

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**KHALED MOHAMMED
SHARIF AL SAYED AL HASHEMI
a.k.a. KHALED AL HASHEMI,**

Defendant.

Civil Action No.

09-civ-6650 (HB)

COMPLAINT

Plaintiff Securities and Exchange Commission (“Commission” or “SEC”) alleges:

1. This case involves the unlawful trading on the basis of material, nonpublic information concerning the acquisition of Nova Chemicals Corporation (“Nova”) by International Petroleum Investment Company (“IPIC”), which was announced on February 23, 2009. Khaled Mohammed Sharif Al Sayed Al Hashemi, a.k.a. Khaled Al Hashemi (“Hashemi” or “Defendant”), a citizen and resident of Abu Dhabi, United Arab Emirates, purchased 120,000 shares of Nova stock in advance of the February 23, 2009 announcement (“Announcement”). Specifically, between February 6 and February 20, 2009, the two weeks leading up to the Announcement, Hashemi purchased 120,000 shares of Nova Chemicals Corporation in a U.S.-based online brokerage account at an average price of \$1.41 per share, and then sold those shares on February 23, the day of the Announcement, for an average price of \$5.24 per share, realizing profits of \$458,760.

2. Hashemi's first known purchases of Nova common stock occurred on February 6, 2009, within a day or two of IPIC's non-negotiable cash offer to acquire Nova at \$6.00 per share. He funded his purchases of Nova common stock, in part, through his sudden liquidation at a loss, of other securities that he had owned. He purchased over 50% of his Nova common stock position on the last trading day before the Announcement, and immediately prior to the Announcement he placed pre-market limit orders to sell Nova common stock at prices significantly higher than the previous trading day's closing price.

3. Upon information and belief, Hashemi traded in Nova common stock while in possession of, and on the basis of, material, nonpublic information concerning the IPIC acquisition of Nova.

4. As of July 22, 2009, Hashemi's online trading account through which he made the unlawful purchases of Nova common stock (the "Trading Account") contained \$633,404.93, which includes the illicit proceeds from Hashemi's Nova trades.

5. By knowingly or recklessly engaging in the conduct described in this Complaint, Defendant Hashemi violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

JURISDICTION AND VENUE

6. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1], to enjoin such acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties and such other and further relief as the Court may deem just and appropriate.

7. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1 and 78aa].

8. Venue in this district is proper under Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, and courses of business constituting the violations alleged herein occurred within the Southern District of New York and elsewhere, and were effected, directly or indirectly, by making use of the means or instrumentalities of transportation or communication in interstate commerce, or of the mails, or the facilities of a national securities exchange.

DEFENDANT

9. Hashemi is a citizen and resident of Abu Dhabi, United Arab Emirates. On information and belief, Hashemi is or was employed as an Information Technology Manager at the Abu Dhabi Oil Refining Company (“AORC”) and is currently, or has recently been, employed as an Administration Director by the Abu Dhabi Tourism Authority, an entity established by the Government of the Emirate of Abu Dhabi. AORC is a subsidiary of the Abu Dhabi National Oil Company, which is owned by the Government of the Emirate of Abu Dhabi.

OTHER RELEVANT ENTITIES

10. Nova is headquartered in Calgary, Alberta, Canada and also has principal executive offices in Moon Township, Pennsylvania, and is a producer of plastics and chemicals. At all times referenced herein, Nova’s common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the New York Stock Exchange and Toronto Stock Exchange under the ticker symbol NCX.

11. IPIC is located in Abu Dhabi, United Arab Emirates and is wholly owned by the Government of the Emirate of Abu Dhabi. IPIC invests in foreign oil and chemical companies.

FACTS

Nova and the Proposed Business Combination

12. Beginning in the Fall of 2008, IPIC and Nova began discussing possible business combinations. In particular, on October 9, 2008, during a visit by Nova's executive management to IPIC's offices in Abu Dhabi, IPIC first expressed an interest in acquiring Nova. The Nova Board of Directors discussed this expressed interest in a meeting on November 12, 2008.

13. On January 6, 2009, Nova and IPIC senior management and representatives of their respective financial advisers met in Toronto, Canada. At that meeting, IPIC made a preliminary proposal to acquire Nova. Also at that time, IPIC provided to Nova a letter and summary of transaction terms, outlining a preliminary non-binding proposal to, among other things, acquire all of Nova's outstanding common stock in an all cash deal at \$12.00 per share.

