



Citation: 2022 BCSECCOM 484

Notice of Hearing

**G2 Energy Corp. (formerly known as Green 2 Blue Energy Corp.),
Slawomir Smulewicz, Michael Louis Young, Glenn Albert Little**

(collectively, the Respondents)

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions, and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Summary

1. G2 Energy Corp., formerly known as Green 2 Blue Energy Corp. (Green 2 Blue), issued two news releases that contained misrepresentations. In the first news release, Green 2 Blue announced a financing but did not disclose its intention to spend most of the funds on consultants. In the second, Green 2 Blue announced the amount raised in the financing but did not disclose that it spent most of the funds on consultants.
2. Green 2 Blue filed a material change report that contained the same misrepresentation as the second news release.
3. Smulewicz, Young and Little were directors or officers, or both, of Green 2 Blue when it issued the news releases and the material change report and by authorizing, permitting or acquiescing in Green 2 Blue's contraventions, they contravened the same provisions of the Act that it did.

Background

4. During the relevant period, Green 2 Blue focused on wood pellet production and biomass gasification technology. Green 2 Blue is a reporting issuer in British Columbia and its shares trade on the Canadian Securities Exchange.
5. Smulewicz is a resident of West Vancouver, British Columbia. He was a director, president and CEO, and corporate secretary of Green 2 Blue when it made the misrepresentations.
6. Young is a resident of Vancouver, British Columbia. He was a director and CFO of Green 2 Blue when it made the misrepresentations.
7. Little is a resident of Langley, British Columbia. He was a director of Green 2 Blue when it made the misrepresentations.



Misconduct

April 12, 2018 News Release

8. In an April 12, 2018 news release, Green 2 Blue announced a non-brokered private placement for aggregate gross proceeds up to \$4 million and that the net proceeds would be used to complete facility upgrades, equipment purchases and for general working capital. Green 2 Blue did not disclose its intention to immediately spend \$3,723,660 of the funds on consultants.
9. By announcing a private placement but failing to disclose its intention to spend most of the funds on consulting fees, Green 2 Blue made a statement to investors it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.
10. While they were directors or officers, or both, of Green 2 Blue, Smulewicz, Young, and Little authorized, permitted or acquiesced in Green 2 Blue's contravention and, therefore, by operation of section 168.2 of the Act, also contravened section 50(1)(d).

April 17, 2018 News Release

11. In an April 17, 2018 news release, Green 2 Blue announced it had closed the previously announced non-brokered private placement for gross proceeds of \$4,280,000. Green 2 Blue stated that the proceeds would be used to complete facility upgrades, equipment purchases and for general working capital. Green 2 Blue did not disclose that it would only retain \$556,340, or about 13%, of the amount raised because it spent \$3,723,660 on consulting fees.
12. By announcing the gross proceeds from the private placement but failing to disclose that it would only retain about 13% of the funds, Green 2 Blue made a statement to investors it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.
13. While they were directors or officers, or both, of Green 2 Blue, Smulewicz, Young, and Little authorized, permitted or acquiesced in Green 2 Blue's contravention and, therefore, by operation of section 168.2 of the Act, also contravened section 50(1)(d).

Material Change Report

14. Green 2 Blue filed a material change report on April 17, 2018 containing the same misrepresentation as in the April 17, 2018 news release. In doing so, Green 2 Blue made a statement or provided information in a record filed under the Act that in a material respect was false or misleading, contrary to section 168.1(1)(b) of the Act.
15. While they were directors or officers, or both, of Green 2 Blue, Smulewicz, Young, and Little authorized, permitted or acquiesced in Green 2 Blue's contravention and, therefore, by operation of section 168.2 of the Act, also contravened section 168.1(1)(b).



Hearing Process

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, February 7, 2023, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: hearingoffice@bcsc.bc.ca.
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 5 Orders made against the Respondents in this matter may automatically take effect against them in other Canadian jurisdictions, without further notice to the Respondents.

Peter J Brady

Dec 20 2022 11:44 AM -08:00

- ¶ 6 Peter J. Brady
Executive Director