



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF THE SECURITIES ACT,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**ALEXANDER CHRIST DOULIS  
(aka ALEXANDER CHRISTOS DOULIS,  
aka ALEXANDROS CHRISTODOULIDIS)  
and LIBERTY CONSULTING LTD.**

**STATEMENT OF ALLEGATIONS OF  
STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

**I. OVERVIEW**

1. Between January 2004 and September 2010 (the “Material Time”), Alexander Christ Doulis, also known as Alexander Christos Doulis and also known as Alexandros Christodoulidis (“Doulis”) used powers of attorney to exercise a *de facto* discretionary trading authority over brokerage accounts held by his clients (the “Clients”) at Desjardins Securities (“Desjardins”) and engaged in advising without registration.

2. Doulis required payments from the Clients as compensation for his services based on a percentage of the year-end value of their assets under management. Doulis personally sent the Clients annual invoices on the letterhead of Liberty Consulting Ltd. with specific instructions to make payments either to accounts in the name of Liberty Consulting Ltd. that he controlled or accounts in his own name.

3. During a voluntary interview on July 15, 2009, a compelled examination under oath on July 13, 2010 and in correspondence - all with Staff, Doulis made misleading or untrue statements, including stating that he did not know if the Clients were invoiced for his services, that he was unaware of how much the Clients paid and that he was not receiving any remuneration directly or indirectly for his services. He also misleadingly minimized his role with Liberty Consulting Ltd. and purported to have little knowledge of the company, when in

fact he was the directing mind, had signing authority over a bank account, exercised considerable control over the company and was providing investment management services through the company.

## **II. THE RESPONDENTS**

4. Doulis is a Canadian citizen and Greek citizen.

5. Liberty Consulting Ltd., also known as Liberty Consulting for the Offshore and also known as Liberty Consulting of the Turks and Caicos Islands (“Liberty Consulting”) is a company incorporated pursuant to the laws of the Turks and Caicos Islands with an office in Toronto, Ontario.

6. At various points during the Material Time, Doulis was an officer, director and President of Liberty Consulting. Doulis has previously been a shareholder of Liberty Consulting. Doulis held himself out as the beneficial owner of, and was the directing mind of Liberty Consulting.

7. Neither Doulis nor Liberty Consulting were registered with the Commission in any capacity during the Material Time. Doulis has acknowledged that he is not registered and refuses to apply for registration with the Commission.

8. Liberty Consulting is owned by the Paladin Trust, a trust constituted under the laws of the Isle of Man on February 3, 2003. Doulis caused the Paladin Trust to be created and is the sole beneficiary of the Paladin Trust.

9. Liberty Consulting lists a Canadian office located at 160 Frederick Street #203, Toronto (“Liberty Consulting Office”). The Liberty Consulting Office is a residential condominium where Doulis and his spouse, Sally Doulis, reside. The Liberty Consulting Office is owned by Minotaur Capital Corporation (“Minotaur”) and Liberty Consulting pays rent to Minotaur.

10. Minotaur is a company incorporated pursuant to the laws of Ontario in 1987. Sally Doulis is an officer, director and the President of Minotaur. The registered office of Minotaur is the Liberty Consulting Office.

### III. ALLEGATIONS

11. Staff make the following allegations:

- (a) Between January 1, 2004 and September, 2010, Doulis and Liberty Consulting engaged in the business of advising with respect to investing in, buying or selling securities without being registered in accordance with Ontario securities law in any category of adviser, contrary to subsection 25(3) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) [previously subsection 25(1)(c) of the Act<sup>1</sup>]; and
- (b) Between July 2009 and September 2010, Doulis made statements to Staff that, in a material respect and at the time and in light of the circumstances under which they were made, were misleading or untrue or did not state facts that were required to be stated or that were necessary to make the statements not misleading, contrary to s. 122(1)(a) of the Act.

#### A. ADVISING WITHOUT REGISTRATION

12. During the Material Time, Doulis held powers of attorney (the “Powers of Attorney”) over the brokerage accounts of twelve individuals and corporations (the “Clients”). Eight of the accounts were held by residents of Ontario or companies located in Ontario.

