



British Columbia Securities Commission

Citation: 2013 BCSECCOM 74

## Notice of Hearing

**Robert Frederick Weicker and Amina Umutoni Weicker**

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

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against Robert Frederick Weicker (Robert) and Amina Umutoni Weicker (Amina) (collectively, the Respondents) under sections 161, 162 and 174 of the *Securities Act*, R.S.B.C. 1996, c. 418 (Act), based on the following facts:

#### **Background**

1. Robert is a resident of British Columbia. He was a consulting geologist for Geo Minerals Ltd. (Geo Minerals).
2. Amina is married to Robert. Robert and Amina reside together in Port Coquitlam, British Columbia, and have been married for eight years.
3. Geo Minerals was a junior mineral exploration company that was headquartered in Vancouver, B.C. and had shares listed on the TSX Venture Exchange.
4. New Gold Inc. (New Gold) is a Toronto Stock Exchange-listed reporting issuer, headquartered in Toronto, Ontario.

#### ***Robert's Prior Misconduct***

5. On July 31, 2007, Robert entered into a settlement agreement with the Executive Director in which he admitted that, in his capacity as a director and officer of a mining company, he issued misleading news releases that failed to disclose material facts.
6. In November of 2008, Robert signed a consent order with respect to the same set of facts and agreed to a six-month suspension from the Association of Professional Engineers & Geoscientists of B.C. (APEG).
7. In January of 2011, Robert pleaded guilty in the Provincial Court of B.C. to tax evasion arising from his failure to report taxable benefits from stock options, capital gains from the sale of shares, and income from his corporation. Robert was sentenced to 15 months incarceration to be served



conditionally in the community. The events described in this Notice of Hearing took place during this conditional sentence term.

8. In September of 2011, Robert agreed to resign from APEG to avoid a further investigation and possible disciplinary inquiry by APEG into his tax evasion.

***Insider trading and tipping***

9. On October 1, 2010, Robert signed a consulting agreement with Geo Minerals to “provide Consulting Services and help find Properties as required by Geo Minerals Ltd.”
10. In June of 2011, New Gold contacted Geo Minerals to express its interest in acquiring one of Geo Mineral’s mineral properties. On July 28, 2011, the Vice President of Corporate Development of New Gold, the CEO/President of Geo Minerals (CEO), and Robert met to discuss the potential deal.
11. Throughout August and early September of 2011, Robert was involved with the negotiations between Geo Minerals and New Gold, which progressed from a single property deal to a company buy-out.
12. On August 19, 2011, Robert drafted an email for the CEO to send to New Gold, outlining a “takeout scenario whereby New Gold would acquire Geo Minerals.” The CEO forwarded Robert’s proposal, essentially unchanged, to New Gold.
13. Late on Friday, September 9, 2011, Robert received an e-mail message from the CEO stating that New Gold’s board would likely approve a \$0.15 bid. On Saturday, September 10, 2011, Robert replied to the CEO: “Well played”.
14. On Monday, September 12, 2011, Amina transferred \$60,500 into her self directed, on-line trading account (Trading Account) from joint accounts controlled by the Weickers. Amina began trading Geo Minerals shares through her Trading Account, purchasing a total of 585,900 shares on September 12 and 13, 2011.
15. On September 16, 2011, New Gold provided Geo Minerals with a non-binding expression of interest to acquire all of Geo Minerals. That day, the CEO emailed Robert: “We have something in writing. The eagle is landing!!”



16. On September 21, 2011 and October 11, 2011 Amina transferred a further \$37,900 into the Trading Account. In late September to early October 2011, she purchased additional 146,045 Geo Minerals shares.
17. In total, between September 12, 2011 and October 11, 2011, Amina purchased 729,945 Geo Minerals shares at an average cost of \$0.105 cents per share. The Geo Minerals shares were the only securities purchased or sold in Amina's Trading Account during this period.
18. On October 17, 2011, New Gold and Geo Minerals publicly announced that they had entered into an agreement whereby New Gold would acquire 100% of the outstanding common shares of Geo Minerals (the Acquisition).
19. On October 17, 2011, following the public announcement of the Acquisition, the price of Geo Minerals shares increased 33% from \$0.12 to \$0.16.
20. On December 7, 2011, Amina liquidated her position in Geo Minerals shares, for proceeds of \$116,781.21 (\$0.16 cents per share), representing a profit of \$40,132.67.
21. On December 16, 2011, Amina deposited the funds from the Trading Account into one of the Weicker's joint accounts. On that same day, Robert wrote two cheques against that account, and Amina wrote one cheque, depleting the entirety of the amount deposited from the Trading Account.

### **Misconduct**

22. While in a special relationship with Geo Minerals, Robert informed Amina about the Acquisition before it was generally disclosed, contrary to section 57.2(3) of the Act.
23. While in a special relationship with Geo Minerals, and with knowledge of the Acquisition before it was generally disclosed, the Respondents purchased shares of Geo Minerals, contrary to section 57.2(2) of the Act.
24. The Respondents' conduct described in this Notice of Hearing is contrary to the public interest.



### **Orders Sought**

25. It is in the public interest that the Commission issue orders under sections 161 and 162 of the Securities 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, September 17, 2013 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 Respondents 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 may 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 July 31<sup>st</sup>, 2013.  
  
Paul C. Bourque
- ¶ 6 Paul C. Bourque, Q.C.  
Executive Director