

**In the Matter of  
*The Securities Act, 1988***

**and**

**In the Matter of**

**ROCHELLE LAFLAMME  
ALISA THOMPSON  
EPIC ALLIANCE REAL ESTATE INC.**

**and**

**12767490 CANADA INC.**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS  
AUTHORITY OF SASKATCHEWAN**

Staff of Financial and Consumer Affairs Authority of Saskatchewan (FCAA) make the following allegations:

**The Respondents**

1. The Respondent Rochelle Laflamme (the Respondent Laflamme) is an individual who resides or resided in Saskatoon, Saskatchewan.
2. The Respondent Alisa Thompson (the Respondent Thompson) is an individual who resides or resided in Saskatoon, Saskatchewan.
3. The Respondent corporation Epic Alliance Real Estate Inc. (the Respondent Epic Alliance Real Estate Inc.) was a business corporation incorporated on August 13<sup>th</sup>, 2013 pursuant to the laws of Saskatchewan with a registered office at 410 Ave N South, Saskatoon, Saskatchewan. At all material times, the Respondents Laflamme and Thompson were officers and or directors of the Respondent Epic Alliance Real Estate Inc. and directing minds of the same. At the material time the sole voting shares in Epic Alliance Real Estate Inc. were Class A shares held by the Canadian corporation Epic Alliance Inc. The Respondents Laflamme and Thompson were the sole directors of Epic Alliance Inc. during all material times.
4. The Respondent corporation 12767490 Canada Inc. (the Respondent 490) was a business corporation incorporated on February 23<sup>rd</sup>, 2021 pursuant to the laws of Canada with a registered office at 410 Ave N South, Saskatoon, Saskatchewan. At all material times, the Respondents Laflamme and Thompson were directors of the Respondent 490 and directing minds of the same.

## **Investment Products of the Respondents**

5. No later than beginning in or around 2016, the Respondents Laflamme and Thompson solicited for investors in two investment products, named the “Fund a Flip” product (“FAF”) and the “Hassle Free Land Landlord Program” product (“HFLP”).
6. The details of the FAF investment product include, but are not necessarily limited to, the following:
  - a. An investor would provide funds to the Respondents for the purchase of a residential property;
  - b. The funds provided by the investor were secured on title against the purchased property through the registration of a mortgage in the investor’s favour;
  - c. The Respondents Laflamme and Thompson and or third parties at the direction of the Respondents Laflamme and Thompson would renovate the residential property purchased without any active participation from the investor;
  - d. The renovated residential property would then be sold to either an unrelated third party or a second investor engaged in the HFLP; and
  - e. The FAF investor would be paid a guaranteed rate of return monthly based on the initial funds provided by the FAF investor every month until the FAF property was sold to a party other than the FAF investor.
7. The details of the HFLP investment product include, but are not necessarily limited to, the following:
  - a. An investor would purchase a residential property from the FAF property pool by providing a down payment and by qualifying for financing from a third party lender for the remainder of the purchase price;
  - b. The Respondent Epic Alliance Real Estate Inc. would lease the property from the HFLP investor for an initial term of two years;
  - c. The HFLP property would be sub-let to a third party tenant;
  - d. Collectively the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson would assume all responsibility for all active management of the HFLP investment product, including but not limited to property maintenance, property repairs, and collection of rent from the third party tenant;
  - e. The HFLP investor would be paid a monthly sum based on the investor’s monthly mortgage payment, property tax installment, insurance payment plus an additional “cash flow” sum typically equivalent to a 10 to 15% annual rate of return on the HFLP investor’s initial down payment; and

- f. At the conclusion of the initial two year term, the HFLP investor would have the option of either renewing their investment for an additional two year term, buying the Respondents out of the investment, or having the Respondents buy the investor out of the investment.

**Alleged Contraventions of subsections 27(2)(a), 55.11(1), 55.14, 55.15, 58(1) of *The Securities Act, 1988* (the Act);**

**Alleged Contraventions of section 6.1 of National Instrument 45-106 *Prospectus Exemptions* (N.I. 45-106);**

**Alleged Contraventions of section 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations* (N.I. 31-103).**

Investor 1 [REDACTED]

8. In or around 2016, Investor 1 met with the Respondents Laflamme and Thompson at Investor 1's residence. At this meeting, Investor 1 decided to invest in the HFLP product. As a result of Investor 1's conversation with the Respondents Laflamme and Thompson, Investor 1 understood that the HFLP involved the following:
  - a. She would purchase a residential property in Saskatoon by providing a 20% down payment and obtaining a mortgage from a third party for the balance of the purchase price;
  - b. She would be on title to the residential property and would lease the property to one of the Respondents;
  - c. The property would be sub-let to a third party tenant;
  - d. She would be paid a monthly sum to cover her monthly mortgage payment, insurance costs, and property taxes plus an additional amount to provide her a return on her investment;
  - e. She would be paid the agreed upon monthly sum even if the property remained vacant; and
  - f. At the conclusion of an initial two-year term, she would have the option of renewing her investment, selling the property to the Respondents, or buying the Respondents out of the property.
9. Investor 1 invested in the HFLP by purchasing a residential property with an address of [REDACTED] Avenue J South, Saskatoon, Saskatchewan in or around May, 2016. In purchasing this property Investor 1 made a \$33,000.00 down payment and obtained approximately \$132,000.00 in financing.
10. As part of the HFLP investment, Investor 1 signed a "Purchase Option Contract" and a "Lease with Owner Agreement" in or around May, 2016. Investor 1 subsequently decided to renew her investment in the HFLP product with the Respondent Epic Alliance Real Estate Inc., and so signed

further “Purchase Option Contracts” and “Lease with Owner Agreements” in or around April 2018 and May 2020.

