



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
2 WONGS MAKE IT RIGHT ENTERPRISES LTD.,
1409779 ALBERTA LTD. o/a CANREIG EDMONTON,
INTEGRITY PLUS MANAGEMENT INC.,
KHOM WONG, also known as KHOM NGOAN HUYNH,
and JANEEN WONG, also known as JANEEN M. SCHIMPF**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege:

I. OVERVIEW

1. 2 Wongs Make It Right Enterprises Ltd. (“2 Wongs”), 1409779 Alberta Ltd. o/a CANREIG Edmonton (“779”), Integrity Plus Management Inc. (“Integrity Plus”), Khom Wong, also known as Khom Ngoan Huynh (“Khom”), and Janeen Wong, also known as Janeen M. Schimpf (“Janeen”) (collectively, the “Respondents”) are subject to an order made by the Alberta Securities Commission (“ASC”) dated November 27, 2014 (the “ASC Order”) that imposes sanctions, conditions, restrictions or requirements upon them.
2. In its findings on liability dated November 27, 2014 (the “Findings”), a panel of the ASC (the “ASC Panel”) found that each of the Respondents acted as a dealer without being registered and engaging in an illegal distribution of securities. The ASC Panel further

found that Khom acted as an adviser without registration, made misrepresentations to investors and perpetrated a fraud.

3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the ASC Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
4. The conduct for which the Respondents were sanctioned took place between March 2008 and August 2011 (the “Material Time”).
5. During the Material Time, Khom and Janeen were residents of Edmonton, Alberta.
6. 2 Wongs and 779 were Alberta corporations. 779, which operated under the name “CANREIG Edmonton,” was wholly owned by 2 Wongs. Integrity Plus was a federal corporation. All three corporations (collectively, the “2 Wongs Issuers”) have been struck under their incorporating laws.
7. Khom was the sole shareholder, and a director and officer of, 2 Wongs and the sole director of each of 779 and Integrity Plus.
8. Janeen, Khom’s spouse, was a director and officer of 2 Wongs and the sole shareholder of Integrity Plus.
9. During the Material Time, Khom conducted regular seminars in and around Alberta, advising potential investors on, among other things, how to invest in real estate, including how to do so using other people’s money and how to use the equity in their homes to fund investments Khom was selling, among them investments in 779 (CANREIG).
10. Khom counselled investors to maximize borrowings against their homes by making simultaneous loan applications without informing prospective lenders of that fact, a tactic he referred to as the “multi-loan game” or “money-loan game.”
11. Inside and outside the seminars, Khom and the 2 Wongs Issuers raised approximately \$4,970,000 from approximately 46 investors, without being registered to do so and without filing a prospectus, in relation to investments in 779 (CANREIG) or in various

Alberta real estate developments. For either investment, funds were pooled for a common enterprise, and promissory notes were issued to investors by one of the 2 Wongs Issuers, providing rates of return between 12% and 25% per annum from the profits or earnings of the enterprise, over which the investors had no control. Most or all of the 779 and Integrity Plus promissory notes were later converted to 2 Wongs promissory notes.

12. During the Material Time, Khom made misrepresentations to investors that, among other things, the investments had little or no risk and were secure.

II. THE ASC PROCEEDINGS

The ASC Findings

1. In its Findings, the ASC Panel found the following:
 - a. each of the Respondents acted as a dealer without being registered to do so, contrary to section 75(1)(a) of the Alberta *Securities Act*, R.S.A. 2000, c. S-4 (the “ASA”);
 - b. each of the Respondents engaged in an illegal distribution of securities, contrary to section 110(1) of the ASA;
 - c. as directors or officers (or both) of the 2 Wongs Issuers, Khom and Janeen authorized, permitted or acquiesced in the 2 Wongs Issuers’ contraventions of sections 75(1)(a) and 110(1) of the ASA;
 - d. Khom acted as an adviser without being registered to do so, contrary to section 75(1)(b) of the ASA;
 - e. Khom made misrepresentations to investors, contrary to section 92(4.1) of the ASA; and
 - f. Khom perpetrated a fraud, contrary to section 93(b) of the ASA.

