



## CEO and mining company found liable for false or misleading statements

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**Vancouver** – A British Columbia Securities Commission (BCSC) panel [has found](#) that Brent Hugo Johnson and Mountainstar Gold Inc. made repeated false or misleading statements in required public filings.

The BCSC panel found that between December 2012 and December 2015, Mountainstar, a reporting issuer in B.C., made false or misleading statements in its management discussion and analysis (MD&A) concerning certain Chilean mining claims and related legal proceedings, or Mountainstar omitted facts that were necessary to make the statements not false or misleading.

Johnson was at all relevant times the president, CEO and a director of Mountainstar. The panel found that Johnson was liable for Mountainstar's contraventions of the *Securities Act*, as he was clearly aware of the filing of the MD&A in issue and had the ability to influence the content.

The panel did not accept the respondents' argument that they had exercised due diligence in making the disclosure. The panel found that the respondents' failed to "exercise the reasonable diligence required to find out whether the statements were false or misleading."

The panel directed the parties to make submissions on sanctions according to the schedule set out in the findings.

You may view the findings decision on our website, [www.bcsc.bc.ca](http://www.bcsc.bc.ca), by typing Mountainstar Gold Inc., Brent Hugo Johnson, or 2018 BCSECCOM 317 in the search box. Information about disciplinary proceedings can be found in the [Enforcement section](#) of the BCSC website.

Please visit the Canadian Securities Administrators' (CSA) [Disciplined List](#) for information relating to persons and companies disciplined by provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA).

### **About the British Columbia Securities Commission ([www.bcsc.bc.ca](http://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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Media Contact:  
Ken Gracey  
604-899-6577

Public inquiries:  
604-899-6854 or 1-800-373-6393 (toll free)  
[inquiries@bcsc.bc.ca](mailto:inquiries@bcsc.bc.ca)

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