

Citation: 2023 BCSECCOM 277

Settlement Agreement

David Malcolm Alexander

Securities Act, RSBC 1996, c. 418 (the Act)

¶ 1 The Executive Director of the British Columbia Securities Commission (Executive Director) and David Malcolm Alexander (Alexander) agree as follows:

Agreed Statement of Facts

Background

1. BLOK Technologies Inc. (BLOK) is based in Vancouver, British Columbia, and is a reporting issuer in British Columbia.
2. At the material times, BLOK's shares traded on the Canadian Securities Exchange.
3. BLOK is in the process of being dissolved.
4. Alexander was CFO of BLOK from September 29, 2017 until he resigned on December 31, 2018.
5. At the material times, Alexander was a resident of North Vancouver, British Columbia.
6. Alexander has no prior history of securities regulatory misconduct in British Columbia.

Misconduct

7. On June 8, 2018, BLOK announced in a news release that it had raised a total of \$5,403,384 through a private placement. BLOK stated that the net proceeds would be used for advancing the company's current blockchain investment projects, evaluating new blockchain opportunities and for working capital purposes. BLOK did not disclose that it would retain only \$947,321.50, or less than 18%, of the amount raised because it had already spent or owed \$4,456,062.50 on consulting fees (Consulting Fees).
8. By announcing the total proceeds from the private placement but failing to disclose that it would retain less than 18%, BLOK made a statement to investors that it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.

9. Alexander knew that BLOK had already spent or owed the Consulting Fees at the time of the June 8, 2018 announcement.
10. Alexander, as CFO of BLOK, authorized, permitted or acquiesced in BLOK's contravention of section 50(1)(d) of the Act and therefore he contravened the same provisions by operation of section 168.2.

Mitigating Factors

11. Alexander made admissions with respect to his misconduct prior to the commencement of the hearing of this matter.

Public Interest

12. It is in the public interest that the Executive Director issue orders under section 161.

Undertaking

13. Alexander undertakes to pay \$25,000 to the Commission, which is due and payable immediately without further demand.

Orders

¶ 2 The Executive Director and Alexander agree to the following Orders:

1. Under section 161(1)(d)(i), Alexander will resign any position he currently holds as a director or officer of an issuer or registrant; and
2. Alexander is prohibited for a period of three years:
 - (a) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any reporting issuer or registrant;
 - (b) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter; and
 - (c) under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets.

Consent to Regulatory Orders

¶ 3 Alexander consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph ¶2 above.

Waiver

¶ 4 Alexander 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

¶ 5 This settlement agreement may be executed in counterpart or by electronic execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

¶ 6 June 2 2023

¶ 7 David Malcolm Alexander
David Malcolm Alexander

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

Peter J Brady
Jun 2 2023 1:32 PM -07:00

¶ 8 Peter J. Brady
Executive Director