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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**

NOTICE OF HEARING

An initial appearance will be held before a hearing panel of the Canadian Investment Regulatory Organization (“CIRO”)¹ pursuant to Rule 8200 of the Investment Dealer and Partially Consolidated Rules (the “Investment Dealer Rules”) to schedule a hearing in the matter of John David Lunam (the “Respondent”). The initial appearance and the hearing will be subject to Investment Dealer Rule 8400, as further referenced below, that governs the conduct of enforcement proceedings.

The initial appearance will be held by way of videoconference on Wednesday, June 19, 2024 at 10:00 a.m. PT.

The purpose of the hearing will be to determine whether the Respondent has contravened CIRO requirements. The alleged contraventions are contained in the attached Statement of Allegations.

If the hearing panel finds that the Respondent contravened CIRO requirements alleged in the Statement of Allegations, the hearing panel may impose one or more of the following sanctions pursuant to section 8210 of the Investment Dealer Rules:

- (i) a reprimand,
- (ii) disgorgement of any amount obtained, including any loss avoided, directly or indirectly, as a result of the contravention,
- (iii) a fine not exceeding the greater of:
 - (i) \$5,000,000 for each contravention, and
 - (ii) an amount equal to three times the profit made or loss avoided by the person, directly or indirectly, as a result of the contravention,
- (iv) suspension of the person’s approval or any right or privilege associated with such approval, including access to a Marketplace, for any period of time and on any terms and conditions,
- (v) imposition of any terms or conditions on the person’s continued approval or continued access to a Marketplace,

- (vi) prohibition of approval in any capacity, for any period of time, including access to a Marketplace,
- (vii) revocation of approval,
- (viii) a permanent bar to approval in any capacity or to access to a Marketplace,
- (ix) permanent bar to employment in any capacity by a Regulated Person, and
- (x) any other sanction determined to be appropriate under the circumstances.

In addition, pursuant to section 8214 of the Investment Dealer Rules, a hearing panel may order the Respondent to pay any costs incurred by or on behalf of CIRO in connection with the hearing and any investigation related to the hearing.

The Respondent must serve a response to this Notice of Hearing in accordance with section 8415 within 30 days from the effective date of service of this Notice of Hearing. If the Respondent does not file a response in accordance with subsection 8415(1), the hearing panel may proceed with the hearing on its merits on the date of the initial appearance, without further notice to and in the absence of the Respondent, and the hearing panel may accept as proven the facts and contraventions alleged in the Statement of Allegations and may impose sanctions and costs.

If the Respondent files a response in accordance with subsection 8415(1), the initial appearance will be immediately followed by an initial prehearing conference, for which a prehearing conference form must be filed in accordance with subsection 8416(5).

The Respondent is entitled to attend the hearing and to be heard, to be represented by counsel or by an agent, to call, examine and cross-examine witnesses, and to make submissions to the hearing panel at the hearing.

DATED April 18, 2024.

“National Hearing Officer”
NATIONAL HEARING OFFICER
Canadian Investment Regulatory Organization
40 Temperance Street, Suite 2600
Toronto, Ontario, M5H 0B4

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.



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STATEMENT OF ALLEGATIONS

Further to a Notice of Hearing dated April 18, 2024, Enforcement Staff make the following allegations:

PART I – REQUIREMENTS CONTRAVENED

Contravention 1

Between April 2018 and November 2021, the Respondent, John David Lunam (“Lunam”) facilitated off-book investments, without the knowledge or consent of his firm, contrary to Rule 1400 of the Investment Dealer and Partially Consolidated Rules (the “Investment Dealer Rules”).

Contravention 2

Between October 2019 and March 2022, Lunam failed to fulfill his gatekeeper responsibilities because he did not inform his firm that the beneficial owner of a corporate account had been charged with securities law violations, contrary to Rule 1400 of the Investment Dealer Rules.

