



Citation: 2022 BCSECCOM 359

## **Settlement Agreement**

**Geoffrey Rajay Sidhu**

*Securities Act, RSBC 1996, c. 418 (Act)*

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Geoffrey Rajay Sidhu (Sidhu) agree as follows:

### **Agreed Statement of Facts**

#### ***Background***

1. Sidhu is a resident of Vancouver, British Columbia. He has never been registered under the Act.
2. Sidhu has no history of securities regulatory misconduct.
3. Bracetek Industries Group Ltd. (Bracetek) is a federal company registered in British Columbia. Sidhu's father was Bracetek's sole officer and director. He died in March 2021.
4. Bracetek was in the business of developing, manufacturing and selling three proprietary braces used in residential and commercial construction. Bracetek licensed the technologies used in the braces from companies controlled by Sidhu.
5. After meeting Sidhu in November 2015, an investor obtained a \$2.07 million mortgage and invested \$1.75 million of the mortgage proceeds in Bracetek.
6. Sidhu discussed the Bracetek investment with the investor before she invested and assisted her in completing the subscription agreement.
7. Bracetek paid \$900,000 of the investor's funds to companies controlled by Sidhu for licensing fees payable per the terms of the licensing agreements between these companies.
8. The British Columbia Securities Commission (Commission) registered a charge in the Land Title Office (LTO Charge) against real property owned by Sidhu pursuant to what was then section 151(5) of the Act. The Executive Director expects the LTO Charge will act as full security for the amount of the disgorgement order that he will issue under section 161(1)(g) of the Act as part of this settlement agreement.



### ***Misconduct***

9. Bracetek distributed \$1.75 million of its securities to the investor without filing a prospectus when a prospectus exemption was not available.
10. Sidhu acted in furtherance of Bracetek's trade to the investor and therefore he illegally distributed securities to the investor contrary to section 61 of the Act.

### ***Mitigating Factors***

11. It is a mitigating factor that Sidhu entered into this Settlement Agreement, which avoids a potentially lengthy hearing to determine his liability.

### ***Public Interest***

12. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

### **Order**

- ¶ 2 The Executive Director will issue orders under section 161(1) of the Act against Sidhu (the Order) that:

1. Sidhu is prohibited for a period of **7.5 years**:
  - (a) under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives, except that he may trade and purchase securities or derivatives for his own account (including one RRSP account in his name, one spousal RRSP to which he may make contributions and for which he may have trading authority, one TFSA account and one RESP account for each of his children), through a registered dealer or registrant, provided he gives the registered dealer or registrant a copy of the Order before making any trades or purchases;
  - (b) under section 161(1)(c), from relying on any exemptions in the Act, the regulations or a decision;
  - (c) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant, except that:
    - (i) he may remain as a director or officer for up to six named issuers of which he is currently a director or officer, and that he controls, that are listed in Schedule 1 to the Order (the Named Issuers), provided that for 7.5 year period, the Named Issuers refrain from:
      - (A) trading in or purchasing any securities or derivatives;
      - (B) relying on any of the exemptions under the Act, the regulations or a decision;
      - (C) becoming or acting as a registrant or a promoter;



- (D) engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity;
  - (E) engaging in promotional activities on the issuer's own behalf in respect of circumstances that would reasonably be expected to benefit the issuer;
- (ii) he will have 60 days from the date of the Order to cease being or acting as a director or officer of any issuer that is not one of the Named Issuers;
- (d) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;
  - (e) under section 161(1)(d)(v), from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity; and
  - (f) under section 161(1)(d)(vi), from engaging in promotional activities on his own behalf in respect of circumstances that would reasonably be expected to benefit him;
2. Sidhu pay to the Commission **\$900,000** under section 161(1)(g) of the Act. Sidhu must pay this amount in full to the Commission **within 6 months** of the date of the Order, failing which:
- (a) \$900,000 becomes due and payable by Sidhu to the Commission immediately without further demand; and
  - (b) Sidhu will not be permitted to remain as a director or officer of any of the Named Issuers.

### ***Undertakings***

- 3. In addition to the payment set out in paragraph 2 above, Sidhu undertakes to pay **\$50,000** to the Commission, which is due and payable immediately without further demand.
- 4. Sidhu undertakes to provide proof in a form satisfactory to the Executive Director that he ceased being or acting as a director or officer of any issuer that is not one of the Named Issuers within 5 business days of a request by the Executive Director.

### **Consent to Regulatory Orders**

- ¶ 3 Sidhu consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the orders set out in ¶2, paragraph 1 above.



**Waiver**

¶ 4 Sidhu waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

**Counterpart**

¶ 5 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

¶ 6 September 6<sup>th</sup>, 2022

¶ 7 Geoffrey Rajay Sidhu  
Geoffrey Rajay Sidhu

Redacted)  
Witness Signature )  
Redacted)  
Witness Name (please print) )  
Redacted)  
Redacted)  
Address )  
Redacted)  
Occupation )

*Peter J. Brady*  
*Sep 12 2022 5:17 PM -07:00*

¶ 8 Peter J. Brady  
Executive Director