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News Release

BCSC panel dismisses allegations against Vancouver bio-pharma company

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Vancouver – A B.C. Securities Commission (BCSC) panel [has dismissed](#) allegations of misrepresentation against a Vancouver-based health sciences company and its CEO.

The BCSC [alleged](#) that PreveCeutical Medical Inc., which was developing technologies related to scorpion venom, made a misrepresentation when it announced in a 2018 news release that it had raised approximately \$6.5 million through a private placement, but didn't disclose that it already paid or committed to pay approximately \$3.2 million to consultants. The BCSC further alleged that the company, by omitting the same information in a material change report, made a statement or provided information in a required filing that was materially misleading or false.

The BCSC also accused Vancouver resident Stephen Van Deventer, who was the CEO, Chair, president and a director when the news release was issued, of committing the same violations.

The panel agreed that omitting this information made the news release misleading. However, in order to be a misrepresentation, the panel noted that the omission had to be material, meaning something that would reasonably be expected to have a significant effect on the market price or value of PreveCeutical's shares.

The panel concluded that although reasonable investors would have felt that they were not given all of the facts necessary to have an accurate picture of what funds would be available to PreveCeutical after the private placement, "we see it as an open question whether reasonable investors would have expected a significant effect on market price."

The panel determined that "although the Executive Director has come close...it has not been established according to the required standard of proof that reasonable investors would have changed their behaviour, or expected other investors to change their behaviour, in a manner which would have had a significant effect on the market price of PreveCeutical's shares."

As such, the allegations against PreveCeutical and Van Deventer were dismissed.

About the B.C. Securities Commission (bcsc.bc.ca)

The B.C. Securities Commission, an independent provincial government agency, strives to make the investment market benefit the public. We set rules, monitor compliance by industry, take action against misconduct, and provide guidance to investors and industry. As guardians of B.C.'s investment market, we're committed to maintaining a market that is honest, fair, competitive and dynamic, enabling British Columbians to thrive.

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