



Citation: 2022 BCSECCOM 367

## **Settlement Agreement**

**John-David Alexander Belfontaine**

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

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and John-David Alexander Belfontaine (Belfontaine) agree as follows:

### ***Agreed Statement of Facts***

#### ***Background***

1. Stock Social Inc. (Stock Social) was a marketing company incorporated in British Columbia.
2. Phivida Holdings Inc. (Phivida) was a distributor of cannabidiol foods and beverages and was incorporated in British Columbia. Choom Holdings Inc. acquired Phivida in 2020.
3. During the events relevant to this Settlement Agreement, Belfontaine was Phivida's president, Chief Executive Officer, and a director of Phivida.
4. Belfontaine resides in the Province of Ontario.

#### ***Misconduct***

5. From 2017 to 2018, Belfontaine, as CEO of Phivida, engaged Stock Social to conduct investor relations activities (IR Activities) on its behalf under a written agreement (the Agreement).
6. Belfontaine acted as the primary contact for Phivida when instructing Stock Social.
7. Stock Social and Phivida signed the Agreement under which Stock Social agreed to disseminate news about Phivida in exchange for a fee. Belfontaine understood, based on a warranty clause in the Agreement, that Stock Social would ensure that all publications would comply with applicable securities laws.
8. The IR Activities Stock Social provided for Phivida from September 2017 to March 2018 included:
  - preparation and dissemination of six advertorials about Phivida on newswires and websites, and
  - multiple promotional posts about Phivida on the social media platform Facebook.



9. As per the Agreement, Stock Social issued the advertorials and social media posts on Phivida's behalf. However, Stock Social did not include the disclaimers required by section 52(2) of the *Securities Act* (the Act).
10. Neither the social media posts nor the published advertorials disclosed that they were issued on behalf of Phivida. Some published advertorials indicated a distribution fee had been paid but did not clearly and conspicuously disclose that they were issued on behalf of Phivida.
11. As CEO, Belfontaine reviewed, revised, and approved draft content of the advertorials prepared for Phivida that Stock Social published.
12. After Stock Social published advertorials and social media posts that did not clearly and conspicuously disclose that they were issued on behalf of Phivida, Belfontaine did not ensure that Stock Social or Phivida issued any communication to correct or redact the public disclosure record, such as amended press releases or notices to correct the deficiencies.
13. Belfontaine admits he contravened section 52(2) of the Act as CEO of Phivida by failing to ensure, as a person engaged in investor relations activities, that the published advertorials and social media posts complied with the Act.

***Mitigating Factors***

14. Belfontaine admitted the misconduct described in this Settlement Agreement before the commencement of the hearing.
15. Belfontaine has no prior history of disciplinary proceedings under the Act or before any Canadian securities regulatory authority.

***Undertaking***

16. Belfontaine undertakes to pay \$10,000 to the Commission in respect of settlement of this matter, which is due and payable immediately without further demand.

***Waiver***

- ¶ 2 Belfontaine 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***

¶ 3 The 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.

¶ 4 September 6, 2022

¶ 5 John-David Alexander Belfontaine  
John-David Alexander Belfontaine

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

*Peter J Brady*  
*Sep 9 2022 8:30 PM -07:00*

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Peter J. Brady  
Executive Director