



Citation: 2021 BCSECCOM 164

Amended Notice of Hearing

**Justin Edgar Liu, Lukor Capital Corp.,
Asiatic Management Consultants Ltd.,
Anthony Kevin Jackson, BridgeMark Financial Corp.,
Jackson & Company Professional Corp.,
Robert John Lawrence, Tavistock Capital Corp.
Cameron Robert Paddock, Rockshore Advisors Ltd.**

(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:

The Respondents

Justin Edgar Liu and related companies

1. Lukor Capital Corp. (Lukor) was a BC company but dissolved on April 25, 2017.
2. Asiatic Management Consultants Ltd. (Asiatic) is a BC company.
3. Justin Edgar Liu (Liu) is a resident of West Vancouver, BC. Liu was a director of Lukor until it was dissolved, and is also the director of Asiatic.

Anthony Kevin Jackson and related companies

4. BridgeMark Financial Corp. (BridgeMark) is a BC company.
5. Jackson & Company Professional Corp. (Jackson & Company) is a BC company.
6. Anthony Kevin Jackson (Jackson) is a resident of West Vancouver, BC, and is the director of both BridgeMark and Jackson & Company.

Robert John Lawrence and related company

7. Tavistock Capital Corp. (Tavistock) is a BC company.
8. Robert John Lawrence (Lawrence) is a resident of Vancouver, BC and is the director of Tavistock.



Cameron Paddock and related company

9. Rockshore Advisors Ltd., known as Cam Paddock Enterprises until August 8, 2018 when it changed its name, (Rockshore) is a BC Company.
10. Cameron Robert Paddock (Paddock) is a resident of North Vancouver, BC and is the director of Rockshore.

Summary

11. The Respondents participated in a scheme in which:
 - (a) individuals and companies (Consultants) entered into consulting agreements with certain CSE Issuers (Issuers) and received prepaid consulting fees from the Issuers,
 - (b) Consultants performed little or no consulting work,
 - (c) some Consultants purchased free trading shares of the Issuers through private placements (Placees), for which placements the Issuers relied on the consultant exemption to the prospectus requirement in section 2.24 of National Instrument 45-106 (Consultant Exemption),
 - (d) the Issuers retained only a portion of the funds raised because they paid most of the private placement funds to the Consultants as prepaid consulting fees shortly before or after the private placements, and
 - (e) the Placees, in most instances, sold their shares shortly after purchase, generally below the private placement price.

(the Scheme)
12. By participating in the Scheme, the Respondents acted contrary to the public interest.
13. In the course of participating in the Scheme, some Respondents also contravened the Act.

Misconduct

Conduct contrary to the public interest

14. Between February and August 2018, the Respondents participated in the Scheme with nine Issuers through twelve private placements.
15. The following table summarizes the net funds retained by the Issuers through the Scheme.



2018	Issuer	Gross private placement proceeds	Prepaid consultant fees and other fees	Net private placement proceeds	% of private placement proceeds retained by Issuers
Feb/Mar	Issuer A Private Placement #1	4,000,000	3,580,000	420,000	11%
Mar	Issuer B	3,999,667	3,675,000	324,667	8%
Apr	Issuer C	4,280,000	3,723,660	556,340	13%
Apr	Issuer D Private Placement #1	5,000,004	3,719,476	1,280,528	26%
May	Issuer E Private Placement #1	4,500,000	4,172,970	327,030	7%
June	Issuer F	4,500,000	4,138,323	361,677	8%
June	Issuer G	4,500,000	4,168,520	331,480	7%
June	Issuer E Private Placement #2	4,575,000	3,955,750	619,250	14%
June	Issuer D Private Placement #2	5,000,000	3,750,000	1,250,000	25%
June	Issuer H	4,000,000	2,886,250	1,113,750	28%
July	Issuer A Private Placement #2	2,500,000	1,859,500	640,500	26%
July	Issuer I	4,000,000	3,332,500	667,500	17%
TOTAL		50,854,671	42,961,949	7,892,722	16%

16. Placees generally received pre-paid consulting fees which offset the purchase price of their private placement shares. As a result, their net purchase price was below the private placement price. Because they acquired shares through the Consultant Exemption, their shares were not subject to any hold period and could be sold immediately.

Insider trading

17. The fact that the Issuers retained only a portion of the funds raised in the private placements were material facts or material changes that were not generally disclosed. Some Respondents entered into transactions involving securities of some Issuers with knowledge of these material facts or material changes. Paragraphs 18 to 33 set out specific allegations.

Insider trading – Liu and Lukor

18. Liu entered into transactions involving securities of Issuer A while in a special relationship with Issuer A and with knowledge that Issuer A retained only a small portion of the funds raised in the February/March 2018 private placement. By engaging in this conduct, Liu contravened section 57.2(2) of the Act.



19. Liu entered into transactions involving securities of Issuer C while in a special relationship with Issuer C and with knowledge that Issuer C retained only a small portion of funds raised in the April 2018 private placement. By engaging in this conduct, Liu contravened section 57.2(2) of the Act.
20. Liu entered into transactions involving securities of Issuer D while in a special relationship with Issuer D and with knowledge that Issuer D retained only a small portion of the funds raised in the April 2018 private placement. By engaging in this conduct, Liu contravened section 57.2(2) of the Act.
21. Liu entered into transactions involving securities of Issuer A while in a special relationship with Issuer A and with knowledge that Issuer A retained only a small portion of funds raised in the July 2018 private placement. By engaging in this conduct, Liu contravened section 57.2(2) of the Act.
22. Liu and Lukor entered into transactions involving securities of Issuer I while in a special relationship with Issuer I and with knowledge that Issuer I retained only a small portion of funds raised in the July 2018 private placement. By engaging in this conduct, Liu and Lukor contravened section 57.2(2) of the Act.

