

Citation: 2018 BCSECCOM 195

## **Settlement Agreement**

**Keir Reynolds**

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

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Keir Reynolds (Reynolds) agree as follows:

### **Agreed Statement of Facts**

#### ***Background***

1. Reynolds is a British Columbia resident who became a director of Mezzi Holdings Inc. (Mezzi) on February 18, 2014. Reynolds was appointed Chairman of Mezzi on April 7, 2014 and CEO of Mezzi on September 16, 2014.
2. Mezzi is a company involved in the wearable smart technology industry. On June 20, 2014, Mezzi entered into a reverse takeover transaction (the RTO) whereby it was to be vended into a public company (the Issuer) that traded on the TSX-V and the Borse Frankfurt. The letter of intent with respect to the RTO was first publicly disclosed on April 25, 2014.

#### ***Misconduct***

3. As a result of his position as Chairman and CEO of Mezzi, Reynolds had knowledge of undisclosed material information concerning the pending RTO from at least February 2014.
4. Between February 2014 and April 2014, with knowledge of the undisclosed material information concerning the pending RTO, Reynolds funded and directed trades in the account of another individual to buy 114,500 shares of the Issuer on the TSX-V. Neither Reynolds nor the individual who held the account made any profit as a result of this trading.
5. Reynolds' trading of shares of the Issuer was contrary to section 57.2(2) of the Act.

#### ***Mitigating Factors***

6. Reynolds agreed to make early admissions with respect to the above-noted misconduct prior to the issuance of a Notice of Hearing.

***Public Interest***

7. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

***Undertaking***

8. Reynolds undertakes to pay \$15,000 to the British Columbia Securities Commission, which sum is due and payable immediately, without further demand.

**Order**

¶ 2 The Executive Director will issue an order (the Order) that:

1. under section 161(1)(d)(i), Reynolds resign any position he holds as a director or officer of an issuer that issues securities to the public;
2. under section 161(1)(d)(ii), Reynolds is prohibited for three years from becoming or acting as a director or officer of any issuer that issues securities to the public; and
3. under section 161(1)(b)(ii), Reynolds is prohibited for three years from trading in or purchasing any securities or exchange contracts of an issuer he is in a special relationship with, except that he may receive their securities as payment for services he provided to them (the Compensation Shares) pursuant to a valid agreement (the Agreement) and on the condition that he is not permitted to trade the Compensation Shares until the earlier of:
  - (i) three months after the Agreement has concluded, or
  - (ii) the three year ban under section 161(1)(b)(ii) has expired,

provided he is otherwise entitled to do so under all applicable laws and regulations.

**Consent to Regulatory Orders**

¶ 3 Reynolds 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 Reynolds 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 facsimile or electronically transmitted execution and all such counterparts of executed copies or faxed copies or electronically transmitted copies shall be read or construed together as if they formed one originally executed document.

¶ 6 June 28 , 2018

¶ 7 Keir Reynolds  
Keir Reynolds

Zahra H. Ramji )  
Witness Signature )  
Zahra H. Ramji )  
Witness Name (please print) )  
Suite 530 – 355 Burrard street )  
Vancouver, B.C. V6C 2G8 )  
Address )  
Lawyer )  
Occupation )

¶ 8 July 3 , 2018

*Peter J. Brady*

¶ 9 Peter J. Brady  
Executive Director