11. Under the Lease with Owner Agreement from April 2018, the term of Investor 1’s investment was renewed for two years with Investor 1 being paid a sum of \$1,240.00 per month. The \$1,240.00 sum was calculated by:
  - a. Attributing \$518.00 per month for Investor 1’s mortgage payment;
  - b. Attributing \$80.00 per month for Investor 1’s property taxes;
  - c. Attributing \$142.00 per month for Investor 1’s insurance payment; and
  - d. Paying Investor 1 \$500.00 per month as her “cashflow” payment.
12. Under the Lease with Owner Agreement from May 2020, the term of Investor 1’s investment was renewed for a further two years with Investor 1 being paid a sum of \$1,377.32 per month. The \$1,377.32 sum was calculated by:
  - a. Attributing \$600.89 per month for Investor 1’s mortgage payment;
  - b. Attributing \$98.38 per month for Investor 1’s property taxes;
  - c. Attributing \$178.05 per month for Investor 1’s insurance payment; and
  - d. Paying Investor 1 \$500.00 per month as her “cashflow” payment.
13. At all material times the Respondents Epic Alliance Real Estate Inc., Thompson, and or Laflamme assumed all responsibility for all active steps required to generate a return on Investor 1’s investment. At no time did Investor 1 assume any responsibility to take any active steps to generate a return on her investment.
14. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority of Saskatchewan (FCAA) after Investor 1 invested in the HFLP insofar as the Respondents’ claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
15. When the Respondents Laflamme, Thompson, and Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 8 through 13 above, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
16. When the Respondents Laflamme, Thompson, and Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 8 through 13 above, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or a prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.

17. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 8 through 13 above, and insofar as any of the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.
18. At no time during the Respondents' dealings with Investor 1 did the any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 1, the Respondents Laflamme, Thompson, and Epic Alliance Real Estate Inc. contravened section 13.3 of National Instrument 31-103.

**Investor 2** [REDACTED]

19. Investor 2 became aware of the Respondents Laflamme and Thompson and their business operations as a whole through his wife in or around 2020. His wife had viewed online advertisements and or solicitations of the Respondents generally on YouTube, Facebook and or other social media.
20. Investor 2 spoke to an employee of the Respondents and obtained further details about the FAF product in or around 2020. He understood the FAF product to involve:
  - a. "Flipping" residential properties where the investor would provide the funds for the project and the Respondents would be responsible for renovating and selling the property in question;
  - b. The residential property would normally be sold to an investor in the Respondents' HFLP investment product but may also be sold on the open market;
  - c. His investment would be entirely passive; he was not responsible for any active involvement including but not limited to finding a residential property to purchase or renovating the same; and
  - d. That he would earn an annualized return of 10% on a FAF investment.
21. In or around December, 2020 Investor 2 funded in part a FAF product on a residential property with an address of [REDACTED] 101<sup>st</sup> Street, North Battleford, Saskatchewan. He provided \$45,000.00 to the Respondent Epic Alliance Real Estate Inc. through his Olympia Trust self directed account which was secured by way of a second mortgage against the property in question.
22. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the FCAA after Investor 2 invested in the FAF insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
23. When the Respondents Epic Alliance Real Estate Inc., Laflamme and Thompson carried out the acts indicated in paragraphs 20 and 21 they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.

24. When the Respondents Epic Alliance Real Estate Inc., Laflamme and Thompson carried out the acts indicated in paragraphs 20 and 21, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
25. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 20 and 21, and insofar as any of the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.
26. At no time during the Respondents' dealings with Investor 2 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 2, the Respondents Laflamme, Thompson, and Epic Alliance Real Estate Inc. contravened section 13.3 of National Instrument 31-103.

**Investor 3** [REDACTED]

27. Investor 3 became aware of the general operations of the Respondents and contacted them through email in or around early 2020. Shortly after his email he was contacted by the Respondent Laflamme and attended a Zoom conference call with the Respondent Laflamme where details as to the FAF investment product and HFLP investment product were explained to him. In part as a result of that conversation, Investor 3 understood that:
  - a. The HFLP investment product involved:
    - i. The Respondents presenting an investor with a selection of approximately three properties which are able to be used for the HFLP product;
    - ii. The investor purchasing one of the properties presented to him or her by providing the down payment and obtaining the required financing;
    - iii. The Respondents assuming all active responsibilities associated with managing the purchased property, including but not limited to finding a tenant, maintaining the property, and collecting the rent from the tenant;
    - iv. The investor being paid a monthly sum that covered the mortgage payment, taxes, insurance payment, and a return on the initial investment;
    - v. The above noted monthly sum is paid to the investor even if the property is vacant; and
    - vi. After an initial term of two years the investor having several options with how to proceed with their investment, including selling the property back to the Respondents.
28. Investor 3 and his sister invested in the HFLP by purchasing a residential property with an address of [REDACTED] Kilburn Avenue, Saskatoon, SK in or around May 2020. In purchasing this property Investor 3 and his sister made a \$55,000.00 down payment and obtained approximately

\$225,000.00 in financing.

