BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re Stock Social Inc, 2023 BCSECCOM 52 Date: 20230130

Stock Social Inc., ImagineAR Inc. (formerly Imagination Park Entertainment Inc.) and Kyle Alexander Johnston

Panel	Audrey T. Ho	Commissioner
	Deborah Armour, KC	Commissioner
	Judith Downes	Commissioner
Hearing dates	September 14 and 15, 2022	
Submissions completed	November 2, 2022	
Decision date	January 30, 2023	
Appearing		
Audrey Tait Veda Kenda	For the Executive Director	
Patrick J. Sullivan	For Stock Social Inc. and Kyle Alexander Johnston	
H. Roderick Anderson	For ImagineAR Inc. (formerly Imagination Park Entertainment Inc.)	

Findings

I. Introduction

[1] This is the liability portion of a hearing under sections 161 and 162 of the *Securities Act*, 1996, c. 418 (Act).

[2] In a notice of hearing issued September 24, 2021 (2021 BCSECCOM 376), the executive director alleged, among other things, that:

(a) while engaged in investor relations activities on behalf of five British Columbia reporting issuers, Stock Social Inc. (Stock Social) contravened section 52(2) of the Act by failing to ensure that the records disseminated as part of those activities, disclosed clearly and conspicuously that they were issued on behalf of the respective issuers;

(b) ImagineAR Inc. (formerly Imagination Park Entertainment Inc.) (ImagineAR) also contravened section 52(2) of the Act by failing to ensure that the records disseminated on its behalf by Stock Social clearly and conspicuously disclosed that they were issued on its behalf; and

(c) Kyle Alexander Johnston (Johnston) as president, CEO and sole director of Stock Social authorized, permitted or acquiesced in Stock Social's contraventions and therefore also contravened section 52(2) by operation of section 168.2 of the Act.

II. Factual Background

[3] The executive director originally made allegations against the following persons in the notice of hearing: Stock Social, Bearing Lithium Corp. (formerly Bearing Resources Ltd.), Hello Pal International Inc., ImagineAR, MGX Minerals Inc., Phivida Holdings Inc., Johnston, Jeremy Arthur William Poirier, Ryan James Johnson, Chad David McMillan, Jared Michael Lazerson, and John-David Alexander Belfontaine.

[4] Prior to the liability hearing, the executive director entered into settlement agreements with all of the respondents with the exception of Stock Social, ImagineAR and Johnston, and discontinued these proceedings against the respondents who settled. The style of cause in these findings has been amended to refer only to the remaining respondents (respondents).

[5] On September 12, 2022, the executive director, Stock Social, ImagineAR and Johnston entered into an Agreed Statement of Facts in which the respondents made a number of admissions of fact. Stock Social and ImagineAR also admitted contravening section 52(2) of the Act and Johnston admitted contravening the same section by operation of section 168.2 of the Act. The Agreed Statement of Facts with its numerous admissions significantly reduced the number of days required for the liability portion of the hearing.

[6] Stock Social was a marketing firm incorporated in British Columbia that conducted investor relations activities on behalf of the following five issuers:

(a) Bearing Lithium Corp. (formerly Bearing Resources Ltd.) (Bearing);

(b) Hello Pal International Inc. (Hello Pal);

(c) ImagineAR;

(d) MGX Minerals Inc. (MGX); and

(e) Phivida Holdings Inc. (Phivida)

(Issuers).

[7] At all material times, Johnston was president, CEO and sole director of Stock Social. He is a resident of West Vancouver, British Columbia.

[8] The Agreed Statement of Facts attached schedules A to E. Those schedules listed all of the advertorials on newswires and websites and all of the posts on various social media platforms that Stock Social prepared and disseminated for the Issuers (collectively, Records).

[9] OED Online, Oxford University Press, December 2022 defines "advertorial" as "an advertisement or publication giving information about a product or service in the style of an editorial or objective report".

[10] The advertorials created and disseminated by Stock Social presented information about the Issuers in the style of objective reports yet they were singularly positive and touted certain aspects of the business of the Issuers. They failed to disclose risks or other negative factors relating to the Issuers' businesses that one would expect in a true editorial or report. The posts were also singularly positive and referred readers to the advertorials. As such, the advertorials and posts were promotional in nature and appeared crafted with the purpose of promoting the securities of the Issuers.

