



CIRO · OCRI

Canadian Investment
Regulatory
Organization

Organisme canadien
de réglementation
des investissements

IN THE MATTER OF
THE INVESTMENT DEALER AND PARTIALLY CONSOLIDATED RULES
AND
JOHN DAVID LUNAM
SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Canadian Investment Regulatory Organization (“CIRO”)¹ will issue a Notice of Motion to announce a settlement hearing pursuant to sections 8215 and 8428 of the Investment Dealer and Partially Consolidated Rules (the “Investment Dealer Rules”) to consider whether a hearing panel should accept this Settlement Agreement between Enforcement Staff and the Respondent, John David Lunam (“Lunam”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Enforcement Staff and Lunam jointly recommend that the hearing panel accept this Settlement Agreement in accordance with the terms and conditions set out below.

PART III – AGREED FACTS

3. For the purposes of this Settlement Agreement, Lunam agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. Without his firm’s knowledge or consent, Lunam facilitated off-book investments in unapproved private placements for five companies by 19 clients who collectively invested approximately \$316,500 in the private placements.

5. In addition, contrary to his firm's policies, Lunam mainly used his personal email address to communicate with and to provide documents to clients in relation to the unapproved private placements.

Lunam's Registration History

6. Between November 1988 and June 2022, Lunam was registered in the securities industry.
7. In October 2000, Lunam began working at a Vancouver business location of Assante Capital Management Ltd. ("Assante") as a Registered Representative (Securities, Retail).
8. Lunam worked at Assante until Assante terminated his employment in June 2022.
9. Lunam has not been registered with CIRO since then.

Sale of Unapproved Private Placements to Clients

10. Pursuant to the Assante Sales Compliance Manual, all products that Lunam offered to his clients had to be approved by Assante and all securities-related business had to be conducted through Assante.
11. In the Assante Compliance Attestations that Lunam completed between 2017 and 2021, he confirmed that he understood and complied with, among other things, the Assante Sales Compliance Manual.

12. Between 2018 and 2021, Lunam offered clients the opportunity to participate in private placement investments in the following five companies:
 - i. International Battery Metals Ltd. (“International Battery Metals”);
 - ii. Nyota Power Ltd. (“Nyota Power”);
 - iii. Volvera Global Enterprises Ltd. (“Volvera Global Enterprises”);
 - iv. Tantin Mining Corp. (“Tantin Mining”); and
 - v. Kivu Sunrize Trading Enterprise Ltd. (“Kivu Sunrize Trading Enterprise”) (collectively, the “Private Placements”).
13. The shares of International Battery Metals were listed on the Canadian Securities Exchange. The shares of the other four Private Placements were not listed on an exchange.
14. The Private Placements were not on Assante’s approved product list and at all material times Assante was unaware that Lunam offered them to his clients.
15. For some of the clients that he approached regarding one or more of the Private Placements, Lunam did one or more of the following:
 - provided written materials which contained positive information about the company;
 - suggested the dollar amount to invest;
 - provided the documents for the purchase;
 - helped them to complete the documents for the purchase; and
 - relayed the completed documents and payment to the company.
16. As detailed below, 19 clients participated in one or more of the five Private Placements. Collectively, they purchased approximately \$316,500 worth of shares.
17. Four of the 19 clients paid for their investments in the Private Placements with \$31,500 worth of assets that were held at Assante.

18. Lunam also bought shares of some of the Private Placements.

i. Purchase of International Battery Metals Shares

19. In May 2018, one client purchased \$35,000 worth of International Battery Metals shares.

ii. Purchase of Nyota Power Shares

20. Between June 2018 and January 2019, six clients collectively purchased \$66,500 worth of Nyota Power shares.

iii. Purchase of Volvera Global Enterprises Shares

21. Between April 2018 and May 2018, six clients collectively purchased \$45,000 worth of Volvera Global Enterprises shares.

iv. Purchase of Tantin Mining Shares

22. Between June 2021 and November 2021, thirteen clients collectively purchased \$130,500 worth of Tantin Mining shares.

v. Purchase of Kivu Sunrize Trading Enterprise Shares

23. Between May 2020 and July 2020, six clients collectively purchased \$39,500 worth of Kivu Sunrize Trading Enterprise shares.

