



## BCSC finds that B.C. man and company traded securities without being registered and without filing a prospectus

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**Vancouver** - A British Columbia Securities Commission (BCSC) panel has found that [Prabhjot Singh Bakshi and SBC Financial Group Inc.](#) traded securities without being registered and without filing a prospectus. In the same decision, the panel dismissed allegations of fraud against Bakshi.

Bakshi, a B.C. resident, was previously registered under the *Securities Act* in various categories, but was not registered during the relevant period. He was SBC's sole officer, director and shareholder. SBC was a B.C. company that was dissolved in November 2016. SBC was never registered under the *Securities Act*.

The panel found that the respondents offered two different products to investors: an interest bearing loan arrangement and a land transaction in Hawaii. Through the interest bearing loan arrangements, the respondents promised returns varying from five to 30 per cent with maturity dates varying from two months to five years. The respondents were not registered to trade securities under the Act, nor did they file a prospectus relating to the sale of those securities.

The panel made various findings against the respondents, in relation to the loan arrangements:

- Bakshi and SBC breached the Act by trading in securities without being registered in the amount of \$2,675,238; and
- Bakshi and SBC breached the Act by selling securities without a prospectus and without an exemption from the prospectus requirement with respect to 45 issuances of securities for \$1,535,238.

The panel also found that Bakshi was liable for SBC's contraventions of the *Securities Act*, stating, "Bakshi was the sole director, officer and shareholder of SBC. He was solely responsible for the corporation's business activities and there is no question that he authorized SBC's contraventions of the Act."

The panel dismissed allegations of fraud, unregistered trading, and selling securities without a prospectus relating to the Hawaiian land transactions on the grounds that the transactions were not securities, as defined under the Act.

The panel directed the parties to make submissions on sanctions according to the schedule set out in the findings.

You may view the findings decision on our website, [www.bcsc.bc.ca](http://www.bcsc.bc.ca), by typing SBC Financial Group Inc., Prabhjot Singh Bakshi or 2018 BCSECCOM 113 in the search box. Information about disciplinary proceedings can be found in the [Enforcement section](#) of the BCSC website.

Please visit the Canadian Securities Administrators' (CSA) [Disciplined List](#) for information relating to persons and companies disciplined by provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

### **About the British Columbia Securities Commission ( [www.bcsc.bc.ca](http://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

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