14. Subsequent to the January 6, 2009 meeting, Nova's management, and its legal and financial advisers, engaged in further discussions with IPIC and its representatives.

15. Prior to January 14, 2009, and concurrent with the acquisition discussions with IPIC, Nova's management was also in the midst of renegotiating and amending certain financial covenants under a \$350 million senior secured credit facility which were about to default.

16. On January 29, 2009, Nova publicly released its results for the fourth quarter of 2008 and reported a net loss of \$214 million, compared with net income of \$98 million for the third quarter of 2008. The following day, the stock price closed at \$1.79, a decrease of \$1.31, or 42% from the previous day's close of \$3.10 per share.

17. Simultaneously, Nova also announced that it obtained relief on certain financial covenants which would allow the company access to its bank credit lines during the first half of 2009, subject to certain conditions, including securing \$100 million in additional financing by

February 28, 2009. The company also stated in this same release that it was “well advanced in negotiations” to secure the \$100 million and that it “fe[lt] confident” that the financing would be in place by February 28, 2009.

Approval and Announcement of the Acquisition

18. On February 4, 2009, members of Nova’s senior management and financial advisers met in London, England, with senior officers and financial advisers of IPIC (the “Revised Proposal Meeting”) and informed Nova of a reduced, non-negotiable, cash offer to acquire Nova at \$6.00 per share. Nova’s management agreed to present IPIC’s offer to Nova’s Board of Directors on February 6, 2009 and requested that IPIC move quickly to complete its due diligence review and definitive acquisition documentation by February 23, 2009.

19. On February 6, 2009, IPIC delivered its expression of interest and summary of transaction terms to Nova. On that same day, at the direction of the Nova Board of Directors, Nova executed the summary of transaction terms and confidentiality and standstill agreement. IPIC executed the same documents on February 7, 2009.

20. On Sunday, February 22, 2009, at 5:00 p.m. EST, Nova’s Board of Directors met and approved the acquisition documents, recommended that Shareholders vote in favor of the acquisition, and authorized Nova’s entry into a new, \$150 million, financing arrangement.

21. Also on Sunday, February 22, 2009, at approximately 10:45 p.m., Nova announced that it had received \$150 million in new financing, satisfying the condition of proposed relief earlier announced on January 29, 2009.

22. On February 23, 2009, at 8:23 a.m. EST, prior to the opening of the trading on the Toronto and New York Stock Exchanges, Nova and IPIC jointly made the Announcement,

informing the public that IPIC would acquire Nova for cash consideration of \$6.00 per share, or a total cash value of \$2.3 billion.

23. On July 6, 2009, IPIC and Nova jointly announced that the acquisition had been completed.

**Nova's Common Stock Price Jumped Almost 300%
in Response to the Announcement**

24. In the three months preceding the Announcement, Nova common stock traded on the New York Stock Exchange at prices ranging from \$1.05 to \$8.32, with an average daily trading volume of 1,899,468 shares.

25. On Friday, February 20, 2009, the last trading day prior to the Announcement, Nova common stock closed on the New York Stock Exchange at \$1.34 per share, with trading volume of 1,697,424 shares.

26. On Monday, February 23, 2009, after the Announcement was made, Nova common stock closed on the New York Stock Exchange at \$5.21 per share, on a trading volume of 34,938,712 shares. This represents an increase in the stock price of 289% and an increase in volume of 1,958%, since the close of the trading on the New York Stock Exchange on Friday.

27. Nova's common stock price and volume similarly jumped on the Toronto Stock Exchange: Nova's common stock price reflected an increase of 291% between the close of the Toronto Stock Exchange on Friday, February 20, 2009 and the close on Monday, February 23, 2009, and its volume increased by 1025%.

Hashemi's Trading in Nova Common Stock

28. Hashemi opened his Trading Account on July 30, 2002. On information and belief, all transactions in the Trading Account described herein were done by Hashemi or at Hashemi's direction.

29. Hashemi began purchasing Nova common stock on February 6, 2009, shortly after the Revised Proposal Meeting on February 4th, during which IPIC communicated to Nova's management a revised and non-negotiable offer to acquire Nova at \$6.00 per share.

