



Citation: 2020 BCSECCOM 449

Notice of Hearing

Patrick Aaron Dunn and Viribus Structural Connectors Inc.

(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 Patrick Aaron Dunn (Dunn) and Viribus Structural Connectors Inc. (Viribus) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Summary

1. Dunn breached a March 3, 2016 order by acting as a director of two companies when he was prohibited from doing so.
2. Viribus failed to disclose details of Dunn's regulatory history in its offering documents while raising capital in reliance on the start-up crowdfunding exemption to the prospectus requirement.

Background

3. Dunn is a resident of West Vancouver, BC.
4. Viribus is a BC company incorporated in December 2017. Dunn was its sole director and officer.
5. On March 3, 2016, Dunn entered into a settlement agreement with the executive director (the Settlement), and as part of the Settlement, Dunn agreed to an order (2016 BCSECCOM 64) (the Order). The Order was in place for two years and prohibited Dunn from, among other things, becoming or acting as a director or officer of any issuer or registrant except that he may become or act as a director or officer of a company where he owns all of the shares.
6. In 2020, Viribus launched two crowdfunding campaigns:
 - (a) The first crowdfunding campaign closed on June 7, 2020 (the First Offering);



- (b) The second crowdfunding campaign, launched June 16, 2020, closed on September 13, 2020 (the Second Offering).
- 7. Viribus raised \$17,300 from 69 investors in the First Offering.
- 8. Viribus did not raise any funds in the Second Offering.

Dunn contravened the Order by acting as a director or officer of Alpha Invoice and Alpha Strategic

Alpha Invoice Inc.

- 9. Alpha Invoice Inc. (Alpha Invoice) is a factoring company incorporated in BC on October 5, 2016.
- 10. At the time of incorporation, Dunn and another individual (YQ) each owned 50% of the shares of Alpha Invoice. Both were listed as directors from the date of incorporation, until Dunn was removed as a listed director on December 5, 2016.
- 11. From December 6, 2016 to March 2, 2017, Dunn acted as a *de facto* director or officer of Alpha Invoice. During that time, Dunn occupied a similar position and performed similar duties as when he was a listed director. For example:
 - (a) Dunn continued to participate in making important decisions for Alpha Invoice; and
 - (b) Dunn presented himself as Alpha Invoice's president on his LinkedIn profile.
- 12. On March 2, 2017, YQ transferred his shares of Alpha Invoice to Dunn and resigned as a director of the company. On the same date, the other directors of Alpha Invoice also resigned, and Dunn was re-appointed as a director, making Dunn the sole shareholder and director of Alpha Invoice.

Alpha Strategic Developments Inc.

- 13. Alpha Strategic Developments Inc. (Alpha Strategic) is a BC company incorporated in June 2015.
- 14. Between July 27, 2016 and March 6, 2017, Dunn was a director of Alpha Strategic. He did not own all of the shares of Alpha Strategic.
- 15. Dunn breached the Order by acting as a director or officer of Alpha Invoice and Alpha Strategic while prohibited from doing so.



Viribus failed to disclose Dunn's Settlement and Order in a filed offering document for the First Offering

16. On June 15, 2020, Viribus filed Form 1, *Start-up Crowdfunding - Offering Document*, to rely on the crowdfunding exemption for the First Offering under BC Instrument 45-535, *Start-up Crowdfunding Registration and Prospectus Exemptions* (the First Offering Document).
17. Dunn signed and certified that the statements in the First Offering Document filed by Viribus were true.
18. The First Offering Document required Viribus to disclose whether Dunn is or has been the subject of an order, sanction, or penalty imposed by a government agency. Viribus failed to disclose the Settlement and the Order, as required.
19. Viribus contravened section 168.1(1)(b) of the Act by making a statement in the First Offering Document that is false or misleading, or that omits facts to make that statement not false or misleading.

Viribus failed to disclose Dunn's Settlement and Order in offering documents posted online for the First Offering and Second Offering

20. Viribus posted the First Offering Document on Vested.ca for the First Offering.
21. Viribus also posted offering documents on Vested.ca for the Second Offering.
22. Viribus contravened section 50(3)(a) of the Act by failing to disclose the Settlement and the Order in the offering documents posted on Vested.ca for the First Offering and the Second Offering.

Viribus' contraventions are attributable to Dunn

23. Dunn authorized, permitted, or acquiesced in Viribus' contraventions of section 168.1(1)(b) and section 50(3)(a) of the Act and, therefore, Dunn also contravened those sections by operation of section 168.2(1) of the Act.

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 **Wednesday, December 16, 2020, 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 Respondents 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: commsec@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.

Peter J Brady
Nov 4 2020 5:47 PM -08:00

- ¶ 5 Peter J. Brady
Executive Director