

2011 BCSECCOM 108

Notice of Hearing

Great White Capital Corp. and Adam Keller (collectively, the Respondents)

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against Great White Capital Corp. (GWC) and Adam Keller (Keller) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the *Act*) based on the following facts:

Background

1. GWC was registered in Alberta on June 23, 2009, and extra-provincially registered in British Columbia on June 26, 2009.
2. Keller was a resident of British Columbia during the relevant period. He is the sole director of GWC, the Head Office of which is listed as being in West Vancouver, British Columbia.
3. Keller was the sole signing authority for a bank account in the name of GWC into which he deposited investor funds (Corporate Account), and an account at the same bank into which he transferred investor funds from the Corporate Account (Personal Account).
4. Keller held himself out as an expert in foreign exchange trading and solicited funds from BC and Alberta investors on the strength of his representations that he would execute trades, or otherwise invest funds on their behalf.

Misconduct

Fraud

5. Between June of 2009 and June of 2010, the Respondents raised approximately \$523,100 from two individuals in British Columbia and two individuals in Alberta (the Investors).
6. The Respondents represented to the Investors that:
 - (a) Keller would execute trades in the foreign exchange market on the Investors' behalf through individualized accounts at Rosenthal Collins Group LLC (RCG), an United States-based broker/dealer;

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- (b) Keller would invest their funds in unique investment opportunities he would bring to the Investors attention; and
 - (c) 100% of the Investors' initial investment would be protected by Keller personally, and secured by GWC from any losses.
- (collectively, the Representations)
7. The Respondents knew, or reasonably ought to have known that the Representations were false because:
 - (a) Neither Keller nor anyone else opened accounts in the name of the Investors at RCG. Keller only opened one RCG account for GWC, which was never funded. Keller did not execute trades on the foreign exchange market as promised; instead, Keller used the Investor funds for personal purposes;
 - (b) Keller did not invest the funds solicited from Investors for unique investment opportunities as promised. Instead, he used Investor funds for personal purposes; and
 - (c) Keller and GWC never had the financial capacity to fulfill the commitments they made to protect or secure the Investors funds, and they failed to do so.
 8. Keller advised the Investors that their investments were making profits as a result of his trading on the foreign exchange market. Further, throughout 2009 and 2010 the Respondents provided individual account summaries to the Investors that purported to show that their investments were earning profits of approximately 7 to 27% per month.
 9. The account summaries were false, because the Respondents did not make the purported investments and no profits existed.
 10. Instead of investing Investor funds, Keller made cash withdrawals and personal bill payments from the Investor funds deposited into the Corporate Account. Keller also transferred large amounts of the Investor funds to his Personal Account and then proceeded to use them for personal purposes.
 11. In or around May to July 2010, the Investors asked the Respondents to redeem their respective investments. Keller promised to deliver the funds, both principal and profits, but in each instance the Respondents failed to do so.

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12. Keller closed both the Corporate Account and the Personal Account on or around June 29, 2010. He continued to promise Investors that he would return their funds but instead absconded with the balance of the cash withdrawn from the accounts upon closing.
13. To date, the Investors have not received their principal investments from the Respondents, nor any of the purported proceeds of their investments. The Investors are no longer in communication with the Respondents and Keller's whereabouts are unknown.
14. By engaging in the misconduct described above, the Respondents perpetrated a fraud contrary to section 57 of the *Act*.

Public Interest

15. The Respondents' conduct as set out in this Notice was contrary to the public interest.

Hearing Process

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Monday, March 28, 2011 at 9:00 am** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 5 March 8, 2011

Paul Bourque

¶ 6 Paul C. Bourque Q.C.
Executive Director

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