30. On information and belief, and in view of the highly unusual circumstances of Hashemi's trading in Nova common stock, beginning on or before February 5, 2009, or approximately two weeks before the Announcement, Hashemi misappropriated or was tipped material, nonpublic information concerning the negotiations and impending acquisition of Nova, and knowingly and/or recklessly traded while in possession of, and on the basis of, that material, nonpublic information.

31. Beginning on February 6, 2009, and continuing through Friday, February 20, 2009, Hashemi purchased 120,000 shares of Nova common stock in the Trading Account at an average price of \$1.41 for a total purchase price of \$169,742. The purchases were made through a series of seventy-six (76) separate "limit orders," or orders to buy the security at a specific price or better, not all of which were executed. During this time period, Nova common stock traded on the New York Stock Exchange at prices ranging from \$1.19 to \$1.90.

32. On January 31, 2009, the Trading Account had a value of \$99,251.74, of which \$98,856.50 was held in stock and the remaining \$395.24 in cash. As further discussed below, Hashemi began liquidating stock in the Trading Account in order to fund his purchases of Nova

common stock. These liquidations began on February 5, 2009, the day after the Revised Proposal Meeting, after the close of the Toronto and New York Stock Exchanges.

33. As discussed more fully below, Hashemi sold his entire Nova common stock position of 120,000 shares on February 23, 2009, after the Announcement, for \$628,502. These sales yielded a 270% return on the purchase price -- a profit to Hashemi of \$458,760.

The Suspicious Timing of Hashemi's Nova Trades

34. Not only did Hashemi opportunely begin to accumulate Nova common stock shortly after the Revised Proposal Meeting, but he purchased 64,200 of the 120,000 shares, or 54% of the Nova common stock that he ultimately acquired, on February 20, 2009, the last trading day before the Announcement. On that day alone, Hashemi entered twenty-four (24) purchase limit orders for as many as 25,000 shares of Nova common stock at various times during the trading day. He also canceled, in whole or in part, fourteen (14) of these limit orders on that same day.

35. Moreover, Hashemi's conduct on the morning of February 23, 2009 suggests that he had advance notice of an event that would cause a substantial increase in the price of Nova common stock. On February 23, 2009, at 8:12 a.m. EST, 8:13 a.m. EST, 8:14 a.m. EST, and 8:15 a.m. EST, prior to the opening of trading on the Toronto and New York Stock Exchanges, and minutes before the 8:23 a.m. Announcement, Hashemi placed limit orders to sell 10,000 shares of Nova common stock at \$8.50 per share, 5,000 shares at \$6.50 per share, 5,000 shares at \$7.50 per share, and 5,000 shares at \$6.00 per share, respectively. The sale prices on these limit orders significantly exceeded the price of Nova common stock at the close of the New York Stock Exchange on Friday, February 20, 2009. For instance, the \$8.50 limit order was \$7.16, or 534%, higher than the Friday closing price of \$1.34.

36. Also on February 23, 2009, but after the Announcement, Hashemi canceled his early morning orders, and ultimately, through new limit orders at prices that were close to, or at, prevailing market prices, sold all 120,000 shares of the Nova common stock that he owned in the Trading Account. His sales were executed at prices ranging from \$5.16 to \$5.40. These sales yielded a 270% return on the purchase price, a profit to Hashemi of \$458,760.

37. Prior to February 23, 2009, Hashemi had purchased but never sold Nova common stock -- his first sales of the stock were on February 23, 2009.

38. As set forth below, there are several additional facts and circumstances specific to Hashemi's trading of Nova common stock that support the conclusion that Hashemi traded in Nova common stock while in possession of, and on the basis of, material, nonpublic information about the Nova acquisition.

Hashemi's Prior Trading Focused on Technology Stocks

39. Prior to his February 6, 2009 purchases of Nova common stock, Hashemi made no transactions in Nova securities in either the Trading Account or his other known online trading account (the "Other Account").

40. Moreover, since the inception of the Trading Account and the Other Account through, at least, February 6, 2009, Hashemi placed no trades in Nova's market sector -- Basic Materials, or its industry -- Chemicals-Commodity. Of the thirty-eight different stocks traded in the Trading Account between February 2004 and February 6, 2009, 84% were Technology sector stocks.

Hashemi's Funding of his Nova Common Stock Purchases Indicates Advance Knowledge of Positive News About Nova

41. Hashemi's sudden liquidation of a substantial portion of the securities in his Trading Account portfolio, at substantial losses, in order to fund purchases of Nova common

stock, also supports the conclusion that Hashemi knew, in advance of the Announcement, that the Nova common stock price would rise significantly.

