

BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re Mohamed, 2024 BCSECCOM 467

Date: 20241030

**Tajkarim Mohamed, Lacie Holdings Limited,
Space Cloud Empire Limited, formerly known as CE Star Holdings Limited,
(together, the Mohamed Group) and**

**Aly Ismail, NH Transcendental Business Solutions Inc.,
Green Stream Botanicals Corp.,
(together, the Ismail Group)**

Section 161 of the *Securities Act*, RSBC 1996, c 418 (the Act)

Panel	James Kershaw	Commissioner
	Marion Shaw	Commissioner
	Karen Keilty	Commissioner

Submissions completed October 25, 2024

Ruling date October 30, 2024

Counsel

Mila Pivnenko Heesoo Kim	For the Executive Director
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Joan M. Young Melanie Harmer Jeneya Clark	For Tajkarim Mohamed; Lacie Holdings Limited; Space Cloud Empire Limited, formerly known as CE Star Holdings Limited
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Lisa Ridgedale Shanna Gu	For Aly Ismail, NH Transcendental Business Solutions Inc. and Green Stream Botanicals Corp.
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Ruling and Temporary Order

I. Introduction

- [1] This ruling addresses the application made by the Ismail Group (Applicants) for adjournment of a four-day enforcement hearing scheduled for October 29, 30, 31 and November 8, 2024.
- [2] On October 25, 2024, this panel adjourned generally the hearing with reasons to follow.
- [3] For the reasons set forth below, we granted the adjournment application and make temporary orders against the Ismail Group pursuant to section 161(2) of the Act.

II. Nature of the Proceeding

- [4] This proceeding was commenced by a notice of hearing, 2023 BCSECCOM 494, issued October 24, 2023 (NOH). The allegations in the NOH are that:

- (a) Tajkarim Mohamed (Mohamed) and Aly Ismail (Ismail), personally and through corporate entities, engaged in unregistered trading of two issuers' securities without any applicable exemptions;
- (b) In total, the Mohamed Group and the Ismail Group acted in furtherance of trades of approximately \$12.2 million worth of securities, for which they received approximately \$1 million in finder's fees;
- (c) By engaging in this conduct, the Mohamed Group and the Ismail Group contravened section 34(a) of the Act; and
- (d) Mohamed and Ismail authorized, permitted or acquiesced in the contraventions of the corporate respondents and therefore, by virtue of section 168.2 of the Act, they contravened the same provisions.

- [5] Thuy Hanh (Lisa) Nguyen (Nguyen) was not named in the NOH but is the sole director of the corporate respondents in the Ismail Group.

III. Procedural History

- [6] At a set-date hearing conducted on December 13, 2023, the liability hearing was set to commence on October 29, 2024. At the set-date hearing, the Applicants, who had not yet retained counsel, appeared on their own behalf.
- [7] On April 5, 2024, Aly Ismail (Ismail) and Nguyen each applied to the Commission to have the Ismail Group severed from the Mohamed Group for the purposes of the hearing and to be afforded unspecified medical accommodations.
- [8] In *Re Mohamed*, 2024 BCSECCOM 369, this panel denied the application for severance because Ismail and Nguyen failed to establish that manifest prejudice would result if such order was not granted. The panel also denied the applications by the Ismail Group for unspecified medical accommodations because they had failed to provide credible documentary evidence from qualified medical practitioners sufficient to support their accommodation requests.
- [9] On September 18, 2024, Ismail filed an application for an adjournment on behalf of himself and Nguyen. He did not include any evidence to support his application. The executive director provided responding submissions on September 27, 2024. On October 1, 2024, an email was sent to Ismail from the hearing office advising that the panel was allowing him until October 10, 2024, to submit any reply and allowing him until October 10, 2024, to submit evidence to support his application. No reply or evidence was provided by Ismail, and, on October 14, 2024, the panel dismissed the application, with reasons to follow. The reasons that the September 18, 2024, application was dismissed are similar to the reasons in *Re Mohamed*, 2024 BCSECCOM 369: Ismail failed to provide evidence to support his application despite being given opportunities to do so. As such, it was not in the public interest to delay the hearing for unspecified and unsupported medical conditions.

IV. Current Adjournment Application Position of the Applicants

- [10] The liability hearing on the allegations set out in the NOH was scheduled to commence on October 29, 2024. Counsel for the Ismail Group was retained by them on October 16, 2024. This application was brought on October 17, 2024.

- [11] In their submissions made on October 21, 2024, counsel for the Ismail Group stated that they are not able to prepare for the scheduled enforcement hearing because they were still “in the process of receiving the complete file, including the Commission’s disclosure materials” and had focused their efforts on this application.
- [12] The Ismail Group has provided the Commission with documentary evidence from qualified medical practitioners relating to the current medical conditions of Ismail and Nguyen and submit, based on such evidence, that in respect of Ismail, he cannot reasonably be expected to fully comprehend, engage in, instruct counsel or make full answer and defence in the scheduled hearing, and, in respect of Nguyen, she cannot reasonably be expected to instruct counsel or fully engage in the scheduled hearing.
- [13] An adjournment until after February 2025 was sought.