29. As part of the HFLP investment, Investor 3 and his sister signed a “Purchase Option Contract” and a “Lease with Owner Agreement” with the Respondent Epic Alliance Real Estate Inc. on or about May 27<sup>th</sup>, 2020. Under the Lease with Owner Agreement, the term of said agreement was for approximately two years with Investor 3 and his sister being paid a sum of \$2,255.00 monthly. The \$2,255.00 was calculated by:
  - a. Attributing \$1,088.00 per month for Investor 3 and his sister’s mortgage payment;
  - b. Attributing \$217.00 per month for Investor 3 and his sister’s property taxes;
  - c. Attributing \$110.00 per month for Investor 3 and his sister’s insurance payment; and
  - d. Paying Investor 3 and his sister \$836.00 per month as their “cashflow” payment.
30. At all material times the Respondent Epic Alliance Real Estate Inc., Thompson, and or Laflamme assumed all responsibility for all active steps required to generate a return on Investor 3 and his sister’s investment. At no time did Investor 3 nor his sister assume any responsibility to take any active steps to generate a return on their investment.
31. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 3 and his sister invested in the HFLP insofar as the Respondents’ claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
32. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson carried out the acts indicated in paragraphs 27 through 30, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
33. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson carried out the acts indicated in paragraphs 27 through 30, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
34. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 27 through 30, and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.
35. At no time during the Respondents’ dealings with Investor 3 and his sister did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 3, the Respondents Laflamme, Thompson, and Epic Alliance Real Estate Inc. contravened section 13.3 of National Instrument 31-103.

**Investor 4** [REDACTED]

36. Investor 4 became aware of the Respondents through his self conducted online searches in or around early 2021. Upon learning of the Respondents, he sent an email which was responded to by the Respondent Laflamme. In or around May 2021, he attended a Zoom call with the Respondent Laflamme at which time discussions were held around the details of the HFLP product.
37. At the conclusion of this Zoom call, Investor 4 asked the Respondent Laflamme if the Respondents were the subject of any ongoing investigations. The Respondent Laflamme told Investor 4 that the Respondents were not the subject of any ongoing investigations.
38. Investor 4 subsequently invested in the HFLP involving a residential property with an address of [REDACTED] Stillwater Dr., Saskatoon, Saskatchewan. He purchased this property for a total of \$245,000.00 with a down payment of \$55,000.00.
39. The Respondent Epic Alliance Real Estate Inc. paid Investor 4 a total of \$1915.00 every month until approximately January, 2022. Investor 4 had limited knowledge of the day to day operations involving [REDACTED] Stillwater Dr., Saskatoon, Saskatchewan.
40. In or around January 2022, the Respondent Laflamme and or Thompson advised Investor 4 and other investors in a Zoom call that their business operations were bankrupt and would therefore cease. Investor 4 arranged to have a real estate agent acquire the keys to [REDACTED] Stillwater Dr. and then assumed responsibility for the management of the same.
41. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 4 invested in the FAF insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
42. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson carried out the acts indicated in paragraphs 36 through 39 they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
43. When the Respondents Epic Alliance Real Estate Inc., Laflamme and Thompson carried out the acts indicated in paragraphs 36 through 39, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
44. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 36 through 39, and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.



45. At no time during the Respondents' dealings with Investor 4 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 4, the Respondents Laflamme, Thompson, and Epic Alliance Real Estate Inc. contravened section 13.3 of National Instrument 31-103.
46. When the Respondent Laflamme carried out the acts indicated in paragraph 37 the Respondent Laflamme made a statement that the Respondent Laflamme knew or ought to have known was misleading and or untrue in a material respect and at the time and in the light of the circumstances in which it was made with said statement being reasonably expected to have a significant effect on the market price or value of the securities in which the Respondents were dealing, and in so doing the Respondent Laflamme contravened section 55.11(1) of the Act.

**Investor 5** [REDACTED]

47. Investor 5 became aware of the Respondents Laflamme and Thompson by attending a presentation hosted by the Respondents at the Sandman Hotel in Regina, Saskatchewan in or around 2016.
48. After attending said presentation, Investor 5 contacted the Respondents Laflamme and or Thompson for additional information. After further discussions with the Respondents Laflamme and or Thompson, Investor 5 understood that the HFLP product involved:
  - a. The investor would purchase a residential property by providing the down payment and obtaining the required financing;
  - b. The Respondents would lease the purchased property from the investor;
  - c. The purchased property would be sub-let to a third party tenant;
  - d. The Respondents assuming all active responsibilities associated with managing the purchased property, including but not limited to finding a tenant, maintaining the property, and collecting the rent from the tenant;
  - e. The investor being paid a monthly sum that covered the mortgage payment, taxes, insurance payment, and a return on the initial investment;
  - f. The investor would be paid the above noted sum, even if the property is vacant; and
  - g. After an initial term of two years the investor would have several options with how to proceed with their investment, including selling the property back to the Respondents.
49. Investor 5 invested in the HFLP by purchasing a residential property with an address of [REDACTED] Avenue F South, Saskatoon, Saskatchewan on or about June 16<sup>th</sup>, 2016. In purchasing this property Investor 5 made a \$25,000.00 down payment and obtained \$104,000.00 in financing.
50. As part of the HFLP investment, Investor 5 signed a "Purchase Option Contract" and a "Lease with Owner Agreement" with the Respondent Epic Alliance Real Estate Inc. in or around June, 2016. Under the Lease with Owner Agreement, the term of said agreement was for approximately two years with Investor 5 being paid a sum of \$1,150.00 monthly. The \$1,150.00 was calculated by:

