BRITISH COLUMBIA SECURITIES COMMISSION
Section 161 of the *Securities Act*, RSBC 1996, c. 418

Citation: Re BridgeMark Financial, 2019 BCSECCOM 191 20190529

BridgeMark Financial Corp., Jackson & Company Professional Corp., Anthony Kevin Jackson, Lukor Capital Corp., Justin Edgar Liu, Rockshore Advisors Ltd. (formerly known as Cam Paddock Enterprises Inc.), Cameron Robert Paddock, Simran Singh Gill, JCN Capital Corp., John Rosarino Bevilacqua, Essos Corporate Services Inc., Sway Capital Corp., Von Rowell Torres, David Matthew Schmidt, Detona Capital Corp., Danilen Villanueva, Natasha Jon Emami, Altitude Marketing Corp., Ryan Peter Venier, Platinum Capital Corp., 658111 B.C. Ltd., Jason Christopher Shull, Tryton Financial Corp., Abeir Haddad, Tavistock Capital Corp., Robert John Lawrence, Jarman Capital Inc., Scott Jason Jarman, Northwest Marketing and Management Inc., Aly Babu Husein Mawji, Rufiza Babu Husein Mawji-Esmail, Denise Marie Trainor, Randy White, Escher Invest SA, Hunton Advisory Ltd., Kendl Capital Limited, 1153307 B.C. Ltd., Russell Grant Van Skiver, Bertho Holdings Ltd., Robert William Boswell, Haight-Ashbury Media Consultants Ltd., Ashkan Shahrokhi, Saiya Capital Corporation, Tara Kerry Haddad, Keir Paul MacPherson, Tollstam & Company Chartered Accountants, Albert Kenneth Tollstam, 727 Capital, David Raymond Duggan, Viral Stocks Inc., 10X Capital, Cryptobloc Technologies Corp., New Point Exploration Corp., Green 2 Blue Energy Corp., BLOK Technologies Inc., Kootenay Zinc Corp., Affinor Growers Inc., Beleave Inc., Liht Cannabis Corp. (formerly known as Marapharm Ventures Inc.), PreveCeutical Medical Inc., Speakeasy Cannabis Club Ltd., and Abattis Bioceuticals Corp.

Panel	Nigel P. Cave	Vice Chair
	Judith Downes	Commissioner
	Audrey T. Ho	Commissioner
Hearing date	April 9, 2019	
Submissions Completed	April 9, 2019	
Decision date	May 29, 2019	
Appearing		
Graham MacLennan James Torrance Nicholas Isaac	For the Executive Director	
Patrick J. Sullivan	For Anthony Kevin Jackson	
Harveen Thauli	For 1153307 B.C. Ltd. and Russell Grant Van Skiver	

Scott Marescaux	For Tollstam & Company Chartered Accountants, Albert Kenneth Tollstam, Ryan Peter Venier and Altitude Marketing Corp.
Patricia Taylor	For Simran Singh Gill
Teresa Tomchak	For Randy White; Escher Invest SA, Hunton Advisory Ltd. and Kendl Capital Limited
Daniel Yaverbaum	For New Point Exploration Corp., Cryptobloc Technologies Corp.; Tavistock Capital Corp., Robert John Lawrence; Sway Capital Corp., Jason Christopher Shull, Platinum Capital Corp., 658111 B.C. Ltd.; Robert William Boswell, Bertho Holdings Ltd., David Matthew Schmidt, and BLOK Technologies Inc.
Shane D. Coblin	For Jarman Capital Inc. and Scott Jason Jarman
Abbas Sabur	For Northwest Marketing and Management Inc., Denise Marie Trainor, Aly Babu Husein Mawji and Rufiza Babu Husein Mawji-Esmail
Sasha Jarvis	For Green 2 Blue Energy Corp. and Affinor Growers Inc.
Sean K. Boyle Jenna Green	For Detona Capital Corp. and Danilen Villanueva
Eileen Patel	For Lukor Capital Corp. and Justin Edgar Liu
Tam Boyar	For Von Rowell Torres and Essos Corporate Services Inc.
Alex Evans	Raymond Duggan, 727 Capital, Viral Stocks and 10X Capital

Decision and Reasons for Decision

I. Introduction

[1] On November 26, 2018, the Executive Director issued temporary orders and a notice of hearing against the respondents. In this decision we will refer to Cryptobloc Technologies Corp., New Point Exploration Corp., Green 2 Blue Energy Corp., BLOK Technologies Inc., Kootenay Zinc Corp., Affinor Growers Inc., Beleave Inc., Liht Cannabis Corp. (formerly known as Marapharm Ventures Inc.), PreveCeutical Medical Inc., Speakeasy Cannabis Club Ltd. and Abattis Bioceuticals Corp., collectively as the "Issuer Respondents". All respondents, other than the Issuer Respondents, will be

referred to as the "Non-Issuer Respondents".