Position of the Mohamed Group

- [14] The Mohamed Group has made no submissions with respect to this application.

Position of the Executive Director

- [15] The executive director does not oppose this application and requests that:
- (a) New hearing dates be scheduled; and
 - (b) Temporary orders be issued against the Ismail Group until the hearing of the matters set out in the NOH is complete on the basis that it would be prejudicial to the public interest not to impose temporary orders to protect our capital markets.
- [16] The executive director seeks the following temporary orders against Ismail, until the hearing on the allegations set out in the NOH is complete and the decision is rendered:
- (a) under section 161(1)(b)(ii), Ismail is prohibited from trading in or purchasing securities or derivatives;
 - (b) under section 161(1)(c), all of the exemptions set out in the Act, regulations or any decisions as defined in the Act do not apply to Ismail;
 - (c) under section 161(1)(d)(i), Ismail resign any position he holds as a director or officer of any issuer, other than an issuer all the securities of which are owned beneficially by him or members of his immediate family;
 - (d) under section 161(1)(d)(ii), Ismail is prohibited from becoming or acting as a director or officer of any issuer, other than an issuer all the securities of which are owned beneficially by him or members of his immediate family;
 - (e) under section 161(1)(d)(iii), Ismail is prohibited from becoming or acting as a registrant or promoter;
 - (f) under section 161(1)(d)(iv), Ismail is prohibited from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities markets;
 - (g) under section 161(1)(d)(v), Ismail is prohibited from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
 - (h) under section 161(1)(d)(vi), Ismail is prohibited from engaging in promotional activities on his own behalf and respect of circumstances that would reasonably be expected to benefit him.

[17] The executive director seeks the following temporary orders against NH Transcendental Business Solutions Inc. (NHT), until the hearing on the allegations set out in the NOH is complete and the decision is rendered:

- (a) under section 161(1)(b)(ii), NHT is prohibited from trading in or purchasing securities or derivatives;
- (b) under section 161(1)(c), all of the exemptions set out in the Act, regulations or any decisions as defined in the Act do not apply to NHT;
- (c) under section 161(1)(d)(v), NHT is prohibited from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
- (d) under section 161(1)(d)(vi), NHT is prohibited from engaging in promotional activities on its own behalf and in respect of circumstances that would reasonably be expected to benefit it.

[18] The executive director seeks the following temporary orders against Green Stream Botanicals Corp. (GSB), until the hearing on the allegations set out in the NOH is complete and the decision is rendered:

- (a) under section 161(1)(b)(ii), GSB is prohibited from trading in or purchasing securities or derivatives;
- (b) under section 161(1)(c), all of the exemptions set out in the Act, regulations or any decisions as defined in the Act do not apply to GSB;
- (c) under section 161(1)(d)(v), GSB is prohibited from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
- (d) under section 161(1)(d)(vi), GSB is prohibited from engaging in promotional activities on its own behalf and in respect of circumstances that would reasonably be expected to benefit it.

V. Analysis and Conclusions

[19] The promotion and preservation of public confidence in the fairness and integrity of our capital markets is one of the principal objectives of our public interest securities regulatory regime.

[20] Confidence is preserved, in part, through timely prosecution of alleged securities regulatory violations. As the panel in *Re Poonian*, 2013 BCSECCOM 448, stated at paragraph 19, quoting from *Bennett (Re)* 1992 LNBCSC 64:

As a general rule, it is in the public interest to proceed with hearings expeditiously. One of the reasons legislatures passed legislation creating administrative tribunals is because there is an expectation those tribunals will be able to make decisions more expeditiously than the courts and therefore with respect to securities regulation as an example, the public interest will be better served. In our view, failure to hold hearings expeditiously can be prejudicial to the public interest...

[21] BC Policy 15-601-*Hearings* clearly provides that this Commission is the master of its own procedures and can do what is required to ensure fair, flexible and efficient hearings grounded on the principles of natural justice. It states the following in paragraph 3.4(c):

Adjournment Applications - The Commission expects parties to meet scheduled hearing dates. If a party applies for an adjournment, the Commission considers the

circumstances, the timing of the application in relation to any hearing date, the fairness to all parties and the public interest in having matters heard and decided efficiently and promptly. The Commission will generally only grant adjournments if a panel is satisfied based on the evidence filed by the applicant that there are compelling circumstances. Where an adjournment is based on a party's health, the Commission usually requires sufficient evidence from a medical professional.

Where the Commission has previously set dates for a hearing and a party retains new counsel, the Commission expects the new counsel to be available for those dates.

