



British Columbia Securities Commission

Citation: 2015 BCSECCOM 166

Notice of Hearing

**SunCentro Corporation, John Leonard Carswell, Robert Thomas Helina,
Donald Weiss, YDS Energy, Resources and
Humanitarian Relief Corporation, Yawar Sattar Khan,
and David Kenge Kato**

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

Background

1. SunCentro Corporation (SunCentro) is a Nevada corporation with a head office located in Vancouver, British Columbia. Its business is solar energy.
2. John Leonard Carswell (Carswell) is a resident of British Columbia and has been a director of SunCentro since August 2010. He has been President and Chief Executive Officer of SunCentro since August 2012, Chief Financial Officer since April 2012, and Secretary and Treasurer since August 2010. He has never been registered under the Act.
3. Robert Thomas Helina (Helina) is a resident of British Columbia and has been a director of SunCentro since April 2010. He has been Chairman of SunCentro since August 2010. Helina was registered under the Act from 1991 to 2008. He is not currently registered under the Act.
4. Donald Weiss (Weiss) is a resident of Alberta. He has never held a director or officer position with SunCentro. He has never been registered under the Act.
5. YDS Energy, Resources and Humanitarian Relief Corporation (YDS) is a British Columbia corporation with its office in Delta, British Columbia.
6. Yawar Sattar Khan (Khan) is a resident of British Columbia and has been a director and the President and Chief Executive Officer of YDS since 2010. He has never been registered under the Act.



7. David Kenge Kato (Kato) is a resident of British Columbia and has been a director and Vice President of YDS since 2010. He has never been registered under the Act.

Misconduct

Carswell and Helina relied on unfounded prospectus exemptions

8. SunCentro has never filed a prospectus under the Act. It has relied on prospectus exemptions to raise money from investors.
9. Between 2011 and 2013, SunCentro distributed securities to twenty-six investors who did not qualify under any prospectus exemption, raising US\$249,525. As described below, Weiss referred six of these investors, YDS referred nineteen, and Carswell recruited one investor himself.
10. Carswell and Helina both have extensive securities market experience. Carswell has more than 20 years' experience as a director and officer of public and private companies. Helina was a registrant for eighteen years.
11. SunCentro securities are now worthless.

Weiss Referred Six Investors to SunCentro

12. In 2011, SunCentro and Weiss entered into an agreement authorizing Weiss to raise money for SunCentro.
13. Between 2011 and 2012, Weiss referred six B.C. investors, who invested a total of US\$78,025 in the company. Carswell signed each of their subscription agreements on behalf of SunCentro.
14. SunCentro paid commissions to Weiss for referring these investors.
15. None of these investors qualified under a registration or prospectus exemption.

YDS Referred Nineteen Investors to SunCentro

16. In 2011, SunCentro and YDS entered into a business development agreement authorizing YDS to raise money for SunCentro.
17. As part of this agreement, Kato invested \$500,000 in SunCentro. SunCentro also agreed to pay YDS commissions for referring investors. This gave Khan and Kato a financial stake in SunCentro's success.
18. Khan and Kato had no prior securities market experience. The business development agreement required them to comply with the law when raising



money for SunCentro. They made no effort to inform themselves on the law, but relied instead on the advice of Carswell.

19. Between 2011 and 2012, YDS referred nineteen B.C. investors to SunCentro, who invested a total of US\$165,500 in the company.
20. Khan and Kato were present when the investors met with SunCentro. Kato also provided subscription agreements to some of these investors.
21. Helina and Carswell were directly involved in recruitment of these investors. Helina and Carswell made presentations to them at SunCentro's head office. Carswell also signed the subscription agreements for these investors on behalf of SunCentro.
22. None of these investors qualified under a registration or prospectus exemption.

Carswell Recruited One Investor for SunCentro

23. In 2013, Carswell raised US\$6,000 for SunCentro from an investor. Carswell signed this investor's subscription agreement on behalf of SunCentro.
24. Carswell told this investor that, since she was not an accredited investor, she could qualify as a close personal friend of Carswell, even though she had only met him once.
25. This investor did not qualify under a registration or prospectus exemption.

Contraventions of the Act

26. By trading in securities without an exemption and without being registered, the Respondents contravened section 34 of the Act.
27. By distributing securities to investors without an exemption and without filing a prospectus, the Respondents contravened section 61 of the Act.
28. Carswell and Helina, as directors and officers of SunCentro, authorized, permitted or acquiesced in contraventions of the Act by SunCentro. Therefore, by operation of section 168.2 of the Act, they also contravened the Act.
29. Khan and Kato, as directors and officers of YDS, authorized, permitted or acquiesced in contraventions of the Act by YDS. Therefore, by operation of section 168.2 of the Act, they also contravened 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, August 4, 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
Jun 30 2015 8:15 AM

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