



**British Columbia Securities Commission**

Citation: 2016 BCSECCOM 409

**Temporary Order and Notice of Hearing**

**Volkmar Guido Hable**

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

**Summary**

1. Between February 18 and 22, 2013, (the Relevant Period), Hable orchestrated a pump and dump scheme involving the securities of Samaranta Mining Corporation (Samaranta) which were listed on the TSX Venture Exchange.
2. As part of the scheme, Hable:
  - wrote and published a news release that claimed Samarium Group Holding Ltd. (Samarium) was commencing an offer to acquire a minimum of 51% of the shares of Samaranta. This news release was false;
  - sold his Samaranta shares as their price increased after publishing the news release, for net proceeds of \$157,597; and
  - wrote and published a second news release that claimed Samarium withdrew its offer.
3. In response to a request for information from Commission staff, Hable submitted a false financial report that purported to show Samarium had the financial resources to follow through on the Samaranta offer.
4. By engaging in this conduct as set out in this Notice of Hearing, Hable:
  - (a) directly or indirectly, engaged in or participated in conduct relating to Samaranta's shares that he knew, or reasonably should have known, resulted in or contributed to an artificial price for Samaranta's shares, contrary to section 57(a) of the Act; and

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- (b) submitted a financial report to the Executive Director that, in a material respect and in light of circumstances under which it was made, was false or misleading, contrary to section 168.1(1)(a) of the Act.

### **Background**

5. During the Relevant Period, Samaranta was a BC reporting issuer listed on the TSX Venture Exchange.
6. Hable was a BC resident during the Relevant Period. He:
  - (a) was Samaranta's president and chief executive officer from May 20, 2011 until July 16, 2012;
  - (b) was Samaranta's executive vice president of mining and exploration from July 16, 2012 until February 21, 2013; and
  - (c) was Samaranta's director from May 20, 2011 until February 12, 2013.
7. Hable is also a director of Samarium, an investment company based in Singapore.
8. On February 12, 2013, through four companies, Hable beneficially owned or controlled 5,067,055 Samaranta shares, held in different accounts in BC and Switzerland.

### **Market Manipulation**

9. Between February 12 and 15, 2013, Hable attempted to sell 4,957,055 of his Samaranta shares. He initially offered his shares at \$0.03 per share and was unable to sell them. He lowered the price to \$0.02 per share and sold 410,000 shares, but was unable to sell the rest.
10. On February 19, 2013, Hable wrote and published a news release. It stated that Samarium was commencing an offer to acquire not less than 51% of the issued and outstanding shares of Samaranta at a price of \$0.12 per share.
11. The news release was false. Samarium had no intention of proceeding with the offer described in the news release.
12. On the same day Hable published the news release, his outstanding sell order for Samaranta shares at \$0.02 was cancelled and then re-entered with a new limit price of \$0.04.



13. The publication of the first news release resulted in a significant increase in Samaranta trading volume and share price.
14. In the eleven trading days prior to the publication of the first news release, there was an average of five daily trades of Samaranta shares, with an average trading volume of 139,600 shares per day. The volume-weighted price during this period was \$0.02 per share with a high price of \$0.03 per share.
15. During the period between the two news releases (February 19 to 22, 2013), there was an average of 253 daily trades of Samaranta shares, with an average trading volume of 7,198,473 shares per day. The volume-weighted price during this period was \$0.04 per share with a high price of \$0.065 per share.
16. Between February 20 and 22, 2013, Hable sold 4,657,055 of his Samaranta shares and netted \$157,597 from the sale of these shares.
17. After trading closed on February 22, 2013, Hable wrote and published a second news release that claimed Samarium withdrew its offer to acquire Samaranta's shares.
18. In the four trading days after February 22, there was an average of 49 daily trades of Samaranta stock, with an average trading volume of 1,471,564 shares per day. Samaranta's volume weighted price was \$0.02 per share with a high price of \$0.03 per share.

**Hable submits false documents to Commission staff**

19. Commission staff asked Hable to show that Samarium had the funds available to pay for up to 51% of the issued and outstanding shares of Samaranta at a price of \$0.12 per share, as stated in the first news release, for an estimated cost of \$3 million.
20. Hable provided Commission staff with a document purporting to be a copy of Samarium's Annual Financial Report as of December 31, 2012. The annual report purported to show that Samarium held cash of \$268,615,000 (Singapore dollars), or just under CAD \$219 million.
21. In fact, the annual report was an altered version of an unrelated company's annual report. The alterations included adding a cover page for Samarium and replacing references to the unrelated company's name with references to Samarium.



### **Temporary Order**

- ¶ 2 The Executive Director, considering the length of time to hold a hearing under section 161(2) of the Securities Act to be prejudicial to the public interest, orders the following (the Temporary Order):
- (a) under section 161(1)(b) of the Act, that Hable cease trading in, and be prohibited from purchasing, securities;
  - (b) under sections 161(1)(d)(i) and (ii), that Hable resign any position he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant;
  - (c) under section 161(1)(d)(iii), that Hable be prohibited from becoming or acting as a registrant or promoter;
  - (d) under section 161(1)(d)(iv), that Hable be prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and
  - (e) under section 161(1)(d)(v), that Hable be prohibited from engaging in investor relations activities.

### **Hearing Process**

- ¶ 3 A hearing (the Hearing) will be held in the 12<sup>th</sup> Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Thursday, December 22, 2016, at 10:00 am**, at which time the Executive Director will ask the Commission to extend the temporary order until a hearing is held and a decision is rendered.
- ¶ 4 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is 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](mailto:commsec@bcsc.bc.ca).
- ¶ 5 If the Respondent or their counsels 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 Respondent may be made in their absence.

*Peter J Brady*  
*Dec 12 2016 3:52 PM -08:00*

- ¶ 6 Peter J. Brady  
Executive Director