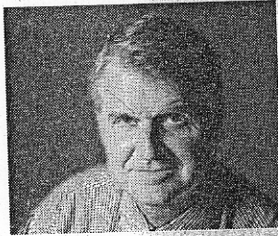


# RCMP targets dealings by Getty Copper

Three individuals named are confident investigation will prove concerns unfounded



DAVID BAINES  
VANCOUVER SUN

COLUMNIST

What an interesting kettle of fish we have here: A former attorney-general of the province, the head of the ethics committee of the B.C. chartered accountants' institute, a Queen's counsel, the owner of the John B. Neighbourhood pub in Coquitlam, and a lawyer with the blue-chip Vancouver law firm Lang Michener.

All are related in one way or another to Getty Copper Inc., a Vancouver-based junior exploration company whose dealings are under investigation by the RCMP Integrated Market Enforcement Team.

On July 27, Getty issued a news release advising that RCMP are investigating the circumstances surrounding a property transaction which occurred in November 2002. More specifically, the release said the investigation "is concerned with allegations against three individuals, including two directors of Getty."

None of the individuals were named, but according to Getty, all three are "confident that a thorough investigation will prove that the [RCMP's] concerns are not well founded."

appointed interim president and chief executive officer. In other words, Lepinski had been displaced as the company's top guy.

Lepinski — who maintains his office in the same building as the John B. Neighbourhood Pub and liquor store in Coquitlam, which he owns — did not return calls Friday, but it is clear that he is one of the two directors under RCMP investigation.

(It is important to note that the allegations contained in the RCMP search warrant are simply allegations that police hope to support by information collected at the search sites. No charges have been laid and all parties are presumed innocent.)

After the property debacle came to light, the company's independent directors — Brian Smith, former B.C. attorney-general; Robert Gardner, Q.C.; and professional engineer Pat Raleigh of Oakville, Ont. — commissioned Joe Wood, a former B.C. Court of Appeal judge and now a partner at Blake Cassels & Graydon, to look into the matter.

On Aug. 12, Getty announced it had retained the law firm of McCullough, O'Conner, Irwin as its new corporate counsel.

Getty's former counsel was Bernie Zinkhofer, a long-time securities lawyer with Lang Michener. Zinkhofer also served as a director of a TSX Venture Exchange shell company called Arrabiata Capital Corp. On July 27 — the same day Getty announced the RCMP investigation — Arrabiata issued a one-sentence release stating that Zinkhofer had resigned. No reason was given.

It seems clear that Zinkhofer is the non-director under RCMP investigation.

So who is the third person? We

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Two days later, on July 29, RCMP spokesperson Cpl. Catherine Galliford disclosed that the RCMP had executed search warrants as part of a fraud investigation that began in June, but the warrants had been sealed by the court and, until they were unsealed, no details would be released.

So who are the three people who are being targeted by RCMP? First, some background.

Over the past few years, Getty, whose shares are listed on the TSX Venture Exchange, has assembled several mineral prospects in the immediate vicinity of Highland Valley Copper, historically a prolific copper-producing area.

Several of those prospects were acquired in November 2002 from a private company called Robak Industries Ltd., which is controlled by John B. Lepinski, Getty's long-time president and chief executive officer.

Among them was a 50-per-cent interest in the Getty south property, which independent geologist Ross Glanville valued at \$2.5 million. On this basis, Getty issued six million shares to Robak.

This year, Robak offered to sell the other 50 per cent. Once again, Glanville was hired to provide a valuation.

This time, however, he discovered information that "casts doubt" on the original inferred resource estimate of 36 million tonnes grading 0.47 per cent copper. Also, he determined that the original valuation did not take into account a clause that required Getty to finance Robak's continued interest in the property.

On this basis, Glanville valued Getty's 50-per-cent interest at only \$100,000, much less than the \$2.5 million it had paid.

All this was disclosed by Getty in a release issued on July 6. The same day, the company announced that geologist Vic Petro, who has been a Getty director since 1997, had been

know from the company's release that he is a director, but which one?

According to the company's filings, Don Willoughby, the company's chief financial officer, is the only director who has served on Getty's board as long as Lepinski (both became directors in June 1992).

Willoughby is a partner of Cinnamon Jang Willoughby & Company, a chartered accountancy firm located in Burnaby. He is also very active in the affairs of the Institute of Chartered Accountants of B.C.

In February 2003, he was named a fellow of the institute, along with other number-crunching luminaries such as forensic accountant Ron Parks, for his service to the profession and the community.

Most notably, he serves as chair of the institute's professional conduct enquiry committee, which adjudicates alleged misconduct by members. That is, he used to serve on that committee. When I called to check on Friday, Chris Utley, the institute ethics director, told me that Willoughby had advised the institute that his CA firm had been the subject of an RCMP raid on July 13.

Utley said that, within a day or two of the raid, Willoughby informally stepped down as head of the professional conduct enquiry committee and officially resigned on Sept. 1.

So Willoughby is the third person under RCMP investigation, no doubt a shocking and most embarrassing situation for the CA fraternity in B.C.

It is interesting to ponder whether, if the RCMP searched Willoughby's accounting firm, they also searched Lepinski's office in Coquitlam and, even more ominously, Zinkhofer's firm, Lang Michener?

If so, you can bet that all these people and firms rushed to hire high-priced lawyers, who are now doing everything they can to keep those search warrants sealed.

dbaines@png.canwest.com