- a. Attributing \$405.00 per month for Investor 5's mortgage payment;
  - b. Attributing \$102.00 per month for Investor 5's property taxes;
  - c. Attributing \$84.00 per month for Investor 5's insurance payment; and
  - d. Paying Investor 5 \$559.00 per month as his "cashflow" payment.
51. Both the Purchase Option Contract and Lease with Owner Agreement were renewed by Investor 5 and the Respondent Epic Alliance Real Estate Inc. for an additional two year term on or about July 6<sup>th</sup>, 2018. Under the Lease with Owner Agreement, Investor 5 was being paid a sum of \$1,150.00 monthly. The \$1,150.00 was calculated by:
  - a. Attributing \$444.30 per month for Investor 5's mortgage payment;
  - b. Attributing \$101.00 per month for Investor 5's property taxes;
  - c. Attributing \$91.60 per month for Investor 5's insurance payment; and
  - d. Paying Investor 5 \$513.10 per month as his "cashflow" payment.
52. Both the Purchase Option Contract and Lease with Owner Agreement were renewed by Investor 5 and the Respondent Epic Alliance Real Estate Inc. for an additional two year term on or about July 1<sup>st</sup>, 2020. Under the Lease with Owner Agreement, Investor 5 was being paid a sum of \$1,105.02 monthly. The \$1,105.02 was calculated by:
  - a. Attributing \$397.00 per month for Investor 5's mortgage payment;
  - b. Attributing \$131.71 per month for Investor 5's property taxes;
  - c. Attributing \$92.31 per month for Investor 5's insurance payment; and
  - d. Paying Investor 5 \$484.00 per month as his "cashflow" payment.
53. At all material times the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson assumed all responsibility for all active steps required to generate a return on Investor 5's HFLP investment. At no time did Investor 5 assume any responsibility to take any active steps to generate a return on his HFLP (or any other) investment.
54. In or around March 2021 Investor 5 invested in a FAF product on a residential property with an address of [REDACTED] Avenue I South, Saskatoon, Saskatchewan. He provided \$113,000.00 to the Respondent Epic Alliance Real Estate Inc. through his Olympia Trust RRSP account which was secured by way of a first mortgage against the property in question, and provided a further \$31,500.00 to the Respondent Epic Alliance Real Estate Inc. through his Olympia Trust TFSA Account which was secured by way of a second mortgage against the property in question.
55. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 5 invested in the HFLP and FAFs insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them. In failing to do so, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.

56. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson carried out the acts indicated in paragraphs 48 through 54, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
57. At no time during the Respondents' dealings with Investor 5 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 5, the Respondents Epic Alliance Real Estate Inc., Laflamme and Thompson contravened section 13.3 of National Instrument 31-103.

**Investor 6** [REDACTED]

58. Investor 6 met the Respondents Laflamme and Thompson at a seminar in or around 2015. Investor 6 was later contacted by the Respondent Laflamme and or Thompson in or around February 2015 to discuss investment possibilities.
59. Investor 6 invested in a series of promissory notes with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson. Investor 5 understood that the money she invested in promissory notes was used at least in part by the Respondents to renovate residential properties that were later rented out to tenants.
60. The details of these promissory notes include, but are not necessarily limited to:
- a. Investor 6 investing the sum of \$25,000.00 in a promissory note bearing a \$500.00 return with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson on or about March 6<sup>th</sup>, 2018; this promissory note was to mature on or about April 6<sup>th</sup>, 2018;
    - i. The promissory note original signed on or about March 6<sup>th</sup>, 2018 was then extended to a maturity date of on or about May 6<sup>th</sup>, 2018;
  - b. Investor 6 investing the sum of \$40,000.00 in a promissory note bearing a \$1,550.00 return with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson on or about June 17<sup>th</sup>, 2018; this promissory note was to mature on or about August 18<sup>th</sup>, 2018;
  - c. Investor 6 investing the sum of \$50,000.00 in a promissory note bearing a \$2,500.00 return with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson on or about August 29<sup>th</sup>, 2018; this promissory note was to mature on or about November 29<sup>th</sup>, 2018;
  - d. Investor 6 investing the sum of \$50,000.00 in a promissory note bearing a \$1,000.00 return with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson on or about January 30<sup>th</sup>, 2019; this promissory note was to mature on or about February 15<sup>th</sup>, 2019;
  - e. Investor 6 investing the sum of \$100,000.00 in a promissory note bearing a \$1,700.00 return with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson on or about March 27<sup>th</sup>, 2019; this promissory note was to mature on or about April 15<sup>th</sup>, 2019; and

- f. Investor 6 investing the sum of \$120,000.00 in a promissory note bearing a \$2,000.00 return with the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson on or about April 17<sup>th</sup>, 2019; this promissory note was to mature on or about May 1<sup>st</sup>, 2019.
61. Investor 6 received all principal sums invested and interest accrued on the above noted promissory notes.
62. In or around July, 2019 Investor 6 funded a FAF product on a residential property with an address of [REDACTED] Munroe Avenue South, Saskatoon, Saskatchewan. She invested \$210,000.00 with the Respondent Epic Alliance Real Estate Inc. which was secured by way of a mortgage bearing a 15% annual return against the property in question.
63. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 6 invested in the promissory notes and FAF insofar as any of the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them. In failing to do so, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.
64. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson carried out the acts indicated in paragraphs 59 through 62, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
65. At no time during the Respondents' dealings with Investor 6 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 6, the Respondents Epic Alliance Real Estate Inc., Laflamme and Thompson contravened section 13.3 of National Instrument 31-103.