[11] In the Agreed Statement of Facts, Stock Social and Johnston admitted that Stock Social prepared and disseminated advertorials on newswires and websites and posts on various social media platforms, as listed in schedules A to E to the Agreed Statement of Facts and that they did not ensure that the Records clearly and conspicuously disclosed that they were issued on behalf of the Issuers, contrary to section 52(2) the Act. They also admitted that Johnston, as president, CEO and sole director of Stock Social, authorized, permitted or acquiesced in Stock Social's contravention of section 52(2) and therefore contravened the same section by operation of section 168.2 of the Act.

[12] In the Agreed Statement of Facts, ImagineAR admitted that it did not ensure that the advertorial and social media posts as listed in schedule C to the Agreed Statement of Facts clearly and conspicuously disclosed that they were issued on its behalf, contrary to section 52(2) of the Act.

[13] At the hearing, the executive director called the Commission investigator in this matter to give evidence. No other witnesses were called.

Bearing

[14] Bearing is a mineral exploration and development company incorporated in British Columbia. It was a reporting issuer and its shares traded on the TSX Venture Exchange during the relevant period.

[15] In the Agreed Statement of Facts, Stock Social and Johnston admitted that Stock Social provided investor relations services to Bearing between January and February 2017. Stock Social arranged the dissemination of one advertorial about Bearing on three newswires and websites. Depending on the newswire or website, the Record indicated that it was published for Stock Social or that Stock Social was the source. None of those disseminations indicated that the advertorial was issued on behalf of Bearing.

[16] Stock Social also arranged posts about Bearing by 19 social media influencers appearing on various platforms including Twitter, LinkedIn, investfeed, iHub and Facebook. Those posts were

in some if not all cases, disseminating the same advertorial. None of those posts indicated that they were issued on behalf of Bearing.

[17] Bearing paid $10,000USD to Stock Social for those investor relations services.

Hello Pal

[18] Hello Pal is a software application developer originally incorporated in Ontario and continued in British Columbia. It was a reporting issuer in British Columbia and its shares traded on the Canadian Securities Exchange during the relevant period.

[19] In the Agreed Statement of Facts, Stock Social and Johnston admitted that Stock Social provided investor relations services to Hello Pal from August to November 2016. Stock Social prepared and arranged the dissemination of five different advertorials on 11 newswires and websites.

[20] None of the Records containing those advertorials indicated that they were issued on behalf of Hello Pal. Some contained legal disclaimers or disclosure, summarized as follows:

- three of the Records contained a section titled "Legal Disclaimer/Disclosure" at the end indicating, in part, that it was not a solicitation to buy or sell stock, and the author was not making any guarantees as to the accuracy of the information;

- of those three Records,
    - one also stated in part "A free [sic] was paid for the distribution of this article." However, they did not indicate who paid the fee, on whose behalf it was paid or to whom it was paid;
    - one also stated in part "A free [sic] was paid for the distribution of this article." However, they did not indicate who paid the fee, on whose behalf it was paid or to whom it was paid. It also cited Stock Social as the source at the end of the Record, just after the legal disclaimer and after approximately 30 paragraphs of substantive content;

- two Records contained text at the bottom that indicated the platform did not exercise editorial control over the content.

[21] Stock Social's investor relations activities for Hello Pal included posts by nine social media influencers and by Stock Social on Twitter. None of those posts indicated that they were issued on behalf of Hello Pal.

[22] Hello Pal paid $13,500USD to Stock Social for the investor relations services.

ImagineAR

[23] ImagineAR is an augmented virtual reality production company incorporated in British Columbia and continued federally. It was a reporting issuer in British Columbia and its shares traded on the Canadian Securities Exchange during the relevant period.

[24] The respondents admitted that Stock Social provided investor relations services to ImagineAR in November 2016. Stock Social prepared and disseminated one advertorial about ImagineAR on one website. That advertorial did not indicate that it was issued on behalf of ImagineAR.

[25] Stock Social also arranged for posts by six social media influencers and by Stock Social on Twitter. Those posts disseminated the same advertorial. None of the posts indicated that they were issued on behalf of ImagineAR.

[26] ImagineAR paid $30,000CDN to Stock Social for those investor relations services.

MGX

[27] MGX is a mining company incorporated in British Columbia. It was a reporting issuer in British Columbia and its shares traded on the Canadian Securities Exchange during the relevant period.

