

LITIGATION

## Timminco sues fund manager

[Silicon producer files \\$6-million libel suit over comments casting doubt on its technology](#)

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Silicon producer **Timminco Ltd.** has accused a fund manager and his firm of engaging in a malicious campaign of defamation against the company and is seeking more than \$6-million in damages.

Timminco, whose shares have skyrocketed from pennies to more than \$28 on claims it has developed a "breakthrough" process to produce large quantities of solar-grade silicon at costs well below those of competitors, is suing Ravi Sood and his Toronto firm Lawrence Asset Management Inc. for libel.

The suit, filed in the Ontario Superior Court of Justice, alleges that Mr. Sood and his firm "have launched a campaign to manipulate downward the price of Timminco shares," to advance their interests as short sellers.

Timminco, led by Austrian-born metals financier Heinz Schimmelbusch, is in the middle of a fire-storm of debate between major backers such as Eric Sprott and his firm Sprott Asset Management Inc. and short sellers such as Mr. Sood.

Mr. Sprott and his firm are betting Timminco is set to revolutionize the way solar-grade silicon is produced. Mr. Sood, meanwhile, has questioned the once-sleepy company's ability to deliver on its claims and has taken a short position in Timminco, wagering that the stock is poised to decline.

In the suit, filed last month, Timminco alleges that Mr. Sood has suggested in newspaper reports and on television that Timminco has "defrauded members of the public."

Appearing on the Business News Network or BNN, in April, Mr. Sood said Timminco is "virtually worthless," according to the suit.

"There is no evidence that they have any sort of proprietary technology. There is no evidence that they can actually deliver on their claims," the statement of claim says Mr. Sood told viewers. BNN is part of CTVglobemedia Inc., which is also the parent company of The Globe and Mail.

Timminco claims that Mr. Sood's comments "meant or were understood to mean" that "Timminco conducts business in the same way as did Bre-X," and that "Timminco's patent applications amount to a sham," court documents said.

At Timminco's annual meeting last week, Mr. Schimmelbusch warned that if detractors "overstep a certain line," the matter is "straight going to the courts."

Mr. Sood and his firm have "refused to retract or apologize," the lawsuit says.

A statement of defence has yet to be filed. Neither Mr. Sood, nor his lawyer Clifford Lax would comment. Timminco's lawyer William McDowell would not comment. Company officials did not return calls.