[2] In the notice of hearing, the executive director alleged that:

(a) members of the Non-Issuer Respondents entered into agreements to provide consulting services to the Issuer Respondents ,

(b) members of the Non-Issuer Respondents paid for free-trading securities of the Issuer Respondents through private placements,

(c) the Issuer Respondents issued securities through private placements to members of the Non-Issuer Respondents relying on the consultant exemption to the prospectus requirement in section 2.24 of National Instrument 45-106 (Consultant Exemption),

(d) members of the Non-Issuer Respondents purported to be consultants under the Consultant Exemption but were not,

(e) the Issuer Respondents paid most of the private placement funds back to members of the Non-Issuer Respondents and kept very little of the money raised,

(f) members of the Non-Issuer Respondents sold securities of the Issuer Respondents in the market, often at prices below the private-placement acquisition cost,

(g) the Issuer Respondents issued news releases informing the market they raised the full amount of the private placement when they had only retained a small portion of the funds, and

(h) by engaging in this conduct, the Non-Issuer Respondents engaged in conduct that is abusive to the capital markets, and the Issuer Respondents illegally distributed securities, contravening section 61 of the Act.

[3] The original temporary orders imposed by the executive director were as follows:

(a) under section 161(1)(b)(ii), that the Non-Issuer Respondents cease trading in, and are prohibited from purchasing, securities of the Issuer Respondents ,

(b) under section 161(1)(c), that the Consultant Exemption does not apply to the Issuer Respondents for a distribution to a consultant, and

(c) under section 161(1)(c), that the Consultant Exemption does not apply to any issuer listed on the Canadian Securities Exchange (CSE) for a distribution to a Non-Issuer Respondent.

[4] On December 7, 2018, we held a hearing with respect to an application by the executive

director to extend these temporary orders. The temporary orders were to expire on December 11, 2018. At the completion of the hearing, we extended the original temporary orders until we issued our decision on that application.

[5] On January 15, 2019, the panel issued its decision (2019 BCSECCOM 14) on the executive director's application to extend the temporary orders.

[6] Our decision was that it was necessary and in the public interest to extend and vary the original temporary orders against certain of the respondents as follows:

(a) under section 161(1)(b)(ii), that Anthony Kevin Jackson, Lukor Capital Corp., Justin Edgar Liu, Rockshore Advisors Ltd. (formerly known as Cam Paddock Enterprises Inc.), Cameron Robert Paddock, Simran Sigh Gill, JCN Capital Corp., John Rosarino Bevilacqua, Essos Corporate Services Inc., Sway Capital Corp., Von Rowell Torres, Detona Capital Corp., Danilen Villanueva, Altitude Marketing Corp., Ryan Peter Venier, Platinum Capital Corp., 658111 B.C. Ltd., Jason Christopher Shull, Tavistock Capital Corp., Robert John Lawrence, Jarman Capital Corp., Scott Jason Jarman, Northwest Marketing and Management Inc., Rufiza Babu Husein Mawji-Esmail, Denise Marie Trainor, Aly Babu Husein Mawji, Escher Invest SA, Hunton Advisory Ltd., Randy White, Kendl Capital Limited, 1153307 B.C. Ltd., Russell Grant Van Skiver, Bertho Holdings Ltd., Robert William Boswell, Haight-Ashbury Media Consultants Ltd., Ashkan Shahrokhi, Keir Paul MacPherson, Tollstam & Company Chartered Accountants and Albert Kenneth Tollstam, cease trading in, and are prohibited from purchasing, securities of Cryptobloc, New Point, Green 2 and BLOK (the Trading Ban);

