

Vancouver Provincial Court Sentences Man to 36 Months in Prison for Regulatory Crime

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On November 23, 2018, the Vancouver Provincial Court released its sentencing decision for Ayaz Dhanani, a 38 year old Vancouver man who had been convicted for selling fraudulent investments and other securities-related crimes. The Vancouver Provincial Court sentenced Mr. Dhanani to 36 months in prison and he will be on probation for a total of 36 months upon his release. Mr. Dhanani was also ordered to provide a sample of his DNA.

The Vancouver Provincial Court also ordered Mr. Dhanani to pay a total of \$194,568 in restitution to five victims. These charges followed a series of investigations by the British Columbia Securities Commission's (BCSC) Criminal Investigations Branch in relation to four of the victims.

Mr. Dhanani pled guilty to four counts of fraud over \$5,000 and three offences under the *Securities Act*. Specifically, Mr. Dhanani disobeyed a BCSC order against trading, failed to file prospectus's, and misled investors. It was found that Mr. Dhanani used several aliases and preyed upon people's lack of knowledge about investments.

In 2016 the BCSC had previously sanctioned Mr. Dhanani for fraud under the *Securities Act* and ordered him to pay an administrative penalty of \$225,000. The BCSC also permanently prohibited him from trading or purchasing securities or exchange contracts; becoming or acting as a director or officer of any issuer or registrant; becoming or acting as a registrant or promoter; acting in a management or consultative capacity in connection with activities in the securities market; or engaging in investor relations activities.

This decision marks a willingness on behalf of the courts to impose sanctions, including imprisonment, for individuals found guilty of conducting regulatory crimes. It will be interesting to see if this willingness is extrapolated to misconduct pursuant to the *Competition Act*, RSC 1985, c C-34.

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