Insider trading – Jackson and BridgeMark

23. Jackson and BridgeMark entered into transactions involving securities of Issuer D while in a special relationship with Issuer D and with knowledge that Issuer D retained only a small portion of funds raised in the April 2018 private placement. By engaging in this conduct, Jackson and BridgeMark contravened section 57.2(2) of the Act.

Insider trading – Tavistock

24. Tavistock entered into transactions involving securities of Issuer E while in a special relationship with Issuer E and with knowledge that Issuer E retained only a small portion of funds raised in the May 2018 private placement. By engaging in this conduct, Tavistock contravened section 57.2(2) of the Act.
25. Tavistock entered into transactions involving securities of Issuer E while in a special relationship with Issuer E and with knowledge that Issuer E retained only a small portion of funds raised in the June 2018 private placement. By engaging in this conduct, Tavistock contravened section 57.2(2) of the Act.
26. Tavistock entered into transactions involving securities of Issuer F while in a special relationship with Issuer F and with knowledge that Issuer F retained only a small portion of funds raised in the June 2018 private placement. By engaging in this conduct, Tavistock contravened section 57.2(2) of the Act.
27. Tavistock entered into transactions involving securities of Issuer I while in a special relationship with Issuer I and with knowledge that Issuer I retained only a small



portion of funds raised in the July 2018 private placement. By engaging in this conduct, Tavistock contravened section 57.2(2) of the Act.

Insider trading – Paddock and Rockshore

28. Rockshore entered into transactions involving securities of Issuer C while in a special relationship with Issuer C and with knowledge that Issuer C retained only a small portion of funds raised in the April 2018 private placement. By engaging in this conduct, Rockshore contravened section 57.2(2) of the Act.
29. Rockshore entered into transactions involving securities of Issuer D while in a special relationship with Issuer D and with knowledge that Issuer D retained only a small portion of funds raised in the April 2018. By engaging in this conduct, Rockshore contravened section 57.2(2) of the Act.
30. Rockshore and Paddock entered into transactions involving securities of Issuer E while in a special relationship with Issuer E and with knowledge that Issuer E retained only a small portion of funds raised in the May 2018 private placement. By engaging in this conduct, Rockshore and Paddock contravened section 57.2(2) of the Act.
31. Rockshore entered into transactions involving securities of Issuer G while in a special relationship with Issuer G and with knowledge that Issuer G retained only a small portion of funds raised in the June 2018 private placement. By engaging in this conduct, Rockshore contravened section 57.2(2) of the Act.
32. Rockshore entered into transactions involving securities of Issuer D while in a special relationship with Issuer D and with knowledge that Issuer D retained only a small portion of funds raised in the June 2018 private placement. By engaging in this conduct, Rockshore contravened section 57.2(2) of the Act.
33. Rockshore entered into transactions involving securities of Issuer H while in a special relationship with Issuer H and with knowledge that Issuer H retained only a small portion of funds raised in the July 2018 private placement. By engaging in this conduct, Rockshore contravened section 57.2(2) of the Act.

Liability of individuals under section 168.2 of the Act re section 57.2(2) contraventions

34. Liu, as a director of Lukor, authorized, permitted or acquiesced in Lukor's contraventions of section 57.2(2) of the Act, and by operation of section 168.2 of the Act also contravened that section.
35. Jackson, as the director of BridgeMark, authorized, permitted or acquiesced in BridgeMark's contraventions of section 57.2(2) of the Act, and by operation of section 168.2 of the Act also contravened that section.



36. Lawrence, as the director and officer of Tavistock, authorized, permitted or acquiesced in Tavistock's contraventions of section 57.2(2) of the Act, and by operation of section 168.2 of the Act also contravened that section.
37. Paddock, as the director and officer of Rockshore, authorized, permitted or acquiesced in Rockshore's contraventions of section 57.2(2) of the Act, and by operation of section 168.2 of the Act also contravened that section.

Failure to file insider reports

38. Liu, through nominees, beneficially owned or controlled more than 10% of the outstanding shares after the June 2018 private placement for Issuer F. Liu did not file any insider reports for either the purchase or sale of Issuer F's shares. By engaging in this conduct, Liu contravened section 87(2)(a) of the Act and sections 3.2 and 3.3 of National Instrument 55-104.
39. Liu, through Lukor and nominees, owned or controlled more than 10% of outstanding shares after the July 2018 private placement for Issuer I. Liu did not file any insider reports for either the purchase or sale of Issuer I's shares. By engaging in this conduct, Liu contravened section 87(2)(a) of the Act and sections 3.2 and 3.3 of National Instrument 55-104.

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, July 14, 2021, 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 Secretary to the Commission 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 and determinations adverse to the Respondents may be made.

Peter J Brady
Apr 28 2021 5:37 PM -07:00

- ¶ 5 Peter J. Brady
Executive Director