

Citation: 2013 BCSECCOM 87

Settlement Agreement

iTokk, Inc. and Kevin Penstock

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

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and iTokk Inc. (iTokk) and Kevin Penstock (Penstock) agree as follows:

Agreed Statement of Facts

Parties

1. iTokk is a Nevada corporation that was re-domiciled to Wyoming in September of 2010, with its head office in Vancouver, British Columbia. iTokk is an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets* (MI 51-105).
2. Penstock is a resident of Vancouver, British Columbia and is the President, Chief Executive Officer, Chief Financial Officer, Secretary, Treasurer, Director and majority shareholder of iTokk.

Misconduct

The Cease Trade Orders

3. On June 11, 2010, the Executive Director issued a Cease Trade Order under section 164 of the Act for the securities of iTokk for failure to file documents in accordance with the Act (the June CTO).
4. On September 2, 2010, the Executive Director revoked the June 11, 2010, Cease Trade Order after iTokk filed the required documents.
5. On October 8, 2010, the Executive Director issued a Cease Trade Order under section 164 of the Act for the securities of iTokk for failure to file documents in accordance with the Act (the October CTO).

Breach of the Cease Trade Orders

6. Between June 11, 2010 and June 25, 2010, iTokk and Penstock issued 134,398 shares of iTokk by entering into subscription agreements raising approximately \$336,000, in breach of the June CTO, to raise capital for iTokk.

7. Between January 13, 2011 and March 28, 2011, iTokk and Penstock issued 19,609 shares of iTokk by entering into subscription agreements raising approximately \$50,000, in breach of the October CTO, to raise capital for iTokk.

Mitigating Factors

8. Penstock cooperated with the British Columbia Securities Commission's investigation.

Public Interest

9. It is in the public interest that the Executive Director issue orders under section 161 of the Act and enter into the following undertakings.

Undertakings

10. Penstock undertakes:
 - (a) To pay \$55,000 to the British Columbia Securities Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand;
 - (b) To successfully complete the directors and officers course within one year of the date of the agreement and provide proof of completion to the Executive Director; and
 - (c) To provide proof, satisfactory to the British Columbia Securities Commission, that he has engaged current members in good standing of the Institute of Chartered Accountants of British Columbia and the Law Society of British Columbia as advisors to iTokk and that he has disclosed any order made against him or iTokk to those advisors.

Order

- ¶ 2 The Executive Director will issue an order (the Order) that under section 161(1)(d)(i) and (ii) of the Act, Penstock be prohibited from serving as a director or officer of a public issuer for a period of 5 years, except for iTokk.

Consent to Regulatory Orders

- ¶ 3 iTokk and Penstock consent 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.
- ¶ 4

Waiver

¶ 5 iTokk and Penstock waive any rights they 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.

¶ 6

Counterpart

¶ 7 This Settlement Agreement may be executed in counterpart or by facsimile 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.

¶ 8 May 24, 2013

¶ 9 Kevin Penstock
iTokk Inc.
(Signing Authority)

Chilwin Cheng)
Witness Signature)
Chilwin Cheng)
Witness Name (please print))
Bull, Housser & Tupper LLP)
Barristers & Solicitors)
P.O. Box 11130 Royal Centre)
1055 West Georgia Street)
Vancouver, British Columbia)
V6E 3R3 (604) 687-6575)
Address)
Barrister & Solicitor)
Occupation)

¶ 10 Kevin Penstock
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Chilwin Cheng)
Witness Signature)
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Witness Name (please print))
Bull, Housser & Tupper LLP)
Barristers & Solicitors)
P.O. Box 11130 Royal Centre)
1055 West Georgia Street)
Vancouver, British Columbia)
V6E 3R3 (604) 687-6575)
Address)
Barrister & Solicitor)
Occupation)

¶ 11 May 24, 2013

Paul Bourque

¶ 12 Paul C. Bourque, Q.C.
Executive Director