

Edmonton businessman accused of illegally raising \$16 million for failed Kenyan oilseed project

"We've never had any support. You wouldn't believe what we're up against. The challenges are next to impossible to overcome — it's one thing after another. "

GORDON KENT Updated: May 13, 2016



A 2012 photo of the entrance to Bedford Biofuel's pilot project in Kenya's Tana Delta. SARA-CHRISTINE GEMSON

An Edmonton businessman who raised more than \$16 million from investors for a failed Kenya oilseed project has been charged with breaching securities legislation by the Alberta Securities Commission.

David McClure was president of Bedford Biofuels Inc., which had grand plans to plant jatropha in Africa, producing an oilseed crop said to thrive even on wasteland, and touted as one of the most promising sources of biofuel in the world.

Between approximately 2009 and 2012, Bedford and Tana Delta, a company owned by Bedford, took in about \$16.3 million from investors to develop the operation and acquire an agricultural sub-lease for a jatropha plantation, the securities commission alleges.

McClure allegedly approved promotional material, made presentations, met prospective investors and oversaw a sales force that worked out of offices in Edmonton, Calgary and Vancouver.

Another company he ran, Art Without Borders Inc., raised more than \$160,000 from six investors in 2010-11, paying a 20-per-cent commission to a numbered company he owned.

The purpose of the company wasn't released.

As well, McClure was the director of Bella Bay Investments (Barbados) Inc., which raised more than \$200,000 in 2012 to develop a resort in Honduras.

Commission staff claim he made misleading statements to Bedford and Tana Delta investors that there was crop and political instability insurance for the jatropha project, that a portion of every investment was going to African humanitarian work, and that Bedford would be sold to an Asian company.

Instead, Bedford — which co-sponsored a 2009 Edmonton appearance by former U.S. president George W. Bush — went bankrupt in 2013.

Tana Delta and Art Without Borders are no longer in business.

A 2012 Journal article said Bedford had only managed to plant 19 hectares of the 60,000 hectares it had leased in the Tana Delta on Kenya's southeastern coast.

McClure said Bedford was drawn to the Delta out of "humanitarian" impulses, but he had been pushed to the brink of despair by various forces which, he alleged, include smear campaigns by the Kenyan media and persistent government obstruction.

"We've never had any support. You wouldn't believe what we're up against. The challenges are next to impossible to overcome — it's one thing after another."

But the head of the biofuels section at the Kenyan Ministry of Energy said people had found jatropha wasn't a good candidate for Kenyan biofuel production.

Bedford was by then based in Calgary.

McClure faces multiple allegations of raising money without registering as a salesperson or filing a prospectus and making misleading statements to investors.

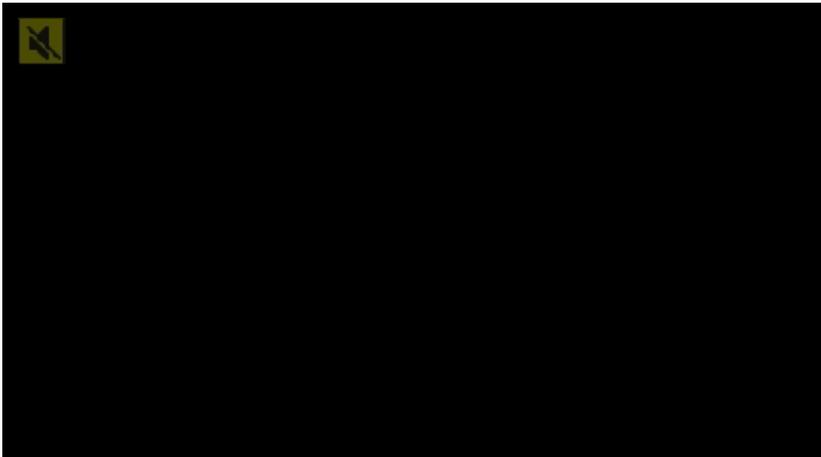
If convicted, he faces a maximum \$1 million penalty for each offence.

A hearing date will be set July 13 in Calgary.

gkent@postmedia.com (<mailto:gkent@postmedia.com>)

twitter.com/GKentEJ (<http://twitter.com>)

TRENDING STORIES



Ω

Click to view the article in a new tab

< Previous

Next >

This Week's Flyers



Hover for Flyer



Hover for Flyer



Hover for Flyer

Comments

We encourage all readers to share their views on our articles and blog posts. We are committed to maintaining a lively but civil forum for discussion, so we ask you to avoid personal attacks, and please keep your comments relevant and respectful. If you encounter a comment that is abusive, click the "X" in the upper right corner of the comment box to report spam or abuse. We are using Facebook commenting. Visit our FAQ page (<http://www.edmontonjournal.com/news/story.html?id=7195492>) for more information.

1 Comment

Sort by **Top** ↕

i This thread is closed



Scammed by David McClure

So the penalties the ASC collects goes back to the investors?

Like · 1 · 2y



Adam Epp · St. Catharines

Sure hope so, but unlikely.

Like · 2y

f Facebook Comments Plugin

POSTMEDIA

([HTTP://WWW.POSTMEDIA.COM](http://www.postmedia.com))

365 Bloor St East, Toronto, ON, M4W3L4, www.postmedia.com

© 2018 Postmedia Network Inc. All rights reserved.

Unauthorized distribution, transmission or republication strictly prohibited.

Powered by WordPress.com VIP (<https://vip.wordpress.com/>)

utm_source=vip_powered_wpcom&utm_medium=web&utm_campaign=VIP%20Footer%20Credit&utm_term=edmontonjournal.com)