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BCSC bans West Vancouver lawyer from investment market

Vancouver – The B.C. Securities Commission (BCSC) has permanently banned West Vancouver lawyer Frederick Langford Sharp from B.C.'s investment market, following a U.S. judgment against him for fraud and market manipulation.

Sharp, along with several others, was named by the U.S. Securities and Exchange Commission (SEC) as a defendant in a 2021 civil complaint in U.S. federal court. Sharp, of West Vancouver, did not appear or participate in the civil proceeding, and in May 2022, the court entered a [final judgment](#) against him. He is also facing related criminal charges in U.S. federal court.

The BCSC panel imposed the order under its authority to reciprocate orders by other securities regulators, self-regulatory organizations, exchanges or courts, either in Canada or abroad. The BCSC order bars Sharp from:

- Trading in or purchasing any securities or derivatives (except certain types of registered accounts for his own benefit, under certain conditions)
- Becoming or acting as a director or officer of any issuer or registrant
- Becoming or acting as a registrant or promoter
- Advising or acting in a management or consultative capacity in the securities or derivatives markets
- Engaging in promotional activities by or on behalf of an issuer, security holder, party to a derivative, or a person that is reasonably expected to benefit from the promotion
- Engaging in promotional activities on his own behalf that would reasonably be expected to benefit him, and
- Relying on any exemptions of the *Securities Act*, the regulations or a decision.

The SEC complaint alleged that Sharp and his employees, known as the Sharp Group, were in the business of facilitating illegal stock sales beginning in or before 2010 and continuing to 2020.

Sharp enabled his clients to defraud investors by secretly controlling the stock of numerous penny stock companies and then selling those securities in conjunction with misleading promotions, the SEC said. To facilitate the scheme, Sharp employed various devices, schemes and artifices, including:

- Creating and using encrypted communications hardware and networks



- Using offshore trading platforms to obfuscate who controlled public companies, and
- Creating an accounting system to keep track of his clients' stock positions, proceeds, commissions and fees.

Sharp's fraudulent misconduct generated over \$1 billion in gross proceeds, the SEC says.

"This conduct significantly harmed unsuspecting investors," the BCSC panel wrote.

"Sharp's misconduct was extremely egregious, and we find there to be no mitigating factors."

The U.S. court ordered Sharp to pay \$21.8 million, representing the net profits gained from the misconduct, plus pre-judgment interest of \$7.2 million, in addition to a civil penalty of \$24 million. The court also permanently barred him from the issuance, purchase, offer or sale of any security, except for his own personal account, and from participating in the offering of a penny stock (any security with a price below US\$5).

Sharp has also been [charged](#) by the U.S. Attorney's Office with one count of conspiracy to commit securities fraud and one count of securities fraud. Conspiracy to commit securities fraud provides for a sentence of up to five years in prison, and securities fraud provides for a sentence of up to 20 years in prison.

Although the BCSC provided Sharp the opportunity to be heard, he did not provide any evidence or submissions.

About the B.C. Securities Commission (www.bcsc.bc.ca)

The B.C. 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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