

# ALBERTA SECURITIES COMMISSION

Citation: Re GIC Capital Corp., 2024 ABASC 97

Docket: ENF-013370

Date: 20240528

## NOTICE OF HEARING

To: **GIC Capital Corp., Maljaars Financial Inc., Jeff Barrie Wilkie and Robert Jacob Maljaars (Respondents)**

### A. NOTICE

Staff of the Alberta Securities Commission (**Staff**) will make an application to the Alberta Securities Commission (the **Commission**) on Monday, June 10, 2024 at 1:00 p.m. for an interim order pursuant to sections 33 and 198 of the *Securities Act*, RSA 2000, c S-4, as amended (the **Act**) and an order pursuant to section 11.1 of Commission Rule 15-501 *Rules of Practice and Procedure for Commission Proceedings* (the **Rules**).

### B. ORDERS SOUGHT

Staff will apply to the Commission for the following orders:

1. An interim order of 12 months' duration that:
  - (a) under section 198(1)(b), the Respondents cease trading in securities issued by GIC Capital Corp. (**GIC**) and Maljaars Financial Inc. (**MFI**);
  - (b) under section 198(1)(c), all of the exemptions contained in Alberta securities laws do not apply to the Respondents; and
  - (c) such further and other orders as the Commission considers appropriate in the public interest.
2. An order that until the expiration of the interim order, the affidavits filed in support of Staff's application and all other evidence admitted at the hearing of Staff's application is confidential and must not be divulged, except in accordance with section 45 of the *Act*, pursuant to section 11.1 of the Rules.

### C. GROUNDS

The grounds for Staff's application include the following:

3. GIC is a corporation incorporated in Alberta in 2014. Its registered office is in Calgary, Alberta.
4. MFI is a corporation incorporated in British Columbia in 2006 and registered in Alberta in 2014. Its head office is in Coalhurst, Alberta.

5. Jeff Barrie Wilkie (**Wilkie**) is a director and the sole shareholder of GIC.
6. Robert Jacob Maljaars (**Maljaars**) is a director of GIC, and the sole officer and director of MFI.
7. Wilkie and Maljaars are GIC's guiding minds. From January 1, 2019 to the present (the **Relevant Period**), Wilkie and/or Maljaars had signing authority over GIC's bank accounts.
8. Staff are investigating whether the Respondents breached the *Act* by engaging in unregistered dealing, illegal distributions, misrepresentations or fraud, contrary to sections 75(1), 110(1), 92(4.1) and 93(1)(b) of the *Act*.
9. GIC and MFI purport to be in the business of funding projects through contracts with persons or companies seeking social-impact funding (**investors**).
10. During the Relevant Period, Wilkie and Maljaars carried out the day-to-day functions of GIC. Wilkie's role with GIC was to seek out investors, while Maljaars was primarily responsible for banking on behalf of GIC.
11. GIC's contracts are securities within the meaning of the *Act*, and the issuance of contracts by GIC were distributions.
12. During the Relevant Period, investors deposited cash (**principal**) in a GIC bank account expecting to be paid a certain percentage of that principal per month or scheduled payments or both (**returns**), with their principal returned at the end of the contract term.
13. In connection with the distributions, GIC made oral and written statements to investors indicating that the principal was or would be held in trust (the **Statements**).
14. Contrary to the Statements, the principal was not held in trust. Instead, the principal was sometimes paid to MFI bank accounts and then used to pay parties to other contracts or for other unauthorized purposes, in some cases, after moving through MFI's bank accounts.
15. GIC failed to pay returns under the contracts, and failed to return the principal to investors at the end of their contract terms.
16. The Statements were false or materially misleading, and would reasonably be expected to have a significant effect on the market price or value of the contracts. GIC knew or ought to have known this was the case.
17. GIC engaged in acts, practices or courses of conduct relating to the contracts it knew or ought to have known may perpetrate a fraud.
18. GIC has engaged in *prima facie* misrepresentations and fraud, contrary to sections 92(4.1) and 93(1)(b) of the *Act*.

19. Wilkie and Maljaars also engaged in *prima facie* contraventions of sections 92(4.1) and 93(1)(b) of the *Act*, and/or authorized, permitted or acquiesced in the *prima facie* contraventions by GIC.
20. Investors deposited cash in a GIC bank account as recently as February 2024.
21. There is a risk that the Respondents will continue distributing contracts through GIC or MFI in order to pay investors' returns and to return the principal as contract terms end.
22. The length of time required to complete the investigation, and to conduct a hearing and to render a decision on the merits of alleged contraventions, could be prejudicial to the public interest. As of March 26, 2024, the Respondents have ceased responding to notices to compel production issued pursuant to the investigation. On April 8, 2024, the Respondents communicated that they were declining to provide further information.
23. It would be in the public interest to cease trading by the Respondents of securities issued by GIC and MFI and deny the Respondents all of the exemptions contained in Alberta securities laws while the investigation proceeds.
24. As the investigation is ongoing, evidence tendered in support of the application should not be available to the public prior to a hearing on the merits of alleged contraventions of the *Act*.

#### **D. EVIDENCE IN SUPPORT OF APPLICATION**

Staff will rely on the following:

25. Affidavit of Trina Richards, Securities Investigator, sworn May 28, 2024;
26. Affidavit of Kevin Dusseldorp, Investigative Accountant, affirmed May 28, 2024; and
27. Such further and other materials as Staff may advise and the Commission may permit.

#### **E. LOCATION**

Alberta Securities Commission, 5<sup>th</sup> Floor, 250 – 5 Street SW, Calgary, Alberta. Contact Jayne Lewis, Registrar of the Commission, by telephone at 403.294.4277, email at registrar@asc.ca or facsimile at 403.297.4486 for further information.

#### **F. PROCEDURE**

You may obtain further information about Staff's application from Matthew Bobawsky c/o Alberta Securities Commission, 600, 250 – 5 Street SW, Calgary, Alberta, T2P 0R4, telephone 403.355.3873, email: Matthew.Bobawsky@asc.ca.

You may be represented by legal counsel and you or your counsel may make submissions and introduce relevant evidence at the hearing.

If you or your counsel fail to attend, the hearing may proceed in your absence and an interim

order may be made against you without further notice.

*See attached sections 29, 33, 45, 92(4.1), 93(1)(b) and 198 of the Act, and Commission Rule 15-501 Rules of Practice and Procedure for Commission Proceedings.*

Calgary, Alberta, May 28, 2024

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) “Original signed by”  
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) Samir Sabharwal  
) Executive Director