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## News Release

# BCSC panel finds Sooke man lied about ownership of historic hotel and defrauded investor of \$1 million

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**Vancouver** – A Sooke man defrauded an investor of \$1 million by lying about the ownership of a well-known historic Vancouver Island hotel, a B.C. Securities Commission (BCSC) panel has [ruled](#).

Timothy Craig Durkin, a director of SHH Holdings Limited, raised the funds from the investor through a distribution of securities in the company between December 2015 and March 2016. Durkin told the investor that SHH owned all of the shares of the Sooke Harbour House hotel through a subsidiary, and that by buying 40 per cent of its shares, the investor would obtain a 40 per cent ownership interest in the hotel. In reality, at that time, SHH did not own any of the shares in the corporation that owned the hotel.

The investor, a Chinese citizen who was trying to immigrate to Canada, had already invested in a spa business in the Sooke area and was considering broadening her investments in the region. In emails with the investor's accountant, Durkin chose not to correct erroneous information and misunderstandings about the ownership of the hotel's shares.

Based on misleading or false information, the investor's company signed an agreement with SHH and advanced \$1 million to purchase the shares. The funds were spent and have not been recovered.

In its decision, the BCSC panel concluded that on three occasions, SHH and Durkin made false statements about the hotel's ownership, knowing that they would be taken as an accurate representation of its current financial situation, and not its status after the transaction closed. The panel determined Durkin's conduct was deceitful and that he misled the investor through her advisor.

The hotel remains closed and under renovation with no clear timeline for reopening, according to a message on its website.

The panel directed the parties to make submissions on sanctions.

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- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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