13. At the direction of Doulis, the Clients held brokerage accounts at Desjardins. In each case, Doulis and the individual Client or its legal representative executed a power of attorney form provided by Desjardins. The Power of Attorney allowed Doulis to make all trading decisions and issue all trading instructions to Desjardins in respect of the Clients’ brokerage accounts. Desjardins issued copies of all trade confirmations and monthly account statements for the Clients’ accounts to Doulis, as well as to the Clients.

14. At Desjardins, the Clients were nominally represented by Edward Milewski (“Milewski”) and Elisa Baker-Moteeram (“Moteeram”). During the Material Time, Milewski and Moteeram were Dealing Representatives (formerly Salespersons) registered with the Ontario Securities Commission (the “Commission”) under the category of Investment Dealer under the Act. The Clients took little or no advice from either Milewski or Moteeram and relied primarily on Doulis to make investment decisions on their behalf.

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<sup>1</sup> Subsection 25(3) came into force on September 28, 2009 replacing subsection 25(1)(c) of the Act.

15. Doulis had complete discretion and issued virtually all of the trading instructions to Desjardins on the Clients' accounts. After Doulis assumed the Power of Attorney over the Clients' accounts, the Clients had little contact with him. Doulis did not discuss trades with the Clients before or after the trades were made.

16. Doulis charged the Clients annually for his services that were variously described as investment management services, portfolio services or investment oversight. Doulis' services consisted of making decisions and issuing instructions to Desjardins with respect to investing in, buying and/or selling securities in the Clients' brokerage accounts. Doulis' fee arrangements varied among the Clients, but generally required the Clients to pay a percentage of the value of their assets under management on a yearly basis.

17. Doulis issued annual invoices to the Clients indicating the amount they were required to pay to Liberty Consulting for his services and instructed them to provide a cheque, money order or wire transfer. At various times, Doulis instructed the Clients to make the payments to bank accounts held in his name personally and in the name of Liberty Consulting. Doulis received some cheques or money orders directly at the Liberty Consulting Office.

18. Desjardins informed the Clients on February 9, 2010, that as of March 12, 2010, they would no longer allow Doulis to trade on their behalf through the Powers of Attorney and would no longer provide Doulis with copies of their account statements. Shortly after February 9, 2010, Doulis instructed the Clients to change to different financial institutions and/or brokerages and designate him as a power of attorney again. Many of the Clients followed this direction and Doulis thereafter continued providing his services for the Clients at other financial institutions and/or brokerages.

19. Doulis receives a yearly "retainer" from Liberty Consulting, as well as other benefits, including the use of the Liberty Consulting Office as a residence. Furthermore, Doulis received payments from Clients directly to accounts in his own name.

## **B. MISLEADING COMMISSION STAFF**

20. During a voluntary interview on July 15, 2009, a compelled examination under oath on July 13, 2010 and in correspondence - all with Staff, Doulis made statements that, in a material respect and at the time and in light of the circumstances under which they were made, were

misleading or untrue or did not state facts that were required to be stated or that were necessary to make the statements not misleading. The misleading statements made by Doulis included:

- (i) That he had no role or business with Liberty Consulting except referring clients to them, sending bulk mail for them, collecting fees due to them and writing comments for them with respect to tax law and offshore investing. In fact, Doulis was at that time managing the investment portfolios of the Clients purportedly on behalf of Liberty Consulting; he also held and exercised full discretionary trading authority on accounts held in Liberty Consulting's name and was a principal and a signing authority on a bank account in Liberty Consulting's name in the Turks and Caicos;
- (ii) That he did not send, and to his knowledge, nobody sent the Clients invoices for his investment management services. In fact, Doulis sent invoices to the Clients himself on behalf of Liberty Consulting and on his own behalf;
- (iii) That he had received only one cheque from one client on one occasion. In fact, Doulis had instructed the Clients to send their cheques to the Liberty Consulting Office and had received cheques from the Clients there;
- (iv) That he did not know what remuneration Liberty Consulting received for the investment management services he provided to the Clients. In fact, Doulis had sent the Clients invoices and correspondence setting out the specific terms on which they would pay Liberty Consulting for the services he provided; and
- (v) That he did not receive remuneration, either directly or indirectly, from any of the Clients. In fact, Doulis received both direct and indirect remuneration from the Clients in consideration of the investment management services he provided to them.

**IV. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST**

21. The conduct of the Respondents contravened Ontario securities law and is contrary to the public interest.

22. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 14<sup>th</sup> day of January, 2011.