**Investor 7 [REDACTED]**

66. In or around 2018 Investor 7 became aware of the operations of the Respondents by meeting the Respondent Laflamme at a presentation on the Respondents' investment products. Around this time he had initial discussions with the Respondent Laflamme regarding investing with them but Investor 7 did not make any investments with any of the Respondents at this time.
67. In or around May, 2020 Investor received the sum of \$100,000.00 through an unrelated activity. He contacted the Respondent Laflamme and they made arrangements for Investor 7 to acquire a promissory note from the Respondent Epic Alliance Real Estate Inc. in the amount of \$100,000.00 bearing an annual interest rate of 15% with a term of three months.
68. On or about November 24<sup>th</sup>, 2020, Investor 7 and the Respondent Epic Alliance Real Estate Inc. renewed the promissory note originally signed in or around May 2020 to a later expiry date of February 19<sup>th</sup>, 2021.
69. On or about February 18<sup>th</sup>, 2021 Investor 7 advised the Respondent Laflamme that he would not renew the promissory note on the same terms as previously offered. On or about February 22<sup>nd</sup>, 2021 Investor 7 was paid the principal sum and outstanding interest owed to him by the Respondents.

70. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 7 invested in the promissory notes insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
71. When the Respondents Laflamme and Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 67 through 69, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Laflamme and Epic Alliance Real Estate Inc. were therefore in contravention of subsection 27(2)(a) of the Act.
72. When the Respondents Laflamme and Epic Alliance Real Estate Inc. carried out the acts indicated in paragraphs 67 through 69, the Respondents Laflamme and Epic Alliance Real Estate Inc. traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
73. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated paragraphs 67 through 69, and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.
74. At no time during the Respondents' dealings with Investor 7 did the Respondents Epic Alliance Real Estate Inc. or Laflamme conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 7, the Respondents Epic Alliance Real Estate Inc. and Laflamme contravened section 13.3 of National Instrument 31-103.

**Investor 8** [REDACTED]

75. Investor 8 became aware of the operations of the Respondents through other investors in or around 2021. Investor 8 made attempts to contact the Respondents and was contacted by the Respondent Laflamme in or around April, 2021.
76. Investor 8 was advised by the Respondent Laflamme of the various investment products they offered. After said discussions, Investor 8 purchased a promissory note for herself and on behalf of Investor 8's daughter from the Respondent Epic Alliance Real Estate Inc., the details of which include but are not necessarily limited to:
  - a. The Respondent Epic Alliance Real Estate Inc. issuing a promissory note to Investor 8 with a total principal amount of \$100,000.00 on or about May 5<sup>th</sup>, 2021;
  - b. The promissory note was to expire on or about November 5<sup>th</sup>, 2021; and
  - c. The promissory note bore an interest rate of 15% annually with monthly interest payments in the amount of \$1,250.00 being made to Investor 8 commencing on or about June 5<sup>th</sup>, 2021.

77. On or about October 8<sup>th</sup>, 2021 Investor 8 purchased a second promissory note from the Respondent Epic Alliance Real Estate Inc. for herself and behalf of her daughter, the details of which include but are not necessarily limited to:
- a. The Respondent Epic Alliance Real Estate Inc. issuing a promissory note to Investor 8 with a total principal amount of \$40,000.00 on or about October 8<sup>th</sup>, 2021;
  - b. The promissory note was to expire on or about April 8<sup>th</sup>, 2022; and
  - c. The promissory note bore an interest rate of 15% annually with monthly interest payments in the amount of \$500.00 being made to Investor 8 commencing on or about November 8<sup>th</sup>, 2021.
78. On or about October 27<sup>th</sup>, 2021 the Respondent Laflamme contacted Investor 8 via email inquiring whether Investor 8 would be interested in renewing the promissory note set to expire on or about November 5<sup>th</sup>, 2021 for an additional 6 month term. After some discussions, Investor 8 emailed the Respondent Laflamme confirming that she was agreeable to the promissory note originally signed on or about May 5<sup>th</sup>, 2021 being renewed for an additional 6 months.
79. On or about September 22<sup>nd</sup>, 2021 the Respondents Epic Alliance Real Estate Inc., 490, Laflamme, and Thompson signed an Undertaking (“the Undertaking”) to the Executive Director of the Securities Division, Financial and Consumer Affairs Authority of Saskatchewan (“the Executive Director”). Pursuant to the terms of said Undertaking these Respondents agreed, among other things, to:
- a. Not conduct any further trades in securities or derivatives in Saskatchewan or any other jurisdiction unless in full compliance with the Act;
  - b. Not to conduct any further acts in further of a trade in securities or derivatives in Saskatchewan or any other jurisdiction unless in full compliance with the Act;
  - c. To submit to the Executive Director a comprehensive plan detailing the steps that would be taken to become fully compliant with the Act within five days of the date of the Undertaking; and
  - d. To become fully compliant with the provisions of the Act within thirty days of the date of the Undertaking.
80. On or about October 21<sup>st</sup>, 2021 the Respondents Epic Alliance Real Estate Inc., 490, Laflamme, and Thompson became subject to a Temporary Cease Trade Order (“the TCTO”) signed by the Executive Director pursuant to section 134 of the Act. Under the terms of the TCTO, the above named Respondents were ordered to, among other things:
- a. Cease trading in securities and derivatives up to and including November 5<sup>th</sup>, 2021.
81. All of the Respondents failed inform or advise Investor 8 of the existence of the Undertaking and or the TCTO prior to her purchase of the promissory note from on or about October 8<sup>th</sup>, 2021 and or her renewal of the prior promissory note from on or about October 27<sup>th</sup>, 2021.
82. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution)

with the Financial and Consumer Affairs Authority after Investor 8 invested in the promissory notes insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.