(b) under section 161(1)(c), that the exemption under section 2.24 of National Instrument 45-106 does not apply to Cryptobloc, New Point, Green 2 and BLOK for a distribution to a consultant; and

(c) under section 161(1)(b)(ii), that Jackson, Lukor, Liu, Cam Paddock Enterprises, Paddock, Gill, JCN, Bevilacqua, Essos, Sway, Torres, Detona, Villanueva, Altitude, Venier, Platinum, 658111 BC, Shull, Tavistock, Lawrence, Jarman, Scott Jarman, Northwest, Esmail, Trainor, Mawji, Escher, Hunton, White, Kendl, 1153307 BC, Van Skiver, Bertho, Boswell, Haight-Ashbury, Shahrokhi, MacPherson, Tollstam & Company and Tollstam, be prohibited from purchasing any securities of an issuer listed on the CSE that are distributed using the exemption set out in subparagraph (b) above (the Consultant Exemption Ban).

[7] The original temporary orders against the remaining respondents were not extended or varied and expired on the date of our decision.

[8] The hearing of the allegations set out in the notice of hearing was adjourned, without setting dates for the hearing itself, until 10:00 am on April 9, 2019. The varied temporary

orders set out in our decision were extended until April 10, 2019, unless further extended by application of the executive director or on our own motion.

[9] On March 22, 2019, the executive director applied to further extend the varied temporary orders until a hearing was held and a decision rendered. The executive director filed affidavit evidence and provided written and oral submissions in support of his application.

[10] Jackson, Gill, Escher, Hunton, White, Kendl, 1153307 BC, Van Skiver, Tollstam & Company, Tollstam, Altitude and Venier opposed the executive director's application:

a) Jackson and Gill each filed an affidavit and provided written and oral submissions in support of their position on the application;

b) Escher, Hunton, White and Kendl provided oral submissions in support of their position on the application;

c) Van Skiver filed an affidavit on behalf of himself and 1153307 BC and provided oral submissions in support of their position on the application; and

d) Tollstam & Company, Tollstam, Altitude and Venier provided written and oral submissions in support of their position on the application.

[11] Of the remaining respondents, to which the varied temporary orders applied, they either attended the hearing and did not take a position on the executive director's application or did not attend the hearing of the executive director's application for a further extension.

[12] We find that all of those respondents who did not appear received notice of the hearing of the executive director's application to further extend the varied temporary orders pursuant to section 180 of the Act.

[13] At the conclusion of the hearing we reserved our decision and, considering it necessary and in the public interest, we extended the varied temporary orders until we reached a decision on the executive director's application.

[14] This is our decision and reasons in respect of that application.

II. Facts

[15] Our findings of fact from our previous decision to extend and vary the original temporary orders form part of this decision.

[16] The new evidence tendered by the executive director in support of this application comprised an affidavit of a Commission investigator, the material contents of which can be summarized as follows:

- the Commission's investigation in this matter is ongoing;

- since our hearing on the original application to extend the temporary orders, the executive director has issued 116 production orders and demands under sections 141 and 144 of the Act, with 28 of those requests remaining outstanding;

- the Commission is conducting interviews of various parties;

- a number of the responses to the production orders and demands will require follow-up demands; and

- many of the outstanding production orders and demands relate to a substantial number of bank and brokerage accounts of various parties.

[17] The evidence filed by Jackson comes from his own affidavit, the material aspects of which can be summarized as follows:

- he was never involved in a transaction with New Point or a company (P) we discussed in our previous decision (P is an issuer, not a respondent, who was taking steps to engage in (but did not complete) a transaction structure similar to the one about which we have *prima facie* public interest concerns);

- none of he, nor entities controlled by him (BridgeMark Financial Corp or Jackson & Company Professional Corp.), participated in a private placement with either of New Point or P;

- none of he, BridgeMark or Jackson & Company, has ever purchased or traded any shares of Cryptobloc, Green 2, BLOK or New Point;

- on November 29, 2018, the CSE proposed amendments to its rules to impose a four month hold period on securities issued pursuant to the Consultant Exemption; and

- on February 22, 2019, the Ontario Securities Commission approved the CSE's proposed rule change.

