



British Columbia Securities Commission

Citation: 2017 BCSECCOM 134

Notice of Hearing

**Matthew John Hamilton and
Braeden William Sinclair Lichti (aka Braeden Sinclair)**

(the Respondents)

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 Respondents under sections 161 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Summary

1. The Respondents deceived foreign regulators and the public in order to create a publicly trading shell company ideal for use in a securities manipulation.
2. The Respondents:
 - (a) created a company which they controlled by installing and impersonating nominee directors and officers;
 - (b) concealed their control over all the company's shares by pretending to have independent shareholders;
 - (c) made false filings with US securities regulators to secure the company's registration and public quotation of the shares; and
 - (d) sold their secret control over all the shares in the publicly trading company.
3. Because they engaged in the conduct set out in this Notice of Hearing, it is in the public interest to issue orders against the Respondents.

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Background

Respondents

4. Matthew John Hamilton (Hamilton) is a resident of British Columbia. He was the de facto founder and controlling mind of Guru Health, Inc. (Guru Health).
5. Braeden William Sinclair Lichti (Lichti) is a resident of British Columbia who assisted in the creation and sale of Guru Health.

Non-Respondents

6. Guru Health is a Nevada incorporated company that acquired its ticker symbol and was quoted for trading on the OTC Bulletin Board (OTCBB) in October 2011.

Conduct Requiring Orders in the Public Interest

7. Hamilton incorporated Guru Health in February 2010 through a Nevada agent. He controlled Guru Health at all material times.
8. Hamilton concealed his control of Guru Health. While impersonating the nominee CEO, Hamilton:
 - (a) directed the Nevada agent to appoint two Alberta residents as the sole officers and directors of Guru Health (the Nominee CEO and the Nominee Secretary);
 - (b) issued shares to the Nominee CEO and Secretary without their knowledge and made it appear they paid for them when they did not; and
 - (c) appointed the Bank of Montreal as the company's banker and appointed the Nominee CEO, himself, and Lichti as authorized signatories for the company's bank accounts.
9. After creating Guru Health, Hamilton prepared the company's registration statement for the SEC, and directed the filing process. The SEC accepted the registration statement, allowing Guru Health to sell shares to the public as of May 13, 2011.
10. The SEC registration statement failed to disclose that Hamilton was the sole controlling mind of Guru Health and instead stated that the Nominee CEO and Secretary were running the company.
11. In order to have its shares traded on the OTCBB, Guru Health had to establish to FINRA, a US securities regulator, that it had a sufficient number of



independent shareholders. To create the false appearance the company had independent shareholders:

- (a) Hamilton instructed the Nominee CEO to get family and friends to sign subscription agreements. Twenty-five of them (the Nominee Shareholders) signed subscription agreements and did not pay for their shares; and
 - (b) Hamilton and Lichti used their own funds to purchase bank drafts and money orders to create the appearance that the Nominee Shareholders paid for their shares when they did not.
12. Hamilton provided the Nominee Shareholder subscription agreements and the bank drafts and money orders to FINRA to support Guru Health's false claims that it had independent shareholders and no other person had control over the shares.
13. While impersonating the Nominee CEO, Hamilton told Guru Health's stock transfer agent to issue share certificates in the names of the Nominee Shareholders.
14. Hamilton obtained the Guru Health share certificates but never provided them to the Nominee Shareholders.
15. Hamilton instructed Lichti to negotiate the sale of Guru Health.
16. Lichti met a potential buyer at a pizza chain in Bellingham, Washington and showed him all the Guru Health share certificates, corporate documents, and irrevocable stock power forms, which purported to permit the transfer of ownership from each Nominee Shareholder. The buyer verbally agreed to purchase Guru Health.
17. While impersonating the Nominee CEO, and in order to complete the sale, Hamilton communicated with Guru Health's stock transfer agent to facilitate the transfer of the unrestricted shares to ten different offshore entities.
18. In May 2012, the buyer paid Lichti US\$30,000 and Hamilton US\$190,000. Hamilton paid \$30,000 to the Nominee CEO.
19. With concealed control over all the shares, the buyer was in a position to engage in a manipulative scheme and it appears these shares were subsequently involved in suspicious trading activity.



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, May 16, 2017, at 9:00 a.m.** 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.

Peter J Brady
Apr 18 2017 9:32 AM -07:00

- ¶ 5 Peter J. Brady
Executive Director