83. When the Respondents Epic Alliance Real Estate Inc., and Laflamme carried out the acts indicated in paragraphs 76 through 78, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., and Laflamme were therefore in contravention of subsection 27(2)(a) of the Act.
84. When the Respondents Epic Alliance Real Estate Inc. and Laflamme carried out the acts indicated in paragraphs 76 through 78, the Respondents Epic Alliance Real Estate Inc. and Laflamme traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
85. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated paragraphs 76 through 78 and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. Thompson contravened section 6.1 of National Instrument 45-106.
86. At no time during the Respondents' dealings with Investor 8 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 8, the Respondents Epic Alliance Real Estate Inc. and Laflamme contravened section 13.3 of National Instrument 31-103.
87. When the Respondents Epic Alliance Real Estate Inc. and Laflamme carried out the acts indicated in paragraph 78 the Respondents Epic Alliance Real Estate Inc. and Laflamme, traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security and in so doing failed to comply with the terms of the Undertaking signed on or about September 22<sup>nd</sup>, 2021 in contravention of subsection 55.15 of the Act.
88. When the Respondents Epic Alliance Real Estate Inc. and Laflamme carried out the acts indicated in paragraph 78 the Respondents Epic Alliance Real Estate Inc. and Laflamme traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security and in so doing failed to comply with a decision of the Director from on or about October 31<sup>st</sup>, 2021 contrary to subsection 55.14 of the Act.

#### **Investor 9** [REDACTED]

89. Investor 9 became aware of the Respondents in or around 2014 at which time he purchased a promissory note from the Respondents. Investor 9 periodically purchased promissory notes from the Respondents from approximately 2014 to 2018. Additionally, Investor 9 began investing in FAF products with the Respondents in approximately 2017.
90. In or around Fall, 2021 Investor 9 purchased a series of promissory notes from the Respondent Epic

Alliance Real Estate Inc.. The details of these purchases include, but are not limited to:

- a. On or about September 1<sup>st</sup>, 2021 Investor 9 purchased a promissory note in the amount of \$100,000.00 from the Respondent Epic Alliance Real Estate Inc. This promissory note had an expiry date of March 1<sup>st</sup>, 2022 and bore interest at the rate of 18% per annum with \$1,500.00 interest payments to be made to Investor 9 monthly commencing on or about October 1<sup>st</sup>, 2021;
  - b. On or about September 17<sup>th</sup>, 2021 Investor 9 purchased a promissory note in the amount of \$100,000.00 from the Respondent Epic Alliance Real Estate Inc. This promissory note had an expiry date of March 17<sup>th</sup>, 2022 and bore interest at the rate of 18% per annum with \$1,500.00 interest payments to be made to Investor 9 monthly commencing on or about October 17<sup>th</sup>, 2021; and
  - c. On or about October 29<sup>th</sup>, 2021 Investor 9 purchased a promissory note in the amount of \$100,000.00 from the Respondent Epic Alliance Real Estate Inc. This promissory note had an expiry date of April 29<sup>th</sup>, 2022 and bore interest at the rate of 18% per annum with \$1,500.00 interest payments to be made to Investor 9 monthly commencing on or about November 29<sup>th</sup>, 2021.
91. None of the Respondents informed or advised Investor 9 of the existence of the Undertaking and or the TCTO prior to his purchase of the promissory note from on or about October 29<sup>th</sup>, 2021.
  92. Investor 9 learned of the existence of the TCTO on or about November 1<sup>st</sup>, 2021. He contacted the Respondents on or about November 4<sup>th</sup>, 2021 seeking the return of his \$100,000.00 investment as he believed he should not have been sold promissory note while subject to the TCTO. No portion of his investment was returned to him.
  93. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 9 invested in the promissory notes insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
  94. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson carried out the acts indicated in paragraph 90 they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
  95. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson carried out the acts indicated in paragraph 90 the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
  96. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated paragraph 90, and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.



97. At no time during the Respondents' dealings with Investor 9 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 9, the Respondents Epic Alliance Real Estate Inc., Laflamme and or Thompson contravened section 13.3 of National Instrument 31-103.
98. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson carried out the acts indicated in paragraph 90. the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security and in so doing failed to comply with the terms of the Undertaking signed on or about September 22<sup>nd</sup>, 2021 in contravention of subsection 55.15 of the Act.
99. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson carried out the acts indicated in paragraph 90 the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security and in so doing failed to comply with a decision of the Director from on or about October 31<sup>st</sup>, 2021 contrary to subsection 55.14 of the Act.