[18] The evidence filed by Van Skiver and 1153307 BC comes from an affidavit of Van Skiver, the material aspects of which can be summarized as follows:

- Van Skiver is the sole director of 1153307 BC;

- Van Skiver knows only one of the other Non-Issuer Respondents and he is familiar with only one of the Issuer Respondents – New Point;

- in August 2018, he was hired as a consultant by New Point for his field

experience running geotechnical and geophysical programs and for his investor relations experience;

- he purchased 4,000,000 shares of New Point at $0.125 per share for total proceeds of $500,000 in a private placement pursuant to the Consultant Exemption;

- he was interested in working for New Point because it held properties adjacent to a property held by a third party that had recently announced positive drilling results; and

- the temporary orders have had a disruptive effect on his consulting business due to the negative publicity associated therewith.

[19] The evidence filed by Gill comes from his own affidavit, the material aspects of which can be summarized as follows:

- he is a chartered financial analyst;

- he is the sole officer and director of a private company called BridgeMark Management Corp. (which is not a respondent in this matter);

- BridgeMark Management did not purchase any shares of, or act as a consultant to, any of the Issuer Respondents;

- he did not participate in a private placement with, or act as a consultant to any of New Point, P, Green 2 or Blok;

- he did provide consulting services to each of Cryptobloc, Affinor, Beleave and Liht; and

- he has never been a shareholder of Affinor or Beleave.

III. Positions of the parties

[20] The executive director applied for a further extension of the varied temporary orders until a hearing is held and a decision (relating to the matters in the notice of hearing) is rendered.

[21] The executive director submitted that further extending the temporary orders was both necessary and in the public interest because:

- there has been no change in the material evidence or in the circumstances of the respondents from that set out in our previous decision which found that the varied temporary orders were both necessary and in the public interest;

- the Commission’s investigation into this matter is large, complex and ongoing and

more time is required to complete the investigation; and

- the varied temporary orders are very narrow in nature, infringe upon the respondents' activities in a very limited manner and any respondent may apply under section 171 of the Act to revoke or vary all or part of the orders (applicable to them) if the orders result in the infringement of their legitimate business interests.

[22] Jackson submitted that extending the Consultant Exemption Ban against him (and the other respondents subject to the ban) was not necessary because:

- the CSE rule, approved by the OSC on February 22,, 2019, imposed a four month hold period on shares of CSE-listed companies issued using the Consultant Exemption; and

- he was an "accredited investor" and could acquire securities of CSE-listed issuers using another available prospectus exemption.

[23] Jackson further submitted that as he did not participate in any transaction involving New Point and as none of he, BridgeMark or Jackson &Company has ever purchased or traded any shares of Cryptobloc, Green 2, BLOK or New Point, it was not necessary to further extend the Trading Ban against him.

[24] Singh adopted Jackson's submissions with respect to the effect of the CSE rule and the availability of other prospectus exemptions as an accredited investor. In addition, he submitted that he had provided services under his consulting agreements and that the impact of the temporary orders was overly broad as he had never participated in any private placements with any of New Point, Green 2 or BLOK. He said that he had only participated in an immaterial manner in the Cryptobloc private placement and the evidence of his conduct with respect to Cryptobloc could not be construed as his having engaged in a "pattern" of misconduct abusive to the capital markets.

[25] The submissions of Altitude, Venier, Tollstam and Tollstam & Company were similar to those of Singh in that they adopted Jackson's submissions relating to the CSE rule and argued that the temporary orders were overly broad or unnecessary because each of them engaged in a limited manner with one or more of the Issuer Respondents or there was no evidence that they engaged in every aspect of the conduct described in paragraph 28 of our previous decision. They further submitted, in the alternative to submitted that the temporary orders be extended, that we should extend the temporary orders for only a further limited time (although they did not advance a date that they thought would be appropriate in the circumstances).

[26] The submissions of Van Skiver and 1153307 BC were similar to the other respondents but added that the effect of the temporary orders was to unduly and unnecessarily interfere in Van Skiver's consulting business.

[27] The submission of White, Escher, Hunton and Kendl adopted the submissions of Jackson regarding the effect of the CSE rule. They, while acknowledging that the temporary orders were narrow in scope, submitted that the orders were still prejudicial and the prejudicial effect outweighed the public interest benefits of the orders.

