

2011 BCSECCOM 308

Partial Revocation Order

**Kunekt Corporation and Gylen M. Moore, Lenora K. Moore,
Brian M. Moore and Brenda Braun**

Section 171 of the *Securities Act*, R.S.B.C. 1996, c. 418

- ¶ 1 Kunekt Corporation (the Issuer) is a Nevada corporation that is an OTC reporting issuer under BC Instrument 51-509 *Issuers Quoted in the U.S. Over-the-Counter Markets*. The Issuer's shares are quoted on the OTC Bulletin Board and the OTCQB tier of the OTC Markets.
- ¶ 2 On February 28, 2011, the Executive Director issued a halt trade order against the Issuer under section 89 of the *Securities Act*, R.S.B.C. 1996, c. 418 (the Act) halting trading in the securities of the Issuer until the end of March 3, 2011 as the Executive Director considered that circumstances existed or were about to occur that could result in other than orderly trading of the Issuer's securities.
- ¶ 3 On March 3, 2011, the Executive Director issued a second halt trade order against the Issuer under section 89 of the Act halting trading in the securities of the Issuer until the end of March 8, 2011 as the Executive Director again considered that circumstances existed or were about to occur that could result in other than orderly trading of the Issuer's securities.
- ¶ 4 On March 8, 2011, the Executive Director issued a temporary order and notice of hearing under section 161(1)(b) of the Act (the Cease Trade Order) that all persons cease trading in the securities of the Issuer. The Executive Director set a hearing date of March 22, 2011 at which time the Executive Director stated that he would ask the British Columbia Securities Commission (the Commission) to grant an order that all persons cease trading in securities of the Issuer until:
1. the Issuer complies with orders for production issued to the Issuer by the Executive Director on March 3, 2011 and March 4, 2011,
 2. Mark Bruk (Bruk), a resident of British Columbia and a director and officer of the Issuer, complies with an order for production issued to Bruk by the Executive Director on March 3, 2011, and
 3. the Issuer has generally disclosed to the public the extent to which the Issuer and its directors, officers and insiders were involved in or had knowledge of promotional material about the Issuer that was disseminated on the internet, including material released by entities called Breakaway Stocks and StockReads.com.

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- ¶ 5 On April 8, 2011, the Commission extended the Cease Trade Order until a hearing is held and a decision is rendered.
- ¶ 6 On April 11, 2011, the Issuer and Bruk applied to have the Cease Trade Order revoked or, alternatively, varied to allow the Issuer to complete specified transactions.
- ¶ 7 On April 12, 2011, the BCSC denied the application, but agreed to reconsider it on application if the Issuer and Bruk file sworn statements of the Issuer, Bruk, Arom Thaveeloue, Matt Li, and any other person who is a director, officer or insider of Kunekt, deposing that the deponent:
1. did not, directly or indirectly, cause the Internet Material (as defined in the notice of hearing) to be prepared or to be published on the websites identified in the notice of hearing,
 2. did not, directly or indirectly, cause any payment to be made to anyone in connection with the Internet Material,
 3. did not have any other involvement in the preparation or publication of the Internet Material, and
 4. had no knowledge of the content of the Internet Material or of its publication until informed of it by BCSC staff.
- ¶ 8 Gylen M. Moore, Lenora K. Moore, Brian M. Moore and Brenda Braun (each referred to as the Investor) applied to the Commission under National Policy 12-202 – *Revocation of a Compliance-related Cease Trade Order* for an order under section 171 of the Act for a partial revocation of the Cease Trade Order to allow the Investor to re-sell the following shares of the Issuer (the Shares) in the open market:
- | | |
|-------------------------------------|--------|
| Gylen M. Moore and Leonora K. Moore | 14,200 |
| Gylen M. Moore and Leonora K. Moore | 9,900 |
| Brian M. Moore | 4,000 |
| Brenda Braun | 400 |
- ¶ 9 Gylen M. Moore (Moore) has represented to the Commission that:
1. He has full trading authority over the Investors' accounts.

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2. The Shares were purchased in the Investors' accounts through an investment dealer in the open market.
 3. None of the Investors is an insider or otherwise related to the Issuer.
- ¶ 10 The Commission is satisfied that this order is not prejudicial to the public interest.
- ¶ 11 The Commission orders under section 171 of the Act that the Cease Trade Order be partially revoked for the sole purpose of permitting the Investors to sell the Shares through a person that is registered under the Act to trade in securities and who executes the trade through the OTC Bulletin Board or OTC Markets.
- ¶ 12 June 30, 2011

Brent W. Aitken
Vice Chair

Don Rowlatt
Commissioner

Shelley C. Williams
Commissioner