Recent Engagement of Legal Counsel and Adequacy of Medical Evidence

- [22] Counsel for the Ismail Group submits that they were only recently retained and require time to receive the complete file, including the Commission's disclosure materials, and then prepare for the enforcement hearing of the allegations set out in the NOH.
- [23] The Applicants have also provided extensive and detailed affidavit evidence in support of their application for adjournment for medical reasons. Although it is not yet clear to this panel what, if any, medical accommodations may be required by Ismail or Nguyen at the time of an oral hearing, this panel views the evidence provided as compelling and persuasive.
- [24] Notwithstanding the fact that the executive director is fully prepared to proceed with the hearing, as scheduled, the executive director acknowledged, in his submissions, that the adjournment application contains compelling circumstances and is accompanied by documentation from qualified medical professionals that indicates that Ismail and Nguyen are unfit for a hearing until the end of February 2025.
- [25] This panel adjourned generally the hearing of the allegations set out in the NOH after considering the timing of the retention of counsel by the Applicants and the need to promote hearing fairness, balanced against the public interest in having this hearing proceed, and after reviewing the documentation from qualified medical professionals provided by the Ismail Group.

Temporary Orders and the Public Interest

- [26] Sections 161(2) and 161(3) of the Act state:
 - (2) If the Commission or the executive director considers that the length of time required to hold a hearing under subsection (1), other than under subsection 1(e)(ii) or (iii), could be prejudicial to the public interest, the Commission or the executive director may make a temporary order without providing an opportunity to be heard, to have effect for not longer than 15 days after the date the temporary order is made.
 - (3) If the Commission or the executive director considers it necessary and in the public interest, the Commission or the executive director may, without providing an opportunity heard, make an order extending a temporary order until a hearing is held, and a decision is rendered.
- [27] As noted above, the executive director has sought temporary orders against the Ismail Group.
- [28] The Ismail Group has confirmed in writing to the executive director that they consent to the temporary orders sought by the executive director.
- [29] The Mohamed Group has made no submissions on the issue of temporary orders.

- [30] The allegations set out in the NOH describe significant breaches of the Act by the Ismail Group and it is in the public interest that we proceed with the hearing on liability for such allegations without undue delay. Because the hearing is now adjourned, in these circumstances, there is increased risk of harm to the public. In normal circumstances, the Commission might be reluctant to impose temporary orders in the absence of evidence such as an affidavit of an investigator setting out the evidence that is likely to be presented at an eventual hearing. However, in this instance, this panel concludes that the public interest supports the imposition of an order under Section 161(2).

Conclusions

- [31] We communicated to the parties on October 25, 2024, that the hearing on the allegations set out in the NOH scheduled to commence on October 29, 2024, is adjourned generally.
- [32] This panel considers that the length of time required to hold a hearing under section 161(1) could be prejudicial to the public interest, and will make temporary orders pursuant to section 161(2) of the Act in the form proposed by the executive director, and consented to by the Ismail Group, to be effective for 15 days after the date the temporary order is made.

VI. Order

- [33] The hearing set to commence on October 29, 2024, is adjourned.

Temporary order made against Ismail

- [34] Until 15 days after the date this order is made,
- (a) under section 161(1)(b)(ii), Ismail is prohibited from trading in or purchasing securities or derivatives;
 - (b) under section 161(1)(c), all of the exemptions set out in the Act, regulations or any decisions as defined in the Act do not apply to Ismail;
 - (c) under section 161(1)(d)(i), Ismail resign any position he holds as a director or officer of any issuer, other than an issuer all the securities of which are owned beneficially by him or members of his immediate family;
 - (d) under section 161(1)(d)(ii), Ismail is prohibited from becoming or acting as a director or officer of any issuer, other than an issuer all the securities of which are owned beneficially by him or members of his immediate family;
 - (e) under section 161(1)(d)(iii), Ismail is prohibited from becoming or acting as a registrant or promoter;
 - (f) under section 161(1)(d)(iv), Ismail is prohibited from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities markets;
 - (g) under section 161(1)(d)(v), Ismail is prohibited from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
 - (h) under section 161(1)(d)(vi), Ismail is prohibited from engaging in promotional activities on his own behalf and in respect of circumstances that would reasonably be expected to benefit him.

Temporary order made against NHT

- [35] Until 15 days after this order is made,

- (a) under section 161(1)(b)(ii), NHT is prohibited from trading in or purchasing securities or derivatives;
- (b) under section 161(1)(c), all of the exemptions set out in the Act, regulations or any decisions as defined in the Act do not apply to NHT;
- (c) under section 161(1)(d)(v), NHT is prohibited from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
- (d) under section 161(1)(d)(vi), NHT is prohibited from engaging in promotional activities on its own behalf and in respect of circumstances that would reasonably be expected to benefit it.

Temporary order made against GSB

[36] Until 15 days after this order is made,

- (a) under section 161(1)(b)(ii), GSB is prohibited from trading in or purchasing securities or derivatives;
- (b) under section 161(1)(c), all of the exemptions set out in the Act, regulations or any decisions as defined in the Act do not apply to GSB;
- (c) under section 161(1)(d)(v), GSB is prohibited from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
- (d) under section 161(1)(d)(vi), GSB is prohibited from engaging in promotional activities on its own behalf and in respect of circumstances that would reasonably be expected to benefit it.

October 30, 2024

For the Commission

James Kershaw
Commissioner

Marion Shaw
Commissioner

Karen Keilty
Commissioner