IV. Analysis

[28] Section 161(3) of the Act provides that the Commission, with or without a hearing, may make an order extending a temporary order if it considers it necessary and in the public interest. Temporary orders may be extended until a hearing is held and a decision is rendered.

[29] The starting proposition for our analysis in this case is that we previously found, based upon the evidence before us at that time, that it was necessary and in the public interest to extend (and vary) the original temporary orders imposed by the executive director. Our evidentiary findings and our reasons for reaching that decision were set out therein. Our reason for extending the temporary orders only until April 10, 2019 (and not, as the executive director applied for, until a hearing is held and a decision rendered) was based on a desire to understand the size and scope of the investigation and to have an opportunity, with this extension application, to get a "status check" on the proceedings.

[30] In addition to the additional affidavits filed in respect of this application, we had all of the evidence filed by the executive director in connection with our previous decision to extend and vary the temporary orders. We are of the view (for the reasons expressed previously) that that evidence would support a further extension of the varied temporary orders as necessary and in the public interest *unless* the further evidence filed in connection with the current application leads us to conclude that circumstances have changed or new evidence is before us which suggests that an extension of some or all of the orders is either unnecessary or not in the public interest.

[31] Several of the respondents, during oral submissions, suggested that there was no evidence of further transactions of the kind described in the notice of hearing and from that we should conclude that extending the orders was no longer necessary nor in the public interest. We have no way of determining if the lack of further evidence of transactions of the kind described in the notice of hearing stems from the very fact that the varied temporary orders have been in place or for some other reason. The absence of further transactions is not a reason to consider the further extension of the orders unnecessary.

[32] The submissions of the various respondents (that took a position on this application) can be broken into three general and distinct arguments:

- that the CSE's adoption of a new rule imposing a four month hold period on securities issued by CSE-listed issuers under the Consultant Exemption is a change in circumstance that makes extending the Consultant Exemption Ban unnecessary, because the new rule has eliminated or greatly reduced any risk that

the alleged misconduct would continue;

- that due to their limited historical involvement with only one or more of Cryptobloc, New Point, Green 2 or BLOK, that:

    a) extending the Trading Ban against a particular respondent in respect of all four of these Issuer Respondents is overly broad and or/unnecessary; and

    b) there was insufficient evidence to find that they had engaged in a pattern of behaviour that raises substantial public interest concerns and that therefore the Trading Ban and Consultant Exemption Ban are not necessary; and

- the Consultant Exemption Ban was overly broad and/or unnecessarily infringed upon a respondent's ability to carry out consulting activities.

Change in the CSE rules

[33] The change in the rules of the CSE to provide a four month hold period on securities of CSE-listed companies that are issued using the Consultant Exemption is a change in circumstances since the date of our previous order.

[34] However, we do not view the change in the CSE's rules as sufficient for us to form a different view of the need for extending the Consultant Exemption Ban or from viewing that order as being in the public interest. This view is in no way critical of the CSE rule or its scope – it was open to the exchange to craft its own approach to addressing concerns about inappropriate use of the Consultant Exemption by CSE-listed issuers. We are cognizant of the fact that exchanges are more limited in their powers than is the Commission.

[35] First, we are mindful that the CSE's rule change could be reversed in future and for reasons that may have nothing to do with the circumstances of this case. More importantly, exchanges have the right to apply their rules on a discretionary basis and often grant exemptions or waivers from their rules to listed companies. The criteria that the CSE might use to grant such an exemption may not align with our view of the public interest in the circumstances of this case.

[36] Secondly, breaches of a CSE rule do not have the same enforcement consequences for the person who breaches the rule as would a breach of our temporary orders. In fact, exchanges have a limited ability to enforce their rules through their contractual arrangements with their listed issuers. It is not clear that there are any regulatory consequences for a breach of the new CSE rule by a holder of the security (recognizing that it may be difficult from a pragmatic perspective to breach the rule due to share legends, etc.). We are not aware that the CSE has any disciplinary or enforcement powers to censure security holders in the circumstances.

[37] Finally, the resale of shares (of Cryptobloc, New Point, Green 2 and BLOK) by certain Non-Issuer Respondents to the public, almost immediately after the acquisition of those shares in a private placement using the Consultant Exemption, was only one aspect of the conduct described in the notice of hearing, that *prima facie* raised substantial public interest concerns. In addition to the resale of shares, certain Non-Issuer Respondents were also engaged in what amounted to a form of "cheque swapping" (i.e. payments for shares in a private placement occurring immediately before or after having received large pre-paid consulting fees). The Consultant Exemption Ban is targeted at risks posed by the conduct over and above just the immediate resale of the shares to the public.

