



BCSC imposes penalties and market bans for market manipulation

2019/12
March 11, 2019

Vancouver – A British Columbia Securities Commission (BCSC) panel [has imposed](#) penalties and market bans on three people and a Swiss wealth management firm after finding they were involved in market manipulation.

EHT Corporate Services S.A., formerly known as EuroHelvetica TrustCo. S.A. funded part of a 2011 marketing campaign that promoted a Nevada company called Kunekt, which had announced plans to enter the smartphone business. Newsletters claimed that Kunekt was the “next Apple,” even though it had \$360,000 in assets and no proprietary technology. The campaign enabled the company to reach a market capitalization of almost \$180 million.

Two people who were living in Vancouver at the time – Raffi Khorchidian and Garo Aram Deyrmenjian – were penalized for permitting the transfer of hundreds of thousands of dollars they beneficially owned to pay for the marketing campaign. The panel ordered that Khorchidian disgorge \$7.15 million, representing the net proceeds he received from trading in Kunekt shares in accounts beneficially owned by him, and that he pay an \$850,000 administrative penalty. Similarly, the panel ordered that Deyrmenjian must disgorge \$7.14 million, plus pay an administrative penalty of \$700,000.

Both Deyrmenjian and Khorchidian must also resign any position they hold as a director or officer of an issuer or registrant, and are permanently prohibited from taking any such role. They also were permanently barred from trading in or purchasing securities or exchange contracts; relying on any exemptions of the *Securities Act*; becoming or acting as director or officer a registrant or promoter; acting in a management or consultative capacity in the securities market; or engaging in investor relations activities.

David Craven, one of EHT’s managing directors, was ordered to pay an \$850,000 administrative penalty, and was ordered to resign any position he holds as a director or officer of an issuer or registrant, and permanently prohibited from taking any such role. He also was permanently barred from trading in or purchasing securities or exchange contracts; relying on any exemptions of the *Securities Act*; becoming or acting as director or officer a registrant or promoter; acting in a management or consultative capacity in the securities market; or engaging in investor relations activities.

The panel also imposed a \$700,000 administrative penalty on EHT and permanently prohibited it from trading in or purchasing securities or exchange contracts; relying on any exemptions of the *Securities Act*; becoming or acting as a registrant or promoter; acting in a management or consultative capacity in the securities market; or engaging in investor relations activities.

About the British Columbia Securities Commission (www.bcsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

Media Contact:
Brian Kladko
604-899-6713

Public inquiries:
604-899-6854 or 1-800-373-6393 (toll free)
inquiries@bcsc.bc.ca

Learn how to protect yourself and become a more informed investor at www.investright.org

Follow us on [Twitter](#)



Follow us on [LinkedIn](#)