24. Further particulars of the purchase of the Private Placements by Lunam and his clients are set out in Schedule "A".

Robert Hillis Miller's Involvement with the Private Placements

25. Lunam first learned about the Private Placements from Robert Hillis Miller ("Miller").

26. Miller was involved with each of the Private Placements.

27. In his communications to his clients regarding the Private Placements, Lunam described Miller in very favorable terms. For example, in one email that was sent to clients, Lunam wrote that Miller:

... is a talented individual, a man who is both personable and has great integrity. He relishes the work he does, and can handle complexity. He is a master at orchestrating the efficient funding and building of a company. I can attest that he is a legend around Vancouver for these abilities.

28. In March 2018, Miller opened a corporate account at Assante for BOA Ltd. (the “BOA Ltd. Account”).

29. Miller was the only officer and director of BOA Ltd.

30. In the New Account Application Form that Miller completed to open the BOA Ltd. Account, he indicated that he was self-employed as an entrepreneur who was in the business of company formation and that he was the sole owner of the BOA Ltd. Account.

31. At all material times, Lunam was the Registered Representative who was responsible for the BOA Ltd. Account.

United States Securities and Exchange Commission (“SEC”) Charges Against Miller

32. In a Complaint that was filed on September 24, 2019, the SEC charged Miller with securities law violations (the “SEC Complaint”) for his operation of a fraudulent scheme to hold, publicly offer, and sell millions of shares of penny stock issuer Abakan, Inc. by means of false statements and omissions, and without the registrations and disclosures required by law.

33. The SEC Complaint was not related to the Private Placements.

34. Lunam learned about the SEC Complaint shortly after it was issued.

35. Lunam did not inform Assante about the SEC Complaint.

36. Further, Lunam did not inform clients about the SEC Complaint and as detailed in Schedule "A", after the SEC Complaint was issued, he continued to offer the Private Placements to clients.

Use of Personal Email Account to Communicate with Clients

37. Pursuant to the Assante Sales Compliance Manual, all email communications for the purpose of a securities-related activity had to be done through an Assante email address.
38. Lunam mostly used his personal Gmail address to communicate with and to provide documents to clients in relation to the Private Placements.
39. Many of the emails that Lunam sent from his personal Gmail account included a signature line which, among other things, indicated that Lunam was a Certified Financial Planner with Assante, and set out the address and phone number for his Assante office.

Other Factors

40. Lunam did not receive compensation for his role in facilitating the Private Placements.
41. Lunam admitted his misconduct during his investigatory interview which facilitated the expeditious completion of the investigation.
42. Lunam has no prior disciplinary history.
43. Lunam acknowledges that if not for his inability to pay, the agreed fine and amount for costs would have been higher.

PART IV – CONTRAVENTIONS

44. By engaging in the conduct described above, Lunam committed the following contraventions of CIRO requirements:

(i) Contravention 1

Between April 2018 and November 2021, Lunam facilitated off-book investments, without the knowledge or consent of his firm, contrary to Rule 1400 of the Investment Dealer Rules.

(ii) Contravention 2

Between April 2018 and November 2021, Lunam used his personal email address for the purpose of securities-related activity, contrary to Rule 1400 of the Investment Dealer Rules.

PART V – TERMS OF SETTLEMENT

45. Lunam agrees to the following sanctions and costs:

- (i) a fine in the amount of \$30,000;
- (ii) an 18-month prohibition from approval in any capacity with CIRO; and
- (iii) costs in the amount of \$2,500.

46. If this Settlement Agreement is accepted by the hearing panel, Lunam agrees to pay the amounts referred to above within 30 days of such acceptance unless otherwise agreed between Enforcement Staff and Lunam.

PART VI – STAFF COMMITMENT

47. If the hearing panel accepts this Settlement Agreement, Enforcement Staff will not initiate any further action against Lunam in relation to the facts set out in Part III and the contraventions in Part IV of this Settlement Agreement, subject to the provisions of the paragraph below.

48. If the hearing panel accepts this Settlement Agreement and Lunam fails to comply with any of the terms of this Settlement Agreement, Enforcement Staff may bring proceedings under Investment Dealer Rule 8200 against Lunam. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement.

