



Timminco Sues For Libel

by: [Jennifer Kho](#)
June 04, 2008

The metallurgical-silicon company files a lawsuit against Lawrence Asset Management after a fund manager allegedly calls the company "virtually worthless" and says there is no evidence it can deliver on its claims.

[Timminco](#) is suing a fund manager, Ravi Sood, and his firm, Lawrence Asset Management, for libel after Sood allegedly called the company "virtually worthless."

The Toronto-based silicon company is seeking more than C\$6 million in damages, according to [The Globe and Mail](#), which reported that the lawsuit filed in the Ontario Superior Court of Justice alleges that Sood and his firm have launched a campaign to drive Timminco shares down.

"There is no evidence that they have any sort of proprietary technology. There is no evidence that they can actually deliver on their claims," Sood said in an appearance on the Business News Network in April, according to the lawsuit (via [The Globe and Mail](#)).

Shares of Timminco, traded on the Toronto Stock Exchange under the ticker "TIM," grew less than 1 percent to C\$30.60 per share Tuesday. The stock, which was worth less than a dollar per share last March, is up nearly ninefold from a 52-week low of C\$3.43 per share about a year ago.

The company has drawn support and skepticism from industry insiders for claiming it has developed a process to make solar-grade silicon out of dirtier metallurgical-grade silicon at lower costs than its competitors.

With solar-grade silicon in a shortage for the last few years, silicon has become costly, and a number of researchers have been working on ways to upgrade metallurgical silicon to bolster the supply. But so far, companies haven't been able to deliver upgraded metallurgical silicon at a lower cost per watt.

Timminco has been secretive about its technology, leading to rampant speculation about whether it can meet its promises.

Ethan Zindler, head of North American research for New Energy Finance, said the lawsuit strikes him as "awfully defensive."

"My feeling is that if you're a highly speculative company with a speculative technology, it would seem to me that you don't have a whole lot to complain about if some people think what do you won't work," he said. "If people are betting that you and your technology will work, you would seem to open yourself up to people that might have the other opinion."

The company might be under pressure as a number of silicon suppliers have announced plans to ramp up their capacities in the next few years.

The Prometheus Institute forecasts that the availability of silicon and thin-film panels, which use little to no silicon, will grow from 3.14 gigawatts worth in 2007 to 12.36 gigawatts worth in 2010, while demand will grow more slowly, reaching 6.76 gigawatts in 2010 (see [Oversupply of Silicon Worse Than Expected](#)).

“There seems to be an increasing realization in the marketplace and there’s really a tremendous amount of supply coming online in the next year or two, and that may be weighing on this as well,” Zindler said.

Timminco on Monday announced a deal to supply Canadian Solar with up to 5,000 metric tons of silicon, and in March signed a deal to supply Q-Cells with 410 metric tons in 2008 and 3,000 metric tons in 2009 (see [Timminco Shares Down Despite Deal with Canadian Solar](#)).