[28] Stock Social and Johnston admitted that Stock Social provided investor relations services to MGX from March to August 2017. Stock Social prepared and disseminated six different advertorials about MGX on 14 newswires and websites. Most of those Records contained disclaimers or disclosure:

- Two of the Records contained a section at the bottom about the websites or newswires that published the advertorials. Those sections were titled "Third-Party Content" and said the content came from third parties and any opinions stated were those of the third parties. The websites and newswires disclaimed liability relating to the content;

- Two other Records contained links to disclaimers about content published or re-published by the websites or newswires. Those links appeared at the end of the Records;

- One Record contained a section at the bottom about the newswire, titled "Disclaimer". That section stated "…. NNW's compensation disclosure is incorporated herein and appears in full at http://NNW.fm/Disclaimer";

- In one case, Johnston sent an advertorial to a publisher for dissemination indicating Stock Social as the source but he did not instruct the publisher to include a disclosure statement to that effect and that Record did not contain such disclosure;

- Eight Records contained sections at the bottom. Those sections, titled "Disclaimer", said that the content should not be taken as investment advice. They indicated a fee had been paid for distribution but did not say by whom or on whose behalf;
    - Three of those disclaimers stated "Source: MGX Minerals Inc." at the bottom of the Record following 20 paragraphs of content. They also stated that "… the author of this editorial content is third-party and not the opinion of the company…";
    - Three others indicated the source as Stock Social. They indicated that investors should always consult an investment advisor before making any trading decision. One of those had a link titled "Legal Notice"; and

- One indicated Baystreet as the source.

[29] None of the above Records indicated that they were issued on behalf of MGX. With respect to the three that identified MGX as the source, Stock Social and Johnston admitted that the disclosure was not clear and conspicuous.

[30] The investor relations services provided by Stock Social also included multiple promotional posts about MGX by 17 social media influencers retained and paid by Stock Social on various platforms including Twitter, Facebook and LinkedIn. A number of those posts linked to the six advertorials. None of the posts indicated that they were issued on behalf of MGX.

[31] MGX paid $408,300.60CDN and $40,000USD to Stock Social for those investor relations services.

Phivida

[32] Phivida is a distributor of cannabidiol foods and beverages and is incorporated in British Columbia. In 2017 it became a reporting issuer and its shares traded on the Canadian Securities Exchange during the relevant period.

[33] Stock Social and Johnston admitted that Stock Social provided investor relations services to Phivida from September 2017 to March 2018. Stock Social prepared and disseminated five advertorials about Phivida on seven newswires and websites. All but one of the Records contained disclaimers or disclosure:

- One indicated the source as CNW Newswire;
- One indicated that a website called Baystreet.ca had been paid for distribution but did not indicate who paid the fee or on whose behalf the payment was made;
- Two indicated that FinancialPress.com had been paid a fee for distribution but did not indicate who paid or on whose behalf the payment was made;
- One indicated that a fee was paid for creation and distribution but again, did not indicate who paid or on whose behalf the payment was made; and
- One contained a general disclaimer and indicated the source as CNW Newswire. That disclaimer also said that the content contained forward-looking information and that Phivida did not undertake to update forward-looking information.

[34] In no case did the advertorials indicate that they were issued on behalf of Phivida.

[35] The investor relations services provided by Stock Social also included six posts about Phivida on Facebook. Each of those posts linked to one of the five advertorials. None of those posts indicated that they were issued on behalf of Phivida.

[36] Phivida paid $15,750.33CDN to Stock Social for those investor relations services.

III. Positions of the Parties

[37] The executive director takes the position that we can rely solely on the respondents' formal admissions in the Agreed Statement of Facts to support findings of liability against them. He also submits that such findings are supported by the evidence.

[38] The executive director submits that the advertorials and social media posts constituted investor relations activities by Stock Social and that they were disseminated by Stock Social on behalf of the Issuers. He submits that none of the Records clearly and conspicuously disclosed they were issued on behalf of the Issuers.

[39] The executive director says that paying for dissemination of content disguised as independent analysis, news or unbiased opinion is misleading and that in order to ensure the integrity and fair operation of the capital markets the public must be informed when editorials and social media posts are nothing more than paid advertisements, otherwise investors are at risk of making misinformed decisions.

[40] The executive director states that Johnston was responsible for all aspects of the company's investor relations activities, was the main contact for Stock Social and authorized Stock Social's contravention of section 52(2). The executive director submits that we should find that Johnston also contravened that section by operation of section 168.2 of the Act.

[41] The executive director states that ImagineAR had an obligation to ensure that the advertorial and Twitter posts disseminated by Stock Social disclosed clearly and conspicuously that they were issued on behalf of ImagineAR. The executive director says those records did not make that disclosure and that ImagineAR therefore contravened section 52(2) of the Act.

