



British Columbia Securities Commission

Citation: 2013 BCSECCOM 429

## Notice of Hearing

Alnoor Ramji

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

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

#### Background

1. Clean Power Concepts Inc. (Clean Power) is a Nevada corporation whose securities are quoted on the Over the Counter Bulletin Board (OTCBB) in the United States. During 2010 and 2011, Clean Power was a BC reporting issuer.
2. Alnoor Ramji (Ramji) was a BC resident.
3. Gibraltar Global Securities (Gibraltar) is a Bahamian broker/dealer that the Commission previously found:
  - (a) had carried out the business of trading and advising in securities in BC without being registered to do so; and
  - (b) is unsuitable to conduct securities related activities in, or connected with BC because it had refused to provide the commission with information about BC residents who held accounts with it.
4. In 2012, the Commission permanently prohibited Gibraltar from conducting securities related activities in, or connected with, British Columbia.

#### Conduct contrary to the public interest

##### *Ramji concealed his control of 16% of Clean Power's outstanding shares*

5. In December 2010, Ramji arranged the transfer of approximately 33.5 million Clean Power shares to five friends and relatives who acted as his nominees (the Nominees).



6. The Nominees were all unsophisticated investors with minimal investment experience and insufficient financial resources to purchase the shares for themselves. They followed Ramji's instructions.
7. Ramji and the Nominees then:
  - (a) each obtained a trading account in the name of a Panama or Belize incorporated company, provided to them by Gibraltar; and
  - (b) transferred their shares of Clean Power into those Gibraltar accounts.
8. Through these Gibraltar accounts, Ramji controlled approximately 16% of Clean Power's outstanding shares.

***Ramji sold his Clean Power Shares in coordination with another undisclosed ownership group***

9. Four Belize companies (the Belize Group), not beneficially owned by Ramji or the Nominees, also held their Clean Power shares in accounts at Gibraltar.
10. By late December 2010, Ramji and the Belize Group controlled a total of 34% of the outstanding shares of Clean Power, a BC reporting issuer, through Bahamian trading accounts in the names of Panamanian and Belizean companies.
11. Between October 8, 2010 and December 15, 2010, Clean Power shares traded on only fifteen days, with an average daily volume of approximately 9,000 shares. The closing share price did not exceed \$0.25.
12. In December 2010, Ramji, the Nominees, and the Belize Group all deposited their Clean Power shares into one trading account in Gibraltar's name at an American broker/dealer (the Gibraltar American Account).
13. From December 16 to 30, 2010:
  - (a) a Montreal public relations firm carried out an internet based promotional campaign of Clean Power (the Promotional Campaign); and
  - (b) Clean Power issued a series of promotional news releases.
14. During the Promotional Campaign, the average daily volume of Clean Power shares traded increased to approximately 44 million. Clean Power's closing price peaked at \$0.397 on December 30, 2010.



15. Between December 20, 2010 and January 20, 2011, Ramji, the Nominees, and the Belize Group sold approximately 81 million shares of Clean Power on the OTCBB through the Gibraltar American Account (the Sell-off), generating proceeds of about \$21.5 million.

***Ramji and the Nominees sent the proceeds of the Sell-off to bank accounts around the world***

16. Ramji, directly and through the Nominees, instructed Gibraltar to wire about \$8.3 million of the proceeds from the Sell-off to bank accounts in Hong Kong, Switzerland, Belize, and Panama. This included:
- (a) \$200,000 to a Panamanian law firm acting as agent for a Panamanian company that provided instructions for the Promotional Campaign; and
  - (b) \$1.6 million to the Hong Kong company that paid for the Promotional Campaign.
17. The Nominees and the Belize Group both wired portions of the proceeds of the Sell-off to the same people.

***Conduct contrary to the public interest***

18. Ramji's conduct described in this Notice of Hearing, including:
- using nominee accounts in secrecy jurisdictions to conceal his identity;
  - obtaining undisclosed control of 16% of the supply of Clean Power shares;
  - acting as part of a group that obtained undisclosed control of 34% of the supply of Clean Power shares;
  - further concealing his identity when selling his 16% ownership position;
  - selling his shares in coordination with the Belize Group; and
  - using layering techniques to distance himself from payments to those who coordinated and paid for the promotional campaign,
- harmed the reputation and credibility of the province's securities market and regulatory environment, and is contrary to the public interest.



***Failure to file insider report***

19. Ramji, as an insider of Clean Power, failed to file a report disclosing his beneficial ownership of, or control or direction over, Clean Power shares, contrary to section 87(2)(a) of the Act.

**Orders Sought**

20. It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

**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 Tuesday, January 7, 2014, 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 November 21, 2013.

Paul C. Bourque

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