News Release

U.S. company and B.C. man must pay $70,000 for breaching BCSC cease trade order

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Vancouver – A B.C.-based former CEO and his Nevada company must pay a combined $70,000 to the BC Securities Commission (BCSC) for breaching a cease trade order (CTO) by distributing millions of dollars worth of shares and promissory notes.

Ronald Wayne Loudoun, who was also the company's president and sole director of Green Hygienics Holdings, is also banned from the investment markets for at least six years for his misconduct.

In 2014, the BCSC's Executive Director issued a CTO against Green Hygienics, which is a reporting issuer in British Columbia. The order is still in place.

Despite the CTO, Green Hygienics issued treasury shares to 50 people between 2019 and 2021 for a total value of $5.4 million. The company also issued two promissory notes, one in 2020 and one in 2022, worth nearly $3.1 million combined.

By doing so, Green Hygienics breached a CTO issued under B.C.'s *Securities Act*. The panel found that Loudoun authorized, permitted and acquiesced in Green Hygienics' breach of the CTO and therefore also breached the CTO in the same ways. In addition, the panel found that Loudoun personally breached the CTO by transferring 250,000 shares of Green Hygienics and by facilitating the trading of company shares to two people.

In sanctioning the respondents the panel wrote that "an unwillingness to comply with the directives of a regulator in a highly-regulated industry must be viewed as a significant risk to our capital markets."

The panel ordered Loudoun to pay $50,000 in financial sanctions for his misconduct. The panel also banned him from participating in the investment markets for six years or until he pays his sanctions, whichever is later.

The panel also ordered Green Hygienics to pay $20,000 and issued an order prohibiting trading of the company – in addition to the existing cease trade order – until it pays the penalty.

The panel observed that some investors were harmed because they suffered a financial loss and that both Green Hygienics and Loudoun were enriched by the misconduct. Loudoun transferred shares to an individual investor worth $125,000 and the company received cash proceeds – or other benefits – for issuing the shares.

Loudoun does not have a history of misconduct.

The respondents did not participate in the proceedings.

About the BC Securities Commission (bcsc.bc.ca)

The BC Securities Commission, an independent provincial government agency, strives to make the investment market benefit the public. We set rules, monitor compliance by industry, take action against misconduct, and provide guidance to investors and industry. As guardians of B.C.'s investment market, we're committed to maintaining a market that is honest, fair, competitive and dynamic, enabling British Columbians to thrive.

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