[42] The submissions of Stock Social and Johnston focus on the Agreed Statement of Facts. They submit the following:

(a) the Commission can rely on the Agreed Statement of Facts in making findings of liability;

(b) the Agreed Statement of Facts was carefully drafted after extensive back and forth negotiations between senior counsel familiar with the Commission processes;

(c) agreed statements of fact promote the efficient and orderly regulation of securities and in turn ensure public confidence in the regulatory system; and

(d) when agreed statements of fact and admissions of liability are negotiated, they can and should be given significant weight.

[43] Stock Social and Johnston indicated that the sanctions phase will be contested and they intend to enter additional evidence for that phase. They ask that the Commission not make factual findings outside of the four corners of the Agreed Statement of Facts at this stage of the proceedings given that the facts agreed to are reliable and sufficient to establish liability, and it is unnecessary

and premature to make additional factual findings when more evidence will be led at a contested sanctions hearing.

[44] ImagineAR notes in its submissions that it has admitted to the contravention of section 52(2) in the Agreed Statement of Facts, and adopts the submissions of Stock Social and Johnston summarized in paragraph 42 above.

IV. Applicable Law

A. Standard of Proof

[45] The standard of proof is proof on a balance of probabilities. In *F.H. v. McDougall*, 2008 SCC 53 (CanLii), the Supreme Court of Canada held, at paragraph 49:

> In the result, I would reaffirm that in civil cases there is only one standard of proof and that is proof on a balance of probabilities. In all civil cases, the trial judge must scrutinize the relevant evidence with care to determine whether it is more likely than not that an alleged event occurred.

[46] The Court also held at paragraph 46 that the "evidence must always be sufficiently clear, convincing and cogent to satisfy the balance of probabilities test".

[47] In *Re QcX Gold Corp,* 2022 BCSECCOM 142, the panel said at paragraph 55:

> The executive director does not have to prove each evidentiary element on a balance of probabilities. The totality of the evidence must establish that the events at issue are more likely than not to have occurred in order to satisfy the balance of probabilities test.

B. Relevant Provisions of the Act

[48] The relevant legislative provisions are as follows:

> **Section 1(1) – Definitions**
> **"investor relations activities"** means any activities or oral or written communications, by or on behalf of an issuer or security holder of the issuer, that promote or reasonably could be expected to promote the purchase or sale of securities of the issuer …;
>
> **"issuer"** means a person who
>
> a) has a security outstanding,
> b) is issuing a security, or
> c) proposes to issue a security.
>
> **Section 52 - Disclosure of investor relations activities**
> 52 (2)A person engaged in investor relations activities, and an issuer or security holder on whose behalf investor relations activities are undertaken, must ensure that every record disseminated, as part of the investor relations activities, by the person engaged in those activities clearly and conspicuously discloses that the record is issued by or on behalf of the issuer or security holder.

> **Section 168.2 – Contraventions attributable to employees, officers, directors and agents**
> 168.2 (1)If a person, other than an individual, contravenes a provision of this Act or of the regulations, or fails to comply with a decision, an employee, officer, director or agent of the person who authorizes, permits or acquiesces in the contravention or non-compliance also contravenes the provision or fails to comply with the decision, as the case may be.

[49] Section 52(2) has not been considered in previous commission decisions. Further, the commission has not issued any guidance in relation to the interpretation of that section.

[50] Section 52 was originally introduced to the Act in 1995 as section 36.1 pursuant to Bill 44. The wording of section 52 remains nearly identical to that of section 36.1.

[51] Bill 44's explanatory notes read in part:

> …section 36.1 requires disclosure of the relationship between an issuer or a security holder and a person engaged in investor relations activities. **This will assist investors in assessing the objectivity of information received from a person engaged in investor relations activities. [**Emphasis added]

[52] Hansard records of the British Columbia Legislative Assembly's discussion with regard to Bill 44 indicate that paid editorials were of concern to the government:

> Hon. E. Cull: …[The Bill is] trying to … provide some safeguards so that someone can't appear to create a newspaper or newsletter that is really just a vehicle for promotional activity, unless it is a bona fide newspaper, newsmagazine or financial publication…

[53] There have been a number of commission decisions that have considered the provisions of section 168.2(1) and specifically the meaning of "authorizes, permits or acquiesces". As stated in *Spangenberg (Re)*, 2016 BCSECCOM 72, at paragraph 84, "those decisions require that the respondent has the requisite knowledge of the corporate entity's contraventions and ability to have influence over the actions of the corporate entity (through action or inaction)."

