



British Columbia Securities Commission

Citation: 2014 BCSECCOM 196

Notice of Hearing

Hussain Dhala

(the Respondent)

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 Hussain Dhala under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Hussain Dhala (Dhala) is a self-employed day trader who resides in North Vancouver, British Columbia.
2. Dhala has never been registered under the Act.

Dhala perpetrated fraud on investors

3. Dhala told four investors (the Investors) he had an investment opportunity and could purchase shares for them in a private placement offered by an exchange issuer (the Shares).
4. At Dhala's instruction, the Investors gave Dhala \$38,250 to purchase the Shares.
5. Dhala did not purchase the Shares for the Investors. Instead he took at least \$33,400 of their money for himself by:
 - (a) making cash withdrawals and email money transfers of over \$26,900; and
 - (b) paying \$6,500 of his personal expenses for limousine services, gas, hair salon, restaurants, groceries, credit card, life insurance and MSP payments.



6. When Investors became concerned that Dhala had not purchased the Shares, they asked him to return their principal. Dhala did not return their funds. Instead, he:
 - (a) promised one Investor he would use the Investor's funds to trade in foreign exchange but he did not;
 - (b) told a second Investor he would return the Investor's funds when his bank account was unfrozen by the Commission but his account had never been frozen by the Commission; and
 - (c) wrote a cheque to a third Investor purportedly to return the Investor's principal but the cheque bounced.

Dhala made a false statement to an Investigator

7. Commission staff interviewed Dhala under oath and Dhala stated that he dealt with only one Investor. This was not true. Dhala received about \$38,250 from four Investors prior to the date of the interview.

Misconduct

8. By engaging in the conduct described above, Dhala:
 - (a) perpetrated a fraud on the Investors contrary to section 57 (b) of the Act;
 - (b) made a false statement to an Investigator contrary to section 168.1 of the Act.

Public interest

9. Dhala's conduct described in this Notice of Hearing is contrary to the public interest.
10. It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

Hearing Process

- ¶ 2 The Respondent or his counsel is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, July 22, 2014, at 9:00 am** if he wishes 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 Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of his 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 his counsel does 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 Respondent may be made in his absence.

Paul C. Bourque
Jun 19 2014 12:40 PM

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