Limited involvement

[38] The remaining submissions from the respondents all amount, in one form or another, to a challenge to our previous findings and the basis for extending or varying the original temporary orders.

[39] In substance, the submissions were that, for a particular respondent, their involvement with a transaction involving an Issuer Respondent was limited to a single or small number of transactions and that we should not, therefore:

a) extend the Trading Ban to prohibit them from purchasing or trading in the securities of certain other Issuer Respondents; and/or

b) extend the Consultant Exemption Ban to prohibit them from purchasing the securities of other CSE-listed issuers using the Consultant Exemption.

[40] We do not agree with these submissions. These submissions disregard the context of the conduct of the various respondents in this matter. The executive director has provided:

a) *prima facie* evidence of at least four Issuer Respondents (Cryptobloc, New Point, Green 2 and BLOK) having engaged in transactions that, as a whole, raise substantial public interest concerns; and

b) *prima facie* evidence of a significant number of Non-Issuer Respondents having participated in one or more of the transactions with Cryptobloc, New Point, Green 2 and BLOK – again, in a manner that raised substantial public interest concerns; in particular, the misuse of the Consultant Exemption.

[41] We find a striking similarity in the transactions which are at the heart of the matters set out in the notice of hearing. Without making any specific findings of a particular relationship between one respondent and any other respondent (other than as set out in our initial decision), the similarity of the transactions (along with our public interest concern about those transactions) raises substantial public interest concerns, in and of itself. The number of these transactions also raises substantial public interest concerns. We continue to have concerns about further transactions by the Non-Issuer Respondents (to which the extended and varied temporary orders apply) in the securities of

Cryptobloc, New Point, Green 2 and BLOK. Those four Issuer Respondents were themselves *prima facie* engaged in conduct that raises substantial public interest concerns.

[42] At its most basic level, we believe it to be necessary and in the public interest to prohibit further securities transactions between the Non-Issuer Respondents (whom we have found to *prima facie* have engaged in conduct that raises substantial public interest concerns) and those Issuer Respondents whom we have found to *prima facie* have engaged in conduct that raises substantial public interest concerns.

[43] There is *prima facie* evidence of these Non-Issuer Respondents having engaged in a transaction or transactions involving the distribution and subsequent resale into the public markets of securities of one or more of Cryptobloc, New Point, Green 2 and BLOK in a manner that raises significant public interest concerns. The Trading Ban will prevent the resale of any securities still held by the Non-Issuer Respondents acquired through this conduct.

[44] It is also necessary and in the public interest to prevent these Non-Issuer Respondents from trading or purchasing securities of any of these Issuer Respondents in the secondary market, as there is *prima facie* evidence that each of these Issuer Respondents was involved in a strikingly similar scheme to distribute and resell their securities into the public markets in a way that raises substantial public interest concerns. The Trading Ban is also necessary and in the public interest to protect the integrity of the public markets.

[45] That a Non-Issuer Respondent may have been involved in only one of the transactions involving Cryptobloc, New Point, Green 2 or BLOK is not sufficient for us to be satisfied that such conduct will not be repeated with other CSE-listed issuers. That a similar transaction structure, with which we *prima facie* have concerns, has been repeated on multiple occasions is sufficient for us to have concerns that it will be repeated again and that it is necessary for those who have previously participated in any of these transactions be prevented from entering into further transactions of this type with CSE-listed issuers in reliance on the Consultant Exemption.

[46] In the case of Jackson, we found in our previous decision that there was evidence that he was personally involved with negotiating consulting agreements and pitching to certain Issuer Respondents the transaction structure that *prima facie* raised substantial public interest concerns. That he may have had limited or no participation in the specific private placements and consulting agreements relating to a particular transaction does not alleviate our concern about any further share transactions that he may have with Cryptobloc, New Point, Green 2 and BLOK or concerns about transactions with other CSE—listed issuers that involve the issuance of shares for consulting services.