The ASC Order

2. The ASC Order imposed the following sanctions, conditions, restrictions or requirements:
 - a. upon 2 Wongs:
 - i. under section 198(1)(a) of the ASA, all trading in or purchasing of 2 Wongs securities must cease permanently;
 - ii. under sections 198(1)(b) and (c) of the ASA, 2 Wongs must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to it permanently;
 - iii. under section 198(1)(e.2) of the ASA, 2 Wongs is prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently; and
 - iv. under section 198(1)(e.3) of the ASA, 2 Wongs is prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;
 - b. upon 779:
 - i. under section 198(1)(a) of the ASA, all trading in or purchasing of 779 securities must cease permanently;
 - ii. under sections 198(1)(b) and (c) of the ASA, 779 must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to it permanently;
 - iii. under section 198(1)(e.2) of the ASA, 779 is prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently; and

- iv. under section 198(1)(e.3) of the ASA, 779 is prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;
- c. upon Integrity Plus:
- i. under section 198(1)(a) of the ASA, all trading in or purchasing of Integrity Plus securities must cease permanently;
 - ii. under sections 198(1)(b) and (c) of the ASA, Integrity Plus must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to it permanently;
 - iii. under section 198(1)(e.2) of the ASA, Integrity Plus is prohibited from becoming or acting as a registrant, investment fund manager or promoter permanently; and
 - iv. under section 198(1)(e.3) of the ASA, Integrity Plus is prohibited from acting in a management or consultative capacity in connection with activities in the securities market permanently;
- d. upon Khom:
- i. under section 198(1)(d) of the ASA, Khom must resign all positions he holds as a director or officer of any issuer;
 - ii. under section 199 of the ASA, Khom must pay an administrative penalty to the ASC of \$35,000;
 - iii. until and including November 27, 2024:
 - 1. under sections 198(1)(b) and (c) of the ASA, Khom must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, except that these orders do not preclude him from trading in or purchasing

securities through a registrant (who has first been given a copy of the ASC Order) in registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans (“RESPs”) or tax-free savings accounts (“TFSA”), or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of him, his spouse and his dependent children;

2. under section 198(1)(e) of the ASA, Khom is prohibited from becoming or acting as a director or officer (or both) of any issuer;
 3. under section 198(1)(e.1) of the ASA, Khom is prohibited from advising in securities;
 4. under section 198(1)(e.2) of the ASA, Khom is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
 5. under section 198(1)(e.3) of the ASA, Khom is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
- iv. under section 202 of the ASA, Khom must pay to the ASC, jointly and severally with Janeen, \$7,500 of the costs of the ASC’s investigation and hearing.
- e. Upon Janeen:
- i. under section 198(1)(d) of the ASA, Janeen must resign all positions she holds as a director or officer of any issuer;
 - ii. under section 199 of the ASA, Janeen must pay an administrative penalty to the ASC of \$15,000;
 - iii. until and including November 27, 2024:

1. under sections 198(1)(b) and (c) of the ASA, Janeen must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to her, except that these orders do not preclude her from trading in or purchasing securities through a registrant (who has first been given a copy of the ASC Order) in RRSPs, RRIFs, RESPs or TFSAs, or their equivalents as may from time to time be defined in the *Income Tax Act* (Canada), for the benefit of one or more of her, her spouse and her dependent children;
 2. under section 198(1)(e) of the ASA, Janeen is prohibited from becoming or acting as a director or officer (or both) of any issuer;
 3. under section 198(1)(e.1) of the ASA, Janeen is prohibited from advising in securities;
 4. under section 198(1)(e.2) of the ASA, Janeen is prohibited from becoming or acting as a registrant, investment fund manager or promoter; and
 5. under section 198(1)(e.3) of the ASA, Janeen is prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
- iv. under section 202 of the ASA, Janeen must pay to the ASC, jointly and severally with Khom, \$7,500 of the costs of the ASC's investigation and hearing.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

3. The Respondents are subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements upon them.
4. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in

any jurisdiction, that imposes sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act..

5. Staff allege that it is in the public interest to make an order against the Respondents.
6. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
7. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

DATED at Toronto, this 28th day of January, 2015.