

BCSC Executive Director alleges scheme by self-described consultants

18/88 November 26, 2018

Vancouver – The Executive Director of the British Columbia Securities Commission (BCSC) <u>has temporarily prohibited</u> a group of purported consultants from buying or selling the securities of 11 companies listed on the Canadian Securities Exchange (CSE), alleging that they participated in a scheme that is abusive to the capital markets.

The Executive Director is also blocking all CSE-listed companies from using the consultant exemption to sell shares without a prospectus to the group of 25 people and 26 firms, most of whom are in B.C.'s Lower Mainland. A few group members have addresses in the Cayman Islands, Marshall Islands, Australia, Hong Kong, the Czech Republic and Switzerland.

The orders arises from an ongoing BCSC investigation into transactions between the purported consultants – which Executive Director Peter Brady refers to as "the BridgeMark Group" – and B.C. companies operating in the cannabis, cryptocurrency, mining and alternative energy sectors.

The Executive Director alleges that four companies, after selling a total of \$17.9 million worth of shares to members of the the BridgeMark Group earlier this year, returned \$15.3 million to members of the group. The BridgeMark Group then sold those securities in the market, often at prices far below what its members had paid, netting about \$6.2 million.

The four companies subsequently issued news releases saying they had raised a certain amount of money by selling their shares, even though they had paid most of the purchase amount back to BridgeMark, the Executive Director alleges.

The Executive Director alleges that the securities sales to BridgeMark were illegal because they improperly used the consultant exemption to avoid filing a prospectus, a formal document that provides details of an investment. The Executive Director is concerned that the BridgeMark Group's members are not consultants, that they provided little or no consulting services to the issuing companies, and engaged in the scheme for their own profit – conduct the Executive Director describes as "abusive to the capital markets."

The Executive Director is concerned that the BridgeMark Group engaged in similar transactions with seven other companies. Altogether, the BridgeMark Group purchased a total of more than 252 million securities from 11 listed companies between February and August, paying \$50.9 million. The temporary order prohibits the 11 CSE-listed companies from using the consultant exemption to sell their shares.

A hearing to determine whether the temporary orders will be extended will be held Friday, December 7 at 10 am.

The respondents in the case are:

"The BridgeMark Group":

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.; and 10X Capital.

The issuers:

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.

About the British Columbia Securities Commission (www.bcsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

A securities market that is fair and warrants public confidence

A dynamic and competitive securities industry that provides investment opportunities and access to capital

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