



Citation: 2022 BCSECCOM 373

**Settlement Agreement**

**Chad David McMillan**

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

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

**Agreed Statement of Facts**

***Background***

1. ImagineAR Inc. (ImagineAR) is an augmented virtual reality production company incorporated in British Columbia and continued federally. It is a reporting issuer in British Columbia and its shares trade on the Canadian Securities Exchange.
2. The conduct described herein occurred when the company was known as Imagination Park Entertainment Inc.
3. At all relevant times, McMillan, a resident of Vancouver, British Columbia, was a senior strategic advisor with ImagineAR.
4. McMillan has no prior history of disciplinary proceedings under the *Securities Act* (the Act).

***Misconduct***

5. ImagineAR retained and paid Stock Social