



BCSC panel finds that five B.C. residents engaged in market manipulation

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Vancouver – A British Columbia Securities Commission panel [has found](#) that five B.C. residents engaged in a market manipulation that led to a misleading appearance of trading activity in, or an artificial price for, shares in a company listed on the TSX Venture Exchange (TSX-V).

The panel found that between September 2007 and March 2009, Thalbinder Singh Poonian, Shailu Sharon Poonian, Robert Joseph Leyk, Manjit Singh Sihota and Perminder Sihota coordinated their activities for the purpose of manipulating the share price of OSE Corp, an Ontario company whose shares traded on the TSX-V. OSE had its head office at a property owned by Perminder Sihota in Delta, B.C.

In its decision, the panel found that the respondents and certain relatives, friends and associates of Thalbinder and Sharon Poonian acquired a dominant share position in OSE through private placement purchase of shares and warrants. By trading through brokerage accounts in their own names and controlling the trades in accounts in the names of family and friends, the respondents manipulated OSE's share price to a high of near \$2.00 per share.

The panel found that the respondents obtained approximately \$7 million by selling OSE shares to unsuspecting buyers, including clients of Phoenix Credit Risk Management Consulting Inc. (and its affiliates), a company based in Richmond Hill, Ontario, that provided debt management services. Phoenix and its principals were paid commissions ranging from 10% to 20% and, in some cases, 28% each time they arranged for a Phoenix client to buy OSE shares. In December 2011, Phoenix and Jawad Rathore, Vincenzo Petrozza and Omar Maloney entered into a settlement agreement with Ontario Securities Commission in relation to this matter.

Describing Thalbinder Poonian as the "mastermind" of the scheme, the panel wrote, "He was the person who found OSE and acquired control of its shares and board... He was the one who set up the arrangement with the Phoenix Group. He was the one who traded OSE shares through nominees." The panel also noted that, as an experienced market participant and former registrant, Thalbinder Poonian knew, or should have known, that his conduct resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, OSE shares.

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 Thalbinder Singh Poonian, Shailu Sharon Poonian, Robert Joseph Leyk, Manjit Singh Sihota, Perminder Sihota, or 2014 BCSECCOM 318 in the search box. Information regarding disciplinary proceedings can be found in the Enforcement section of the BCSC website.

Please visit the Canadian Securities Administrators' Disciplined Persons List for information relating to persons disciplined by provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association (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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Media Contact:
Richard Gilhooley, Media Relations
604-899-6713
mediarelations@bcsc.bc.ca

Public inquiries:

604-899-6854 or 1-800-373-6393 (toll free)

inquiries@bcsc.bc.ca

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