V. Analysis and Findings

[54] We have no reason to reject any of the admissions of fact or liability made by Stock Social, ImagineAR and Johnston in the Agreed Statement of Facts. The respondents were represented by experienced counsel. The evidence before us including the testimony of the investigator and the Records fully support those admissions. Recent commission cases *Re FS Financial Strategies,* 2020 BCSECCOM 121 at paragraph 67 and *Re Donald Bergman and others,* 2021 BCSECCOM 302 at paragraph 51 establish that formal admissions made in an agreed statement of facts can be relied upon to support liability findings. We see no reason to do otherwise in this case.

[55] We also agree with the respondents that we do not need to make findings that go beyond the Agreed Statement of Facts. The totality of the evidence before us, including testimony and documentary evidence, is consistent with the facts formally agreed among the parties, and sufficient to establish liability.

A. Were Bearing, Hello Pal, ImagineAR, MGX and Phivida issuers?

[56] Each of Bearing, Hello Pal, ImagineAR, MGX and Phivida issued securities at the relevant time. Therefore they meet the definition of "issuer" found in section 1(1) of the Act.

B. Did Stock Social carry out investor relations activities?

[57] Each of the Issuers engaged Stock Social to carry out investor relations activities on their behalf. Stock Social caused well over a hundred Records to be issued on behalf of the Issuers. As stated above, the Records were in all cases singularly positive and touted some aspect of the respective Issuers' businesses. We find that the dissemination by Stock Social of each of the Records promoted or reasonably could have been expected to promote the purchase or sale of the securities of those Issuers. As such, the activities that Stock Social engaged in constituted "investor relations activities" as defined in section 1(1) of the Act.

C. Did Stock Social contravene section 52(2) of the Act?

[58] We now turn to the requirements of section 52(2) of the Act. We have already stated in each of the Issuer sections above that none of the Records disclosed that they were issued on behalf of the respective Issuers. We elaborate on those findings here.

(i) Did the Records disclose they were issued on behalf of the Issuers?

[59] None of the social media posts of which there were dozens, contained any disclosure whatsoever beyond the substantive content in the posts. They were silent with respect to on whose behalf they were issued. Accordingly, none of the social media posts met the section 52(2) test.

[60] As for the advertorials, many of the Records contained disclaimers or disclosure that said there is no guarantee as to the accuracy of the content, or that the content should not be taken as investment advice, but none of them informed a reader that the advertorial was issued on behalf of the subject Issuer and therefore did not assist in meeting the disclosure requirements of section 52(2).

[61] Some of the Records indicated that a fee had been paid but did not say on whose behalf, thereby missing the necessary disclosure. Simply saying that a fee was paid is not sufficient. Even in the case of the Hello Pal Record which disclosed that a fee was paid for the distribution of the advertorial and the source was Stock Social, there was no disclosure of the relationship between Stock Social and Hello Pal, nor that the advertorial was arranged by Stock Social for Hello Pal. The Record must state on whose behalf it is issued.

[62] As noted above, there were three Records disseminated on behalf of MGX which stated "Source: MGX Minerals Inc." Saying that an issuer is the source of information is not the same as saying the Record is issued on that issuer's behalf. That phrase would be equally consistent with an arms-length independent person writing an objective article using information it obtained from MGX. We find that that disclosure did not go far enough to meet the section 52(2) requirements.

[63] In each of the above cases, by not indicating that the Record was issued on behalf of the Issuer that was the subject of the advertorial or post, investors were deprived of sufficient information to help them assess the objectivity of the information received.

(ii) Was the disclosure clear and conspicuous?

[64] Even if the Records had disclosed that they were issued on behalf of the respective Issuers, that disclosure would have had to be "clear and conspicuous". We provide our thoughts on what "clear and conspicuous" means.

[65] In order for disclosure to be clear and conspicuous, each of the Records would have had to have disclosed in plain language in a prominent spot and in prominent font designed to catch the attention of the reader, that they were issued on behalf of the respective Issuers. While we will avoid being prescriptive, the plain language could have said something like "Disseminated on behalf of [Issuer name] " or "Paid advertisement on behalf of [Issuer name]".

[66] In order for section 52(2) disclosure to be displayed in a prominent place, it would have to be displayed at or very close to the beginning of a Record or at least close to the substantive portion of the Record. That disclosure should not be buried in legalistic standard terms and conditions that readers often skip.