42. On January 31, 2009, Hashemi's Trading Account had a value of \$99,251.74, of which \$98,856.50 was held in stock and the remaining \$395.24 in cash. As set forth above, on February 5, 2009, Hashemi began to generate a cash position in the Trading Account by liquidating certain of the stocks therein. He supplemented these sale proceeds with a wire transfer of \$99,972 from an unknown source.

43. On February 5, 2009, the Trading Account held thirteen stocks, only ten of which were priced and/or had value. There were no stock sales in the Trading Account for the twenty-nine days prior to February 5, 2009. Beginning after the close of the Toronto and New York Stock Exchanges on February 5, 2009, and through February 20, 2009, Hashemi sold virtually his entire position in six of the ten securities, generating \$85,064 in proceeds, or 79% of the Trading Account's value as of January 31, 2009.

44. As a result of these stock sales and the wire transfer, during the period spanning February 5, 2009 and February 20, 2009, the Trading Account held a total of \$185,417 in funds available for purchases. During this period, \$169,742 of the \$185,417, or 92% of available funds, were used to purchase Nova common stock. Indeed, one purchase limit order for 9,000 shares of Nova common stock was placed but not executed on February 20, 2009; had this order been executed, \$181,172, or 97.7% of the available funds in the Trading Account would have been used to purchase Nova common stock.

45. Hashemi sustained significant losses when liquidating stock in his Trading Account to fund the purchase of Nova common stock. In one instance Hashemi suffered a 93% loss of the liquidated stock's initial value and, in another, he liquidated a position for \$33,670 in

proceeds, losing \$30,022, or 47.14%, of his initial investment. Further, Hashemi purchased shares of one of the six liquidated stocks in January 2009, only to liquidate that stock in February for a loss. Overall, in order to fund his Nova common stock purchases, Hashemi incurred a loss of 66% when liquidating his pre-existing investments.

46. Significantly, the liquidation prices Hashemi accepted in February to generate proceeds for his Nova purchases were below sale limit orders placed on certain of the securities in preceding months. For example, on December 8, 2008, Hashemi placed a limit order to sell 500 shares of one of the securities liquidated in February, at \$2.80 per share. At the time the December limit order was placed, the market price of the stock on the New York Stock Exchange was \$2.15 per share. Hashemi's limit order expired unexecuted on January 16, 2009 because the price of the stock never reached his limit price of \$2.80. However, in connection with the February liquidations, and less than a month later, Hashemi sold this same stock for \$2.10 per share.

CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder

47. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 46, inclusive, as if they were fully set forth herein.

48. Upon information and belief, at the time Defendant Hashemi purchased Nova common stock as set forth above, he was in possession of, and traded on the basis of, material, nonpublic information about IPIC's offer to acquire Nova.

49. Defendant Hashemi knowingly or recklessly traded on the basis of: (1) material inside information that he misappropriated in violation of his fiduciary duty or similar duty of trust and confidence owed to the shareholders of Nova or to the source from whom he received

inside information; or, in the alternative, (2) material inside information which he knew or should have known had been tipped to him in breach of fiduciary or similar duty of trust and confidence.

50. Defendant Hashemi, by engaging in the conduct described above, knowingly or recklessly, in connection with the purchase or sale of securities, directly or indirectly, by use of the means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange:

- (a) employed devices, schemes or artifices to defraud;
- (b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and/or
- (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon any person in connection with the purchase or sale of any security.

51. By engaging in the foregoing conduct, Defendant Hashemi violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder, and is likely to commit such violations in the future unless enjoined from doing so.

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter a Final Judgment:

I.

Permanently restraining and enjoining Defendant Hashemi from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder;

II.

Ordering Defendant Hashemi to disgorge the unlawful trading profits derived from the activities set forth in this Complaint, together with prejudgment interest thereon;

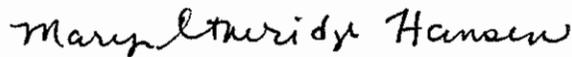
III.

Ordering Defendant Hashemi to pay a civil penalty pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]; and

IV.

Granting such other and further relief as the Court may deem just and appropriate.

Respectfully submitted,



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Dated: July 27, 2009