



Citation: 2021 BCSECCOM 473

## Settlement Agreement

### Roman Reuven Rubin

#### *Securities Act, RSBC 1996, c. 418*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Roman Reuven Rubin (Rubin) agree as follows:

#### **Agreed Statement of Facts**

##### *Overview*

1. Rubin failed to disclose his trades and shareholdings accurately as required: (1) on the System for Electronic Disclosure by Insiders (SEDI), (2) through early warning reports and news releases, and (3) in management information circulars.

##### *Background*

2. Rubin is British Columbia resident. He was registered as a dealing representative with various exempt market dealers between 2010 and 2013.
3. He was a director of Black Tusk Resources Inc. (the Issuer) between November 2016 and May 2021, and its Chief Financial Officer and Secretary between May 2017 and May 2021.
4. The Issuer is a junior mineral exploration company, with its shares listed on the Canadian Securities Exchange.
5. As a director or officer of the Issuer, Rubin was an insider under section 1(1) of the Act and, as a director and the Chief Financial Officer of the Issuer, Rubin was a reporting insider under section 1.1(1) of National Instrument 55-104 *Insider Reporting Requirements and Exemptions* (NI 55-104).

##### *Misconduct*

##### Failure to File on SEDI

6. As an insider, Rubin was required, under section 87(2) of the Act, to file reports disclosing his ownership of the Issuer's securities, in accordance with the regulations.
7. Specifically, he was required to file insider reports on SEDI within five days of changes to his beneficial ownership of, or control or direction over, the Issuer's securities, as required by section 3.3 of NI 55-104.
8. From January 2018 to December 2020, Rubin:
  - (a) engaged in 127 transactions involving the Issuer's securities that were required to be reported on SEDI, involving a total of 10,134,425 shares with a combined value (either the acquisition cost or proceeds of sale) of \$675,621, and



- (b) failed to report 122 of those transaction (96% of the total), involving 8,730,925 shares (86% of the total) valued at \$646,566 (96% of the total).

#### Failure to File Early Warning Reports

- 9. From September 2017 to May 2019, Rubin held 10% or more of the Issuer's common shares.
- 10. Rubin ceased to hold 10% or more of the Issuer's common shares in May 2019, but did not file an early warning report or issue and file a news release as required by section 5.2(3) of National Instrument 62-104 *Take-Over Bids and Issuer Bids* (NI 62-104).
- 11. Between September 2017 and May 2019, Rubin's shareholdings decreased from over 28% of the Issuer's common shares to less than 10%. Under section 5.2(2)(a) of NI 62-104, he should have filed an early warning report and issued and filed a news release each time he disposed of more than 2% of the Issuer's common shares. Rubin did not make that filing and disclosure.

#### False or Misleading Statement in a Required Filing

- 12. The Issuer filed management information circulars for its annual general meeting held in:
  - (a) October 2019, that falsely stated Rubin held 2,370,501 of the Issuer's shares directly and 250,000 indirectly (for a total of 2,620,501), when he actually held only 1,942,851 directly and 410,000 indirectly (for a total of 2,352,851, or only 90% as many), and
  - (b) November 2020, that falsely stated Rubin held 3,191,501 of the Issuer's shares directly and 250,000 indirectly (for a total of 3,441,501), when he actually held only 53,500 directly and 504,576 indirectly (for a total of 558,076, or only 16% as many).
- 13. Those management information circulars also overstated the number of shares held by the Issuer's Chief Executive Officer.
- 14. By misstating Rubin's and its Chief Executive Officer's holdings of its securities, the Issuer contravened the prohibition in section 168.1(1)(b) of the Act against making false or misleading statements in a required filing.
- 15. Rubin authorized, permitted, or acquiesced in the contravention by the Issuer, and is therefore liable for it under section 168.2 of the Act.

#### ***Factors Relevant to Settlement***

- 16. Rubin fully cooperated with Staff. He has made the required SEDI filings and paid late fees of \$4,300. He also directed the Issuer to publish a news release correcting his shareholdings as disclosed in the most recent management information circular.



17. Rubin traded using accounts in his own name and in the name of his holding company registered on SEDI, with Canadian institutions. There is no evidence that he attempted to hide his trading in the Issuer’s securities.

***Undertaking(s)***

18. Rubin undertakes:

- (a) to pay \$65,000 to the British Columbia Securities Commission in respect of settlement of this matter which sum is due and payable immediately without further demand; and
- (b) to complete a course of study acceptable to the Executive Director on the duties and responsibilities of directors and officers of public companies, within six months of the date of this settlement agreement.

**Waiver**

¶ 2 Rubin waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

**Counterpart**

¶ 3 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

¶ 4 December 7, 2021

*Roman Rubin*

¶ 5 \_\_\_\_\_  
Roman Reuven Rubin

(Redacted) \_\_\_\_\_ )  
Witness Signature \_\_\_\_\_ )  
(Redacted) \_\_\_\_\_ )  
Witness Name (please print) \_\_\_\_\_ )  
(Redacted) \_\_\_\_\_ )  
(Redacted) \_\_\_\_\_ )  
Address \_\_\_\_\_ )  
(Redacted) \_\_\_\_\_ )  
Occupation \_\_\_\_\_ )

¶ 6 December 14, 2021

*Peter Brady*

¶ 7 Peter J. Brady  
Executive Director