



Citation: 2014 BCSECCOM 477

Notice of Hearing

Mark Aaron McLeary

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

Background

1. McLeary, a resident of North Vancouver, British Columbia, was a director, officer, and insider of two BC reporting issuers: Golden Sun Mining Corp. (Golden Sun) and Chlormet Technologies Inc. (Chlormet).
2. In September 2009, Commission staff interviewed McLeary about his role in a market manipulation for which McLeary was subsequently named as a Respondent in a Notice of Hearing. Near the end of the interview, McLeary remarked: “I want to make sure that anything else I do, going forward, I’m not going to be red flagged ...”
3. Despite trading for years through accounts at Canadian dealers, in September 2010, McLeary opened a trading account in Panama in the name of a newly created Panamanian holding company that he controlled, Pecado Capital, S.A.

Misconduct

4. McLeary did most of his subsequent trading in Golden Sun and Chlormet between 2011 and 2013 through his Panama account, where he could conceal his transactions from the Commission and the public.
5. As an insider of Golden Sun and Chlormet, McLeary was required by the Act to report to the Commission all of his worldwide transactions in shares of these issuers. However, McLeary only reported his transactions in these issuers that he made through his Canadian accounts. He failed to report any of his Panamanian account transactions.
6. McLeary’s failure to report his secret trading in Golden Sun was particularly misleading because while he, the president of Golden Sun, was secretly selling 870,000 of his own Golden Sun shares for proceeds of over \$420,000,



the company was actively engaged in a promotional campaign to get the public to buy its shares.

7. In March 2014, McLeary was cease traded for his failure to file insider reports (the CTO). Following the CTO, and after Commission staff confronted him with his Panama account documents and statements, McLeary updated his insider reporting to include the transactions in his Panama account, and paid late filing fees of \$5,250. The CTO was revoked in May 2014.
8. By failing to file insider reports about the Panamanian transactions in a timely way, McLeary contravened section 87(2) of the Act.
9. By filing 42 insider reports between 2011 and 2013 that omitted entirely the trading in his Panama account, McLeary made false or misleading statements in required filings and contravened section 168.1 of the Act.

Public Interest

10. McLeary's conduct described in this Notice of Hearing, including:

- opening an account in Panama, under the name of a Panamanian holding company, after finding out he was under investigation in respect of securities trading in BC;
- reporting only his share transactions in Canada, and not his share transactions in Panama, where most of them occurred; and
- while being the President of Golden Sun, secretly selling his Golden Sun shares through his Panama account while the company was actively promoting the public to purchase its shares,

harmed the reputation, integrity and credibility of the province's securities market and regulatory environment, and was contrary to the public interest.

11. 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 January 6, 2015, at 9:00 a.m. 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 Respondent 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
Dec 17 2014 11:48 AM

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