



Citation: 2021 BCSECCOM 42

**Settlement Agreement**

**Shayne William Sharma**

*Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Shayne William Sharma (Sharma) agree as follows:

**Agreed Statement of Facts**

***Background***

1. Sharma is a resident of Coquitlam, British Columbia.

***Misconduct***

2. From March 2014 to January 2015, Sharma raised approximately \$257,500 from 21 British Columbia investors.
3. Sharma represented to the investors that:
  - (a) he wanted to exercise warrants in shares he owned but he did not have enough money to do so;
  - (b) he would use investor funds to exercise the warrants and sell the underlying shares at a premium; and
  - (c) he would give the investors a 25% return in 45 days.
4. Sharma did not use investor's funds as promised. Instead, he used the money to gamble.
5. By engaging in the conduct set out above, Sharma perpetrated a fraud, contrary to section 57(b) of the Act.

**Aggravating Factor**

6. In an attempt to delay payments to investors and to stop investors from making a complaint to the British Columbia Securities Commission (Commission), Sharma presented investors with a forged letter on Commission letterhead, purported to be signed by Commission staff.



### **Mitigating Factors**

7. Sharma voluntarily began to repay investors prior to Commission staff involvement in this matter. To date, Sharma has paid back approximately \$160,000 and was continuing to pay investors at the time of this settlement.
8. Sharma agreed to make admissions with respect to the above-noted misconduct prior to the issuance of a Notice of Hearing.
9. Sharma has fully cooperated with the Commission staff throughout the investigation.

### ***Public Interest***

10. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

### **Undertaking**

11. Sharma undertakes to:

- a. provide to the Executive Director, when Sharma signs this agreement, a list of all investors he has not yet repaid, contact information for each investor and the principal amount owing to each investor;
- b. on or before January 29, 2026, repay all investors in full, with a minimum of \$9560 to be paid to investors in each six month period after this agreement has been signed;
- c. report to the Executive Director monthly, or at any other time when Commission staff demand, about payments he has made to investors, and to provide evidence of the payments in a form satisfactory to the Executive Director; and
- d. pay \$25,000 to the Commission in settlement of this matter, but those amounts are not payable until investors have been paid in full in accordance with the above undertakings or the amount otherwise becomes payable in accordance with the Forbearance Agreement dated January 29, 2021 between the Commission and Sharma.

(the Undertaking)



### *Orders*

12. The Executive Director will issue orders under section 161 of the Act against Sharma that:

- (1) Sharma is permanently prohibited:
  - (a) under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives, except that he may trade and purchase securities or derivatives for his own account through a registered dealer, if he gives the registered dealer a copy of this settlement agreement;
  - (b) under section 161(1)(c), from relying on any exemptions set out in the Act, the regulations or a decision;
  - (c) under section 161(1)(d)(ii), from becoming or acting as, a director or officer of any issuer or registrant, except for one company for which the sole purpose is to lease a vehicle;
  - (d) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;
  - (e) under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives market;
  - (f) under section 161(1)(d)(v), from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
  - (g) under section 161(1)(d)(vi), from engaging in promotional activities on his own behalf in respect of circumstances that would reasonably be expected to benefit him.
- (2) Sharma must pay to the Commission \$95,600, pursuant to section 161(1)(g) of the Act (the Disgorgement Order), which order shall be enforceable if investors have not been paid in full or Sharma is otherwise in default of his obligations in the Forbearance Agreement dated January 29, 2021 between the Commission and Sharma.



**Consent to Regulatory Orders**

¶ 2 Sharma consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph 12(1) above.

**Waiver**

¶ 3 Sharma waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

**Counterpart**

¶ 4 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

¶ 5 January 29 , 2021

¶ 6 Shayne William Sharma  
**Shayne William Sharma**  
(Signing Authority)

(REDACTED) )  
Witness Signature )  
(REDACTED) )  
Witness Name (please print) )  
(REDACTED) )  
(REDACTED) )  
Address )  
(REDACTED) )  
Occupation )

¶ 7 January 29, 2021  
*Peter J Brady*  
*Jan 29 2021 2:00 PM -08:00*

¶ 8 Peter J. Brady  
Executive Director