[47] Gill submitted that he had provided services under consulting agreements with four of the Issuer Respondents. Van Skiver submitted that he suspended providing services under a consulting agreement with New Point while its shares were halted from trading. Firstly,

the evidence did not go on to make clear what services had been provided (relative to the terms of the consulting agreements), so we have no way to assess what the statements in those affidavits mean. More importantly, that Gill and Van Skiver have provided some or all of certain services to an Issuer Respondent is not responsive to the entirety of the conduct that we described as *prima facie* raising substantial public interest concerns and that evidence does not rebut the evidence presented by the Executive Director of the orders being necessary and in the public interest.

Overly broad scope

[48] Certain of the respondents submitted that the varied temporary orders were overly broad in scope and/or unnecessarily prevented them from engaging in providing consulting services.

[49] We do not agree with these submissions. The extended and varied temporary orders are very narrow in scope and are limited to prohibiting very specific conduct by the affected respondents.

[50] The orders do not prohibit the Non-Issuer Respondents from engaging in providing consulting services but they do prevent them from acquiring shares for those services using that exemption – that is a far more narrow prohibition.

[51] We are mindful that our orders have and will inhibit certain of the respondents from engaging in certain share transactions. However, we find it is appropriate in the circumstances, to require that a respondent seek a revocation or variation of our orders pursuant to section 171 of the Act in order that we may be satisfied that no prejudice to the public interest arises from the conduct for which such revocation or variation is sought.

[52] Based on the evidence from the original hearing and the current hearing, we find that it both necessary and in the public interest to further extend the varied temporary orders.

[53] As we stated in our previous decision and have stated again in this decision, one of the reasons that we find it in the public interest to extend the orders is that they are narrow in scope. One way in which the orders, to date, have been narrow in scope is that they have been limited to dates certain. We are not prepared to grant the executive director's request that the varied temporary orders be extended until a hearing is held and a decision granted because we remain concerned about how long that might be, given the length and breadth of the investigation into this matter (by the executive director's own admission) . We are prepared to grant the executive director's application that the varied temporary orders be extended but continue to view it as appropriate that they be extended until a date certain. In this case, given the breadth of the investigation, we consider a year to be an appropriate period.

V Order

[54] We consider it necessary and in the public interest to extend the temporary orders until

May 27, 2020, as follows:

(a) under section 161(1)(b)(ii), that Jackson, Lukor, Liu, Cam Paddock Enterprises, Paddock, Gill, JCN, Bevilacqua, Essos, Sway, Torres, Detona, Villanueva, Altitude, Venier, Platinum, 658111 BC, Shull, Tavistock, Lawrence, Jarman, Scott Jarman, Northwest, Esmail, Trainor, Mawji, Escher, Hunton, White, Kendl, 1153307 BC, Van Skiver, Bertho, Boswell, Haight-Ashbury, Shahrokhi, MacPherson, Tollstam & Company and Tollstam, cease trading in, and are prohibited from purchasing, securities of Cryptobloc, New Point, Green 2 and BLOK;

(b) under section 161(1)(c), that the exemption under section 2.24 of National Instrument 45-106 does not apply to Cryptobloc, New Point, Green 2 and BLOK for a distribution to a consultant; and

(c) under section 161(1)(b)(ii), that Jackson, Lukor, Liu, Cam Paddock Enterprises, Paddock, Gill, JCN, Bevilacqua, Essos, Sway, Torres, Detona, Villanueva, Altitude, Venier, Platinum, 658111 BC, Shull, Tavistock, Lawrence, Jarman, Scott Jarman, Northwest, Esmail, Trainor, Mawji, Escher, Hunton, White, Kendl, 1153307 BC, Van Skiver, Bertho, Boswell, Haight-Ashbury, Shahrokhi, MacPherson, Tollstam & Company and Tollstam, be prohibited from purchasing any securities of an issuer listed on the CSE that are distributed using the exemption set out in subparagraph (b) above.

[55] We remain of the view that it is in the public interest to not proceed with the hearing until Commission staff conclude their investigation. The hearing is adjourned until 10:00 am on May 27, 2020. The temporary orders will expire on May 27, 2020, unless further extended by application of the executive director or on our own motion.

May 29, 2019

For the Commission

Nigel P. Cave
Vice Chair

Judith Downes
Commissioner

Audrey T. Ho
Commissioner