[67] We noted above that many of the Records had disclaimers at the end. Even had those disclaimers disclosed that the advertorials were disseminated on behalf of the Issuer, that would not have met the requirement to be conspicuously disclosed given that many readers might not read to the end of a document in order to find that disclosure. The likelihood of this is even greater in this case as all of the Records were disseminated electronically. If recipients accessed those Records on their smartphones or similar small electronic devices, they would have had to scroll at length to reach the disclaimer further reducing the likelihood it would be read.

[68] We have already found that the advertorial that indicated MGX was the source did not meet the requirement of disclosing it was issued on behalf of MGX. In any event, that phrase was found at the end of an advertorial that was more than 20 paragraphs long. That does not meet the requirement in section 52(2) of clear and conspicuous disclosure.

[69] Some of the Records included links to disclosure on other websites. It would be the rare case where such disclosure would meet the conspicuous test as many readers would have had to take an extra step to click on the link, particularly if the link does not appear in proximity to the substantive content. Furthermore, most of the links in this case were labelled as links to "disclaimers" or "legal notices". Even had those links led to clear statements saying that the Records were issued on behalf of the respective Issuers, that would not have met the obligation to disclose conspicuously as there was no indication to readers that the links would direct them to disclosure indicating on whose behalf the advertorials were issued.

[70] In summary, we find that Stock Social repeatedly contravened section 52(2) of the Act by failing to ensure that each Record clearly and conspicuously indicated that it was issued on behalf of the subject Issuer.

D. Did ImagineAR contravene section 52(2)?

[71] ImagineAR was also required by operation of section 52(2) to ensure that the records disseminated by Stock Social on its behalf clearly and conspicuously disclosed that those records were issued on its behalf. The single advertorial disseminated by Stock Social failed to indicate it

was issued on behalf of ImagineAR. Likewise, none of the social media posts had that necessary disclosure.

[72] We find that ImagineAR also contravened section 52(2) by failing to ensure that those publications disclosed that they were issued on its behalf.

E. Is Johnston personally liable?

[73] Liability under section 168.2 of the Act will be established where the executive director proves that:

(a) a corporate respondent has contravened the Act; and

(b) an individual who is an employee, officer, director or agent of the corporate respondent authorizes, permits or acquiesces in the contravention.

[74] We have found that Stock Social repeatedly contravened section 52(2) of the Act. The question remains as to whether Johnston authorized, permitted or acquiesced in those contraventions.

[75] In the Agreed Statement of Facts, Stock Social and Johnston admitted that Johnston, as the president, CEO and sole director of Stock Social, authorized, permitted or acquiesced in Stock Social's contravention of section 52(2). He directed the affairs of Stock Social and was involved in arranging the investor relations activities performed by Stock Social for the Issuers. Applying *Spangenberg* to these facts, Johnston had the requisite knowledge of Stock Social's contraventions and the ability to have influence over Stock Social's activities.

[76] We find that Johnston authorized, permitted or acquiesced in the contravention of section 52(2) by Stock Social and therefore also contravened that section by operation of section 168.2 of the Act.

VI. Findings

[77] In conclusion, we find that:

(a) Stock Social contravened section 52(2) of the Act while engaging in investor relations activities on behalf of the Issuers by failing to ensure that the Records disseminated on their behalf clearly and conspicuously disclosed that they were issued on their behalf;

(b) ImagineAR contravened section 52(2) of the Act by failing to ensure that the Records disseminated by Stock Social on its behalf clearly and conspicuously disclosed that they were issued on behalf of ImagineAR; and

(c) Johnston authorized, permitted or acquiesced in Stock Social's contraventions of sections 52(2) and therefore also contravened that section by operation of section 168.2 of the Act.

VII. Submissions on Sanction

[78] We direct the executive director and the respondents to make their submissions on sanction as follows:

By February 21, 2023	The executive director delivers submissions to the respondents and the Commission Hearing Office.
By March 7, 2023	The respondents deliver response submissions to the executive director, the other respondents and the Commission Hearing Office. Any party seeking an oral hearing on the issue of sanctions so advises the Commission Hearing Office. The hearing officer will contact the parties to schedule the hearing as soon as practicable after the executive director delivers reply submissions (if any).
By March 14, 2023	The executive director delivers reply submissions (if any) to the respondents and to the Commission Hearing Office.

January 30, 2023

For the Commission:

Audrey T. Ho
Commissioner

Deborah Armour, KC
Commissioner

Judith Downes
Commissioner