PART VII – PROCEDURE FOR ACCEPTANCE OF SETTLEMENT

49. This Settlement Agreement is conditional on acceptance by the hearing panel.
50. This Settlement Agreement shall be presented to a hearing panel at a settlement hearing in accordance with sections 8215 and 8428 of the Investment Dealer Rules, in addition to any other procedures that may be agreed upon between the parties.
51. Enforcement Staff and Lunam agree that this Settlement Agreement will form all the agreed facts that will be submitted at the settlement hearing, unless the parties agree that additional facts should be submitted at the settlement hearing. If Lunam does not appear at the settlement hearing, Staff may disclose additional relevant facts, if requested by the hearing panel.
52. If the hearing panel accepts this Settlement Agreement, Lunam agrees to waive all rights under the Rules of CIRO and any applicable legislation to any further hearing, appeal and review.
53. If the hearing panel rejects this Settlement Agreement, Enforcement Staff and Lunam may enter into another settlement agreement or Enforcement Staff may proceed to a disciplinary hearing based on the same or related allegations.
54. The terms of this Settlement Agreement are confidential unless and until this Settlement Agreement has been accepted by the hearing panel.
55. This Settlement Agreement will become available to the public upon its acceptance by the hearing panel and CIRO will post a copy of this Settlement Agreement on

the CIRO website. CIRO will publish a notice and news release of the facts, contraventions, and the sanctions agreed upon in this Settlement Agreement and the hearing panel's written reasons for its decision to accept this Settlement Agreement.

56. If this Settlement Agreement is accepted, Lunam agrees that neither they nor anyone on their behalf, will make a public statement inconsistent with this Settlement Agreement.
57. This Settlement Agreement is effective and binding upon Lunam and Enforcement Staff as of the date of its acceptance by the hearing panel.

PART VIII – EXECUTION OF SETTLEMENT AGREEMENT

58. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.

59. An electronic copy of any signature will be treated as an original signature.

DATED this 7th day of November, 2024.

“Witness”

Witness

“John David Lunam”

John David Lunam

DATED this 7th day of November, 2024.

“Witness”

Witness

“Lorne Herlin”

Lorne Herlin
Enforcement Counsel on behalf of
Enforcement Staff of the
Canadian Investment Regulatory
Organization

The Settlement Agreement is hereby accepted this 20th day of November, 2024 by the following Hearing panel:

“Susan E. Ross”
Per: _____
Chair

“David Duquette”
Per: _____
Industry Member

“Bruce Maranda”
Per: _____
Industry Member

Schedule "A"
Investments in Unapproved Private Placements

International Battery Metals Ltd.

Client	Security	Date of Distribution	# of Shares	Price	Cost
JT	International Battery Metals Ltd.	May 15, 2018	100,000	\$0.35	\$35,000

Nyota Power Ltd.

Client	Security	Date of Distribution	# of Shares	Price	Cost
JC	Nyota Power Ltd.	June 19, 2018	40,000	\$0.25	\$10,000
GH	Nyota Power Ltd.	June 19, 2018	40,000	\$0.25	\$10,000
TT	Nyota Power Ltd.	June 19, 2018	6,000	\$0.25	\$1,500
JT	Nyota Power Ltd.	December 20, 2018	40,000	\$0.25	\$10,000
WP	Nyota Power Ltd.	December 27, 2018	100,000	\$0.25	\$25,000
RF	Nyota Power Ltd	January 14, 2019	40,000	\$0.25	\$10,000

Volvera Global Enterprises Ltd.

Client	Security	Date of Transfer or Allotment	# of Shares	Price	Cost
RF	Volvera Global Enterprises Ltd.	April 30, 2018	100,000	\$0.10	\$10,000
JT	Volvera Global Enterprises Ltd.	May 2, 2018	100,000	\$0.10	\$10,000
FH	Volvera Global Enterprises Ltd.	May 3, 2018	50,000	\$0.10	\$5,000
John Lunam	Volvera Global Enterprises Ltd.	May 3, 2018	200,000	\$0.10	\$20,000
LL	Volvera Global Enterprises Ltd.	May 3, 2018	100,000	\$0.10	\$10,000
BO	Volvera Global Enterprises Ltd.	May 8, 2018	50,000	\$0.10	\$5,000
EO	Volvera Global Enterprises Ltd.	May 8, 2018	50,000	\$0.10	\$5,000

Schedule "A"
Investments in Unapproved Private Placements (con't)

Tantin Mining Corp.

