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News Release

BCSC alleges misrepresentation by health sciences company and CEO

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Vancouver – The British Columbia Securities Commission (BCSC) [alleges](#) that a Vancouver-based health sciences company and one of its executives made a misrepresentation about proceeds from sales of its shares.

PreveCeutical Medical Inc., which trades on the Canadian Securities Exchange, announced in a news release in the summer of 2018 that it had raised approximately \$6.5 million through a private placement.

However, PreveCeutical did not disclose that it retained only \$3.25 million. The rest of the proceeds of the sales had already been spent on, or was owed for, consulting fees.

By announcing the proceeds from the private financing but failing to disclose that it would be keeping less than half of the funds, the BCSC alleges that PreveCeutical made a statement to investors that it knew – or ought reasonably to have known – was a misrepresentation.

PreveCeutical included the same information as the news release in a material change report. By doing so, the BCSC alleges that PreveCeutical made a statement or provided information that was materially misleading or false in a record that had to be filed under the *Securities Act*.

In addition, the BCSC alleges that Stephen Van Deventer of Vancouver committed the same violations of the Act. Van Deventer was the Chair, Chief Executive Officer, President and a director when the news release was issued.

The BCSC's allegations have not been proven. The respondents are required to appear before a panel of the Commission on April 14, 2022 if they wish to be heard before a hearing date is scheduled.

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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