**Investors 10 [REDACTED] and 11 [REDACTED]**

100. Investors 10 and 11 are a couple that became aware of the general operations of the Respondents when Investor 11 attended a real estate seminar that included discussions about the business of the Respondents.
101. Investors 10 and 11 invested in HFLP and FAF products with the Respondents. The details of these investments include, but are not necessarily limited to, the following:
- a. Investors 10 and 11 invested in the HFLP by purchasing a residential property with an address of [REDACTED] Avenue C North, Saskatoon, Saskatchewan on or about July 30<sup>th</sup>, 2020. In purchasing this property Investors 10 and 11 made a \$40,000.00 down payment and obtained \$160,000.00 in financing;
    - i. As part of the HFLP investment, Investors 10 and 11 signed a "Lease with Owner Agreement" with the Respondent Epic Alliance Real Estate Inc. in or around July, 2020. Under the Lease with Owner Agreement, the term of said agreement was for approximately two years with Investors 10 and 11 being paid a sum of \$1,640.00 monthly. The \$1,640.00 sum was calculated by:
      1. Attributing \$749.00 per month for Investor 10 and 11's mortgage payment;
      2. Attributing \$109.00 per month for Investor 10 and 11's property taxes;
      3. Attributing \$174.00 per month for Investor 10 and 11's insurance payment; and
      4. Paying Investor 10 and 11 \$605.00 per month as their "cashflow" payment.

- b. In or around May, 2021 Investors 10 and 11 funded a FAF product on a residential property with an address of [REDACTED] 27<sup>th</sup> Street West, Battleford, Saskatchewan. They invested a total of approximately \$200,000.00 with the Respondent Epic Alliance Real Estate Inc. which was secured by way of a second mortgage against title to the property in question.
102. At all material times the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson assumed all responsibility for all active steps required to generate a return on Investor 10 and 11s' HFLP and FAF investments. At no time did Investor 10 nor 11 assume any responsibility to take any active steps to generate a return on either of their investments.
103. In or around March, 2021 the Respondents Laflamme and or Thompson began seeking investors to purchase shares in the corporate Respondent 490. Investors 10 and 11 received an email from one of the Respondents which in part indicated that the Respondents were seeking to expand their business operations into the USA and that they were seeking investors to fund the same.
104. On or about March 22, 2021, Investors 10 and 11 purchased 100,000 Class D Special Shares in the Respondent 490 for the sum of \$100,000.00 CAD. Investors 10 and 11 were led to believe by the Respondents that this investment would be used to finance the expansion of the Respondents operations in the USA.
105. At no time was the \$100,000.00 invested by Investors 10 and 11 used to finance an expansion of the business of the Respondents into the USA.
106. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investors 10 and 11 invested in the HFLP, FAF, and shares of the Respondent 490 insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them.
107. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson carried out the acts indicated in paragraphs 101 through 102 they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
108. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson carried out the acts indicated in paragraphs 101 through 102, the Respondents Epic Alliance Real Estate Inc., Laflamme, and or Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.
109. When the Respondents 490, Laflamme, and or Thompson carried out the acts indicated in paragraphs 103 through 104 they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents 490, Laflamme, and or Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
110. When the Respondents 490, Laflamme, and or Thompson carried out the acts indicated in

paragraphs 103 through 104, the Respondents 490, Laflamme, and or Thompson traded in a security on their own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus and or prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus and or prospectus in contravention of subsection 58(1) of the Act.

111. When the Respondent Epic Alliance Real Estate Inc. carried out the acts indicated paragraphs 103 through 104 and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent Epic Alliance Real Estate Inc. contravened section 6.1 of National Instrument 45-106.
112. When the Respondent 490 carried out the acts indicated paragraphs 103 through 104 and insofar as the Respondents are able to prove the availability of exemptions from the requirement of subsection 58(1) of the Act, the Respondent 490 contravened section 6.1 of National Instrument 45-106.
113. At no time during the Respondents' dealings with Investors 10 and 11 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investors 10 and 11, the Respondents Epic Alliance Real Estate Inc., 490, and Laflamme and Thompson contravened section 13.3 of National Instrument 31-103.

#### **Investor 12** [REDACTED]

114. Investor 12 became aware of the Respondents at an investors meeting in or around 2017. Investor 12 made multiple investments with the Respondents, the details of which include, but are not necessarily limited to, the following:
  - a. On or about February 28<sup>th</sup>, 2020 Investor 12 purchased a promissory note in the amount of \$200,000.00 from the Respondent Epic Alliance Real Estate Inc. This promissory note had an expiry date of February 28<sup>th</sup>, 2022 and bore interest at the rate of 15% per annum with \$2,500.00 interest payments to be made to Investor 12 monthly commencing on or about March 28<sup>th</sup>, 2020;
  - b. On or about June 17<sup>th</sup>, 2020 Investor 12 purchased a promissory note in the amount of \$350,000.00 from the Respondent Epic Alliance Real Estate Inc. This promissory note bore interest at the rate of 18% per annum but was terminated on or about October 19<sup>th</sup>, 2020. In exchange for the termination of this promissory note, the Respondents issued 350,000 Class B Special Shares in a Canadian corporation named 12262231 Canada Inc. to Investor 12;
  - c. On or about February 28<sup>th</sup>, 2021 Investor 12 renewed in part the promissory note from on or about February 28<sup>th</sup>, 2020 in the amount of \$100,000.00. This promissory note had an expiry date of February 28<sup>th</sup>, 2022 and bore interest at the rate of 15% per annum with \$1,250.00 interest payments to be made to Investor 12 monthly commencing on or about February 28<sup>th</sup>, 2021;
  - d. On or about October 20<sup>th</sup>, 2021 Investor 12 funded in a FAF product on a residential property with an address of [REDACTED] Avenue I North, Saskatoon, Saskatchewan. She invested a total of approximately \$110,000.00 with the Respondents which was secured by way of

mortgages against title to the property in question.

