

2011 BCSECCOM 53

Notice of Hearing

Anthony Patriarco

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

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

Background

1. Patriarco is a resident of Ferrum, Virginia, in the United States of America.
2. From June 29, 2009, to March 10, 2010, Patriarco was a director of Euromax Resources Ltd. (Euromax), a British Columbia company whose shares are publicly traded on the TSX Venture Exchange. Euromax is in the business of mining exploration in southeast Europe.
3. Patriarco is a trustee of, and exercises control over, the Blue Ridge Educational Foundation (Blue Ridge). Blue Ridge is a shareholder of Euromax.

Material fact not generally disclosed

4. Euromax is involved in mineral exploration in Ilovitza, Macedonia.
5. Euromax's joint venture partner in Macedonia held exploration permits (the Macedonian Permits), including one known as Ilovitza 4 (the Ilovitza 4 Permit) which expired on May 11, 2008.
6. On October 14, 2009, a director of Euromax informed Patriarco that:
 - (a) Euromax would be filing a confidential material change report with the Commission regarding the status of the Ilovitza 4 Permit and other Macedonian Permits.
 - (b) Effective immediately, all directors and officers of Euromax were not to buy or sell Euromax securities until Euromax had issued a news release on the status of the Macedonian Permits.

On October 15, 2009, Patriarco responded to the director by stating that he agreed on all points.

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7. On November 12, 2009, a director of Euromax informed Patriarco that its joint venture partner's application for an extension of the Ilovitza 4 Permit had been officially rejected by the government of Macedonia. The director reminded Patriarco that he was not permitted to trade any Euromax shares. On the same day, Euromax filed a confidential material change report with the Commission regarding the application rejection.
8. The Macedonian government's rejection of the application to extend the Ilovitza 4 Permit was a material fact which had not been generally disclosed until Euromax issued a press release on July 9, 2010.

Misconduct

Trading Euromax securities with undisclosed material information

9. From January 6, 2010 to March 31, 2010, Patriarco caused Blue Ridge to trade 782,000 Euromax shares (the Trades) at prices between \$0.20 and \$0.295 USD, for total proceeds of \$214,015.00 USD, while he:
 - (a) knew about the undisclosed material fact concerning the Ilovitza 4 Permit; and
 - (b) was in a special relationship with Euromax because he was an insider of the company.
10. By causing Blue Ridge to make the Trades, Patriarco breached section 57.2 of the *Act*.

Conduct Contrary to the Public Interest

11. Patriarco's conduct set out in this Notice of Hearing was contrary to the public interest.

Hearing Process

- ¶ 2 Patriarco or his counsel is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Thursday, March 10 at 9:00** am if he wishes 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 Patriarco upon request to the Executive Director.
- ¶ 3 At the Hearing, Patriarco may be represented by counsel, make submissions and tender evidence. Patriarco is requested to advise the Commission of his intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street,

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Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email:
commsec@bcsc.bc.ca.

¶ 4 If Patriarco or his counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to Patriarco may be made in his absence.

¶ 5 January 27, 2011

Paul Bourque

¶ 6 Paul C. Bourque, QC
Executive Director