

Settlement Agreement

Robert Alexander Sim and Brian Edward Sims

Securities Act, RSBC 1996, c. 418

¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), Robert Alexander Sim (Robert Sim) and Brian Edward Sims (Brian Sims) agree as follows:

Agreed Statement of Facts

Background

1. First Choice Products Inc. (First Choice) is a company incorporated in Alberta on January 12, 1989, and continued into British Columbia on April 4, 2014. First Choice is a reporting issuer under the Act, with its registered and records office in Cultus Lake, British Columbia.
2. Robert Sim is a 74-year-old British Columbia resident. From January 30, 2014 through March 13, 2014 (the Relevant Period), Robert Sim acted as Chief Executive Officer and a director of First Choice. Robert Sim was primarily responsible for the company's regulatory filings and obligations.
3. Brian Sims is a 74-year-old British Columbia resident. During the Relevant Period, Brian Sims acted as Chief Financial Officer and a director of First Choice.
4. On February 4, 2013, The Executive Director issued a cease trade order over First Choice's securities for failure to make required disclosure filings under the Act (the CTO). The CTO prohibits any person from trading First Choice securities. The CTO remains in force.

Misconduct– Breach of the CTO and Illegal Distribution

5. During the Relevant Period, Robert Sim and Brian Sims contravened the CTO by distributing First Choice securities to 19 investors for proceeds of \$105,500 (the Distribution).
6. Contrary to section 61 of the Act, Robert Sim and Brian Sims distributed First Choice securities to 12 of the 19 investors (the non-exempt investors) for proceeds of \$49,000 without a prospectus or valid exemption from the prospectus requirement at the time of the Distribution.

7. At the time of the Distribution, 18 of the 19 investors, including all 12 non-exempt investors, were existing shareholders of First Choice. While the non-exempt investors did not have the required relationship with an officer or director of record at the time of the Distribution, the investors were close, personal friends or family members of a previous officer and director of First Choice who remained engaged in the company's affairs.
8. First Choice used the funds raised in the Distribution to pay corporate expenses and fees primarily related to preparing and filing the required disclosure in order to seek revocation of the CTO.

Mitigating Factor

9. The Respondents co-operated with the Executive Director in reaching this settlement agreement.

Public Interest

10. The Respondents' conduct described in this Settlement Agreement is contrary to the public interest.
11. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

Undertakings

12. In settlement of this matter, Robert Sim undertakes to:
 - (a) pay \$5,000 to the British Columbia Securities Commission; and
 - (b) successfully complete a course of study on the duties and responsibilities of corporate officers and directors that is acceptable to the Executive Director prior to acting as a director or officer for a reporting issuer upon the expiry of his Orders described below.
13. In settlement of this matter, Brian Sims undertakes to:
 - (a) pay \$3,000 to the British Columbia Securities Commission; and
 - (b) successfully complete a course of study on the duties and responsibilities of corporate officers and directors that is acceptable to the Executive Director prior to acting as a director or officer for a reporting issuer upon the expiry of his Orders described below.

Orders

¶ 2 The Executive Director will issue orders (the Orders) that:

1. under section 161(1)(d)(i) of the Act, Robert Sim and Brian Sims resign any positions they hold as a director or officer of any reporting issuer; and
2. until the later of 3 years from the date of the Orders, or payment of their respective undertakings to pay under this Settlement Agreement, Robert Sim and Brian Sims are prohibited:
 - (a) under section 161(1)(b) of the Act, from trading in or purchasing any securities, except that they may each trade and purchase securities through their own account with a registered dealer, if they first provide a copy of the Order to the registered dealer;
 - (b) under section 161(1)(d) (ii) of the Act, from becoming or acting as a director or officer of any reporting issuer;
 - (c) under section 161(1)(d)(iv) of the Act, from acting in a management or consultative capacity in connection with activities in the securities market; and
 - (d) under section 161(1)(d)(v) of the Act, from engaging in investor relations activities.

Consent to Regulatory Orders

¶ 3 Robert Sim and Brian Sims consent to any 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 Robert Sim and Brian Sims waive any right 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.