Client	Security	Date of Transfer or Allotment	# of Shares	Price	Cost
John Lunam	Tantin Mining Corp.	September 3, 2019	110,000	\$0.05	\$5,500
John Lunam	Tantin Mining Corp.	April 7, 2020	380,000	\$0.02	\$7,600
John Lunam	Tantin Mining Corp.	April 7, 2020	60,000	\$0.05	\$3,000
IB	Tantin Mining Corp.	June 4, 2021	20,000	\$0.25	\$5,000
RF	Tantin Mining Corp.	June 4, 2021	40,000	\$0.25	\$10,000
DH	Tantin Mining Corp.	June 4, 2021	20,000	\$0.25	\$5,000
BO	Tantin Mining Corp.	June 4, 2021	20,000	\$0.25	\$5,000
EO	Tantin Mining Corp.	June 4, 2021	20,000	\$0.25	\$5,000
WP	Tantin Mining Corp.	June 4, 2021	40,000	\$0.25	\$10,000
JT	Tantin Mining Corp.	June 4, 2021	40,000	\$0.25	\$10,000
JB	Tantin Mining Corp.	October 6, 2021	32,000	\$0.25	\$8,000
DH	Tantin Mining Corp.	October 6, 2021	70,000	\$0.25	\$17,500
BO	Tantin Mining Corp.	October 6, 2021	20,000	\$0.25	\$5,000
EO	Tantin Mining Corp.	October 6, 2021	20,000	\$0.25	\$5,000
JT	Tantin Mining Corp.	October 6, 2021	20,000	\$0.25	\$5,000
BM	Tantin Mining Corp.	October 28, 2021	20,000	\$0.25	\$5,000
HM	Tantin Mining Corp.	October 28, 2021	20,000	\$0.25	\$5,000
GP	Tantin Mining Corp.	October 28, 2021	20,000	\$0.25	\$5,000
MT	Tantin Mining Corp.	October 28, 2021	20,000	\$0.25	\$5,000
RT	Tantin Mining Corp.	October 28, 2021	20,000	\$0.25	\$5,000
IB	Tantin Mining Corp.	November 11, 2021	60,000	\$0.25	\$15,000

Schedule "A"
Investments in Unapproved Private Placements (con't)

Kivu Sunrize Trading Enterprise Ltd.

Client	Security	Date of Transfer or Allotment	# of Shares	Price	Cost
IB	Kivu Sunrize Trading Enterprise Ltd.	May 28, 2020	50,000	\$0.10	\$5,000
RF	Kivu Sunrize Trading Enterprise Ltd.	May 28, 2020	50,000	\$0.10	\$5,000
DH	Kivu Sunrize Trading Enterprise Ltd.	May 28, 2020	50,000	\$0.10	\$5,000
John Lunam	Kivu Sunrize Trading Enterprise Ltd.	May 28, 2020	100,000	\$0.10	\$10,000
PM	Kivu Sunrize Trading Enterprise Ltd.	May 28, 2020	20,000	\$0.10	\$2,000
WP	Kivu Sunrize Trading Enterprise Ltd.	May 28, 2020	200,000	\$0.10	\$20,000
RT	Kivu Sunrize Trading Enterprise Ltd.	July 17, 2020	25,000	\$0.10	\$2,500

¹ The Canadian Investment Regulatory Organization ("CIRO") has adopted interim rules that incorporate the pre-amalgamation regulatory requirements contained in the rules and policies of IIROC and the by-law, rules and policies of the MFDA (the "Interim Rules"). The Interim Rules include (i) the Investment Dealer and Partially Consolidated Rules, (ii) the UMIR and (iii) the Mutual Fund Dealer Rules. These rules are largely based on the rules of IIROC and the rules and certain by-laws and policies of the MFDA that were in force immediately prior to amalgamation. Where the rules of IIROC and the rules and by-laws and policies of the MFDA that were in force immediately prior to amalgamation have been incorporated into the Interim Rules, Enforcement Staff have referenced the relevant section of the Interim Rules.

Section 1105 (Transitional provision) of the Investment Dealer and Partially Consolidated Rules sets out CIRO's continuing jurisdiction, including that CIRO shall continue the regulation of any person subject to the jurisdiction of the Investment Industry Regulatory Organization of Canada that was formerly conducted by the Investment Industry Regulatory Organization of Canada.