



Citation: 2015 BCSECCOM 83

Notice of Hearing

**John ‘Johnny’ ‘JFA’ Ferdinand Alexander Spangenberg,
Odyssey Renewable Growth Inc., and geoTreasuries Clean Energy Limited,
all also known as ‘Clean Carbon Finance’, ‘Clean Energy Finance USA’,
‘One geoFinance’, ‘GT2 Climate Risk Bonds Inc.’, and ‘GeoSteward Inc.’**

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 John ‘Johnny’ ‘JFA’ Ferdinand Alexander Spangenberg (Spangenberg), Odyssey Renewable Growth Inc. (Odyssey), and geoTreasuries Clean Energy Limited (geoTreasuries) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Spangenberg has never been registered under the Act. He became a British Columbia resident in June 2009.
2. In November and December 2010, Spangenberg incorporated two British Columbia companies: Odyssey and geoTreasuries. Spangenberg was a director of both, before they were dissolved. Neither company was registered under the Act or ever filed a prospectus.
3. Spangenberg posed as a broker of structured debt financing for ‘green energy’ infrastructure. Spangenberg claimed that Odyssey and geoTreasuries would arrange funding for renewable and clean energy projects, such as run-of-river hydroelectric and liquid natural gas developments (the Business).
4. Spangenberg also purported to carry on the Business under a number of other names, including: ‘Clean Carbon Finance,’ ‘Clean Energy Finance USA’, ‘One geoFinance’, ‘GT2 Climate Risk Bonds Inc.’, and ‘GeoSteward Inc.’.

Misconduct

Illegal Distribution

5. Between June 2011 and December 2013, Spangenberg raised over \$170,000 from at least six British Columbia residents (the Investors) in exchange for 600,000 shares in Odyssey and 6.33 million shares in geoTreasuries. Five of those trades, totaling over \$160,000, did not qualify for an exemption from the Act’s requirement for a prospectus.



6. By distributing the Odyssey and geoTreasuries' securities without having filed a prospectus, the Respondents committed an illegal distribution contrary to section 61(1)(a) of the Act.

Fraud

7. Before taking their money, Spangenberg deceived the Investors by:
 - Lying about his background and personal wealth, pretending to be a multi-millionaire who had made a fortune selling his Dutch business and who was now in the Business for philanthropic reasons only;
 - Pretending that his companies had an office in downtown Vancouver;
 - Falsely claiming that he and his companies had structured bonds and other credit products in the past, and describing fictitious Business deals valued in the hundreds of millions of dollars;
 - Fabricating a sham 'annual report', which purported to show a \$510,000 investment by Spangenberg in the Business, \$900,000 in assets, and revenues of over \$1.7 million the previous year;
 - Forging an analyst's report on the Business to misrepresent the researchers' credentials, remove their warnings of risk, and insert a fake recommendation to 'BUY' geoTreasuries' shares; and
 - Asserting that certain professionals, prestigious banks, and bond-rating companies were connected with the Business, when they were actually not affiliated with Spangenberg.
8. Spangenberg enticed Investors by promising them positions with Odyssey or geoTreasuries. Investors worked for hundreds hours, unpaid, on behalf of those companies, believing that they were in a viable Business.
9. Spangenberg manipulated certain younger Investors in the guise of a mentor. In one case, a graduate student moved to Vancouver to work as an intern for geoTreasuries, before Spangenberg offered him a corporate title and convinced him to invest with funds he withdrew from his RRSP.
10. Spangenberg further misled Investors by telling them that he would use their investment for the Business, and that he would not take a salary. In fact, Spangenberg used nearly all the money that he raised from Investors for his personal benefit by:



- Giving his ex-wife at least \$34,000 of the Investors' funds in cheques;
 - Spending over \$18,000 in additional debit purchases of groceries, liquor, hotels in the Lower Mainland, and other personal expenses; and
 - Withdrawing as cash a further \$110,000 or more.
11. Spangenberg took steps to conceal from Investors the fact that geoTreasuries has not carried on any of the Business. He denied Investors access to corporate information. He also told Investors who sought redress that the Respondents would have legal claims against them.
12. To allay one of the Investors' suspicions, Spangenberg produced a bill from a large law firm that purportedly charged over \$800,000 for fees incurred preparing a geoTreasuries prospectus. The bill was a forgery: no lawyer by the name of its supposed author worked at the firm.
13. By engaging in the conduct described in this Notice of Hearing, the Respondents committed fraud contrary to section 57(b) of the Act.

Odyssey and geoTreasuries' Misconduct is Attributable to Spangenberg

14. By authorizing, permitting, or acquiescing in Odyssey and geoTreasuries' contraventions of sections 61(1)(a) and 57(b) of the Act while a director of both companies, Spangenberg contravened those same provisions under section 168.2 of the Act.

Conduct Contrary to the Public Interest

Spangenberg Attempts More Fraud

15. After spending their money, Spangenberg unsuccessfully tried to persuade Investors to make additional investments, by falsely stating that:
- His personal investments were earning an average return on equity of 18.5%;
 - geoTreasuries was involved in certain large financings reported in the news;
 - geoTreasuries had been appointed by the 'premier' of Ghana to explore the refinancing of renewable energy projects; and
 - geoTreasuries had operations in New York City, San Francisco, Dallas, and Kuala Lumpur, Malaysia.



16. Spangenberg continues to promote the Business, and has reached out to people in addition to the Investors as recently as June 2014.
17. By attempting to commit further fraud, Spangenberg acted contrary to the public interest.
18. It is in the public interest that the Commission issue orders under sections 161 and 162 of the 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, April 14, 2015, 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 Respondent 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 will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.

Paul C. Bourque
Mar 9 2015 9:28 AM

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