115. At all material times the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson assumed all responsibility for all active steps required to generate a return on Investor 12s' FAF investment. At no time did Investor 12 assume any responsibility to take any active steps to generate a return on her FAF investment.
116. At no time did any of the Respondents file any Form 45-106F1 (Report of Exempt Distribution) with the Financial and Consumer Affairs Authority after Investor 12 invested in the FAF investment product and promissory notes insofar as the Respondents' claim that any exemption from the requirements in subsection 58(1) of the Act were available to them. In failing to do so, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson contravened section 6.1 of National Instrument 45-106.
117. When the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson carried out the acts indicated in paragraphs 114 through 115, they were acting as a dealers in Saskatchewan but were neither registered as a dealer, as required by subsection 27(2)(a)(i) of the Act, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the Act. In so doing, the Respondents Epic Alliance Real Estate Inc., Laflamme, and Thompson were therefore in contravention of subsection 27(2)(a) of the Act.
118. At no time during the Respondents' dealings with Investor 1 did any of the Respondents conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for Investor 1, the Respondents Epic Alliance Real Estate Inc., Laflamme and Thompson contravened section 13.3 of National Instrument 31-103.
119. The Facebook page and other social media accounts of the Respondents were continuously monitored throughout the course of the investigation into their conduct. From on or about September 30<sup>th</sup>, 2021 to on or about October 15<sup>th</sup>, 2021, the Facebook page and or other social media accounts of the Respondents made numerous posts, including but not necessarily limited to the following:
  - a. A post that stated "deciding where and when to invest can be tricky, let us help you navigate those choices. We have the knowledge and experience to make this easy for you. Book a discovery call or visit us at [www.epicallianceinc.ca](http://www.epicallianceinc.ca) for more information";
  - b. A post that stated "Finding new streams of income can be tough, investing can be risky. With Epic Alliance, we make investing easy. We take the risk; you make the reward. Book a discovery call or visit us at [www.epicallianceinc.com](http://www.epicallianceinc.com) for more information";
  - c. A post that stated "First, we listen to what your visions and thoughts are. Second, we create a plan that will help you achieve your goals. achieving your financial vision starts here! If you are interested in our Hassle-Free Landlord Program DM for more details or any questions";
  - d. A post that stated ""Choosing to invest today will generate wealth tomorrow. We can help you make that choice. Visit us at [www.epicalliance.com](http://www.epicalliance.com) for more information";
  - e. A post that stated "The Hassle-Free Landlord Program is an amazing program we created for you to sit back, relax, and earn passive income! Check it out on our website";


- f. A post that stated “Earn monthly cash flow with our Hassle-Free Landlord Program and we will get you on track to lead your best life! Check it out on our website”; and
  - g. A post that stated “Investing in real estate is the perfect way to generate passive income and build wealth. Learn more about the opportunities we provide at [www.epicallianceinc.com](http://www.epicallianceinc.com).”
120. From on or about September 30<sup>th</sup>, 2021 to on or about October 20<sup>th</sup>, 2021 the website of the Respondents remained active and continued to advertise the Respondents’ FAF and HFLP products.
121. When Respondents Laflamme and Thompson carried out the acts indicated in paragraphs 119 through 120 the Respondents Laflamme and Thompson conducted acts, advertisements, solicitations, and or conduct directly or indirectly in furtherance of a trade thereby contravening the terms of the Undertaking signed on or about September 22<sup>nd</sup>, 2021 and in so doing contravened subsection 55.15 of the Act.

### **Relief Sought**

123. Based on the above, Staff of FCAA asks the hearing panel to consider whether it is in the public interest to make the following orders:
- a. Pursuant to subsection 134(1)(a) of the Act, all exemptions in Saskatchewan securities laws do not apply to the Respondents, permanently;
  - b. Pursuant to subsection 134(1)(d) of the Act, the Respondents shall cease trading in securities or derivatives in permanently;
  - c. Pursuant to subsection 134(1)(d.1) of the Act, the Respondents shall cease acquiring securities or derivatives permanently;
  - d. Pursuant to subsection 134(1)(e) of the Act, the Respondents shall cease giving advice respecting securities, trades or derivatives in Saskatchewan permanently;
  - e. Pursuant to subsection 134(1)(h) of the Act, the Respondents shall not be employed by any issuer, registrant or investment fund manager in any capacity that would allow him or her to trade in securities or derivatives in Saskatchewan and not be a director or officer of any issuer, registrant, or investment fund manager; permanently;
  - f. Pursuant to subsection 134(1)(h.1) of the Act, the Respondents are prohibited from becoming or acting as a registrant, and investment fund manager or a promoter permanently;
  - g. Pursuant to section 135.1 of the Act, the Respondent Laflamme shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$100,000.00;
  - h. Pursuant to section 135.1 of the Act, the Respondent Thompson shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$100,000.00;

- i. Pursuant to section 135.1 of the Act, the Respondent Epic Alliance Real Estate Inc. shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$100,000.00;
- j. Pursuant to section 135.6 of the Act, the Respondents shall pay financial compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of the Respondent's contraventions of Saskatchewan securities laws, in amounts to be determined; and
- k. Pursuant to section 161 of the Act, the Respondents shall jointly and severally pay the costs of or relating to a hearing in this matter.

DATED at Regina, Saskatchewan, this 20 day of January 2023.



Dean Murrison  
Executive Director,  
Securities Division  
Financial and Consumer Affairs Authority of  
Saskatchewan