Contravention 3

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 II – RELEVANT FACTS AND CONCLUSIONS

Overview

1. 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.
2. Lunam also failed to fulfill his gatekeeper responsibilities because he did not inform his firm that the beneficial owner of a corporate account had been charged with securities law violations.
3. 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

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

Sale of Unapproved Private Placements to Clients

8. 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.
9. 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.
10. 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”).
11. 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.
12. 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.
13. For some of the clients that he approached regarding one or more of the Private Placements, Lunam:
 - 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; or
 - relayed the completed documents and payment to the company.
14. As detailed below, 19 clients participated in one or more of the five Private Placements. Collectively, they purchased approximately \$316,500 worth of shares.
15. Some of the clients paid for their investments in the Private Placements by redeeming assets that were held at Assante.
16. Lunam also bought shares of some of the Private Placements.
- i. Purchase of International Battery Metals Shares**
17. In May 2018, one client purchased \$35,000 worth of International Battery Metals shares.
- ii. Purchase of Nyota Power Shares**
18. Between June 2018 and January 2019, six clients collectively purchased \$66,500 worth of Nyota Power shares.
- iii. Purchase of Volvera Global Enterprises Shares**
19. Between April 2018 and May 2018, six clients collectively purchased \$45,000 worth of Volvera Global Enterprises shares.
- iv. Purchase of Tantin Mining Shares**
20. 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

21. Between May 2020 and July 2020, six clients collectively purchased \$39,500 worth of Kivu Sunrize Trading Enterprise shares.
22. 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

23. Lunam first learned about the Private Placements from Robert Hillis Miller ("Miller").
24. Miller was involved with each of the Private Placements.
25. 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.

26. In March 2018, Miller opened a corporate account at Assante for BOA Ltd. (the "BOA Ltd. Account").
27. Miller was the only officer and director of BOA Ltd.
28. In the New Account Application Form ("NAAF") 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.

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

Failure to Inform Assante of Charges Against Miller

30. In a Complaint that was filed on September 24, 2019, the United States Securities and Exchange Commission charged Miller with securities law violations (the “SEC Complaint”).
31. From around August 2013 through October 2015, Miller publicly disclosed ownership of 24.1 million Abakan, Inc. (“Abakan”) shares and according to these disclosures, Miller never traded a single Abakan share.
32. However, the SEC Complaint alleged that Miller failed to disclose that he also beneficially owned at least an additional 7 million Abakan shares that were nominally held by several Uruguayan entities and that Miller orchestrated fraudulent and unregistered public offerings of more than 1.7 million of those shares, generating approximately \$1.39 million (US) in proceeds. These funds were used to prop up Abakan's struggling business, which never generated significant revenue, including paying Abakan's vendors and employees such as Miller himself. Miller signed filings on behalf of both himself and Abakan that failed to disclose Miller's beneficial ownership of the shares held by the Uruguayan entities and that he was engaging in unregistered public offerings of such shares to fund Abakan.
33. Lunam learned about the SEC Complaint shortly after it was issued.
34. Lunam did not inform Assante about the SEC Complaint.
35. 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.

36. In or around February 2022, Miller opened a corporate account for 110 B.C. Ltd (the “110 B.C. Ltd. Account”).
37. Miller was the only officer and director of 110 B.C. Ltd.
38. In the NAAF that Miller completed to open the 110 B.C. Ltd. Account, he indicated that he was the Chief Executive Officer of Volvera Global Enterprises and that he was the sole owner of 110 B.C. Ltd.
39. Lunam was the Registered Representative who was responsible for the 110 B.C. Ltd. Account.
40. During the review process to open the 110 B.C. Ltd. Account, Assante became aware of the SEC Complaint. As a result, by way of an April 1, 2022 email, an Assante Compliance Officer informed Lunam that it had been determined that Assante was not in a position to accept the client and thus restrictions had been placed on the account to disallow the deposit of shares or other monetary products.
41. In June 2023, the United States District Court for the District of Maryland found Miller liable for securities fraud, unregistered offerings, and beneficial ownership reporting and insider transactions reporting violations.

Use of Personal Email Account to Communicate with Clients

42. 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.
43. Lunam mostly used his personal Gmail address to communicate with and to provide documents to clients in relation to the Private Placements.

44. 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.

DATED at Vancouver, British Columbia this April 18, 2024.

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