



BCSC panel finds that three men and a wealth management firm were involved in a market manipulation

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Vancouver - A British Columbia Securities Commission (BCSC) panel [has found](#) that Garo Aram Deyrmenjian, Raffi Khorchidian, David Craven, and EHT Corporate Services S.A. were involved in a market manipulation.

EHT, formerly known as EuroHelvetia TrustCo. S.A., was a Swiss wealth management firm, and Craven was one of its managing directors during the relevant period. Deyrmenjian and Khorchidian were both Vancouver residents and EHT clients during the relevant period.

The panel found that starting on January 25, 2011, a tout sheet marketing campaign created an artificial share price for a Nevada company called Kunekt, which had previously announced plans to enter the smart phone business. The tout sheets made grossly promotional statements about Kunekt and caused the company to reach a market capitalization of almost \$180 million, despite the fact the company had roughly \$360,000 in assets and no proprietary technology.

In its decision, the panel noted, "There was no basis for the tout sheet materials to claim that Kunekt...was the 'next Apple', that its shares would soon be worth \$52.92 or that there was an 'all-but-guaranteed' chance to garner 5,192% profits before the summer of 2011."

The panel found that Deyrmenjian and Khorchidian each permitted the transfer of hundreds of thousands of dollars they beneficially owned to pay for invoices for services relating to the tout sheet marketing campaign. By permitting these transfers, Deyrmenjian and Khorchidian each engaged in conduct that resulted in or contributed to the artificial price.

The panel also found that EHT paid an invoice for services relating to the tout sheet campaign, and that in his role as a managing director, Craven authorized that payment. The panel found that EHT's conduct resulted in or contributed to the artificial price and that Craven authorized, permitted, or acquiesced in EHT's conduct.

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, by typing Garo Aram Deyrmenjian, Raffi Khorchidian, David Craven, EHT Corporate Services S.A. or 2018 BCSECCOM 125 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)

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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