



Citation: 2014 BCSECCOM 486

Notice of Hearing

Ayaz Dhanani (also known as Azim Virani)

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 Ayaz Dhanani (also known as Azim Virani) (Dhanani) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. Dhanani is a resident of Vancouver, British Columbia. He has never been registered under the Act.
2. Dhanani has a criminal record for fraud over \$5,000, three counts of fraud under \$5,000, possessing instruments for forging or falsifying credit cards, theft over \$5,000, two counts of breaching a conditional sentence order, and failing to comply with a recognizance. The most recent conviction was in 2012.
3. In April 2014, the Registrar of Mortgage Brokers of British Columbia issued a Cease and Desist Order to Dhanani because he was holding himself out as a mortgage broker without being registered.

Misconduct

4. Around June 2013, Dhanani presented a former co-worker (Investor A) with an investment opportunity. Dhanani told her that there was a mining company that was about to go public and his family had special access to that company's stock. He told Investor A that the stock price would increase by 50% in a short time period.
5. Investor A gave Dhanani \$13,800 for the investment and Dhanani and his father deposited it to an account held by Dhanani's parents. Dhanani took \$6,500 of Investor A's money for himself and his parents used the rest for personal items, such as gas, groceries, cash withdrawals, and paying off the overdraft in the account. After a week, they had spent all of Investor A's money and depleted the account.



6. Approximately one month later in July 2013, Dhanani approached a complete stranger at a bank (Investor B) and pretended his name was “Azim Virani”. He befriended Investor B by telling him that his father owned a hotel in Vancouver and he could get Investor B a job at the hotel. Dhanani then gave Investor B his contact information.
7. Investor B contacted Dhanani about the job and they arranged a meeting. At the meeting, Dhanani told Investor B about an investment opportunity involving a mining company that was about to go public. Again, Dhanani told Investor B that the stock price would increase by 50% in a short time period.
8. Investor B gave Dhanani four bank drafts totaling \$55,000 for the investment. While posing as “Azim Virani”, Dhanani told Investor B to make the bank drafts payable to “A. Dhanani”, who he said was his business partner.
9. This time, Dhanani and his father deposited Investor B’s money to two separate accounts held by Dhanani’s parents. Dhanani took at least \$17,000 of Investor B’s \$55,000 for himself, and his parents used the rest to cover overdrafts in the accounts and for personal items. After a week, they had spent all of Investor B’s money and depleted both accounts.
10. Shortly after they invested, Dhanani told the investors that their investments had generated returns. In fact, there was no investment opportunity. Dhanani did not use any of the money from Investor A or Investor B to buy stock for them.
11. Dhanani’s father was not in the hotel business and there was no job opportunity for Investor B.
12. Despite several promises to pay them back, Dhanani has not returned any money to either investor.

Fraud

13. By engaging in the conduct described in this Notice of Hearing, Dhanani perpetrated a fraud contrary to section 57(b) of the Act.

Conduct Contrary to the Public Interest

14. Dhanani’s conduct described in this Notice of Hearing, including:

- lying about an investment opportunity in a mining company,
- lying about the purported mining company “going public”,
- lying about having special access to the mining company’s stock,
- lying about the returns,



- lying about the use of investors' funds,
- lying about returning the funds to the investors,
- stealing at least \$23,500 of investors' money, and allowing his parents to use the rest for personal expenses and to cover overdrafts in their accounts,
- lying to Investor B about his father being in the hotel business in order to defraud Investor B, and
- lying about his identity and having a business partner,

harmed the reputation, integrity, and credibility of the province's securities market and regulatory environment, and is contrary to the public interest.

15. It is in the public interest that the Commission issue orders under sections 161 and 162 of 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, February 3, 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
Dec 4 2014 9:04 AM

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