director or officer of an issuer, pursuant to paragraph 7 of subsection 127(1) of the Act;

(f) that Dunkerley be prohibited from becoming or acting as a director or officer of an issuer permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8 of subsection 127(1) of the Act;

(g) that Dunkerley resign any position he may hold as a director or officer of a registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;

(h) that Dunkerley be prohibited from becoming or acting as a director or officer of a registrant permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.2 of subsection 127(1) of the Act;

(i) that Dunkerley resign any position he may hold as a director or officer of an investment fund manager, pursuant to paragraph 8.3 of subsection 127(1) of the Act;

(j) that Dunkerley be prohibited from becoming or acting as a director or officer of an investment fund manager permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.4 of subsection 127(1) of the Act;

(k) that the respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

(l) that the respondents pay an administrative penalty of not more than $5 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;

(m) that the respondents disgorge to the Commission any amounts obtained as a result of the non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;

(n) that the respondents pay the costs of the investigation and the hearing, pursuant to section 127.1 of the Act; and

(o) such other order as the Tribunal considers appropriate in the public interest.

DATED this 22nd day of July, 2026.

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