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News Release

BCSC alleges misrepresentations by vertical farming company

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Vancouver – The British Columbia Securities Commission (BCSC) [alleges](#) that a Vancouver-based vertical farming company and three people connected to it made misrepresentations about sales of its shares.

Affinor Growers Inc., which develops stacked indoor growing facilities and trades on the Canadian Securities Exchange, announced in two news releases in 2018 that it had raised or intended to raise approximately \$4 million through a private placement. Affinor, however, did not disclose in either news release that it intended to retain only about \$325,000, or approximately 8 per cent, of the proceeds, and intended to immediately spend \$3,675,000 on consulting fees.

By announcing the proceeds from the private financing but failing to disclose that it would not be keeping all of the funds, the BCSC alleges that Affinor made statements to investors that it knew – or ought reasonably to have known – were misrepresentations.

In addition, the BCSC alleges that Affinor Chief Executive Officer Nicholas Gordon Brusatore of Abbotsford, director Brian Kent Whitlock of Langley, and Chief Financial Officer Usama Zafar Chaudhry of Surrey committed the same violations of the *Securities Act*. Brusatore and Whitlock were with Affinor when the first and second news releases were issued and Chaudhry was with the company when the second news release was issued.

The BCSC's allegations have not been proven. The respondents are required to appear before the Commission on March 24, 2022 if they wish to be heard before a hearing date is scheduled.

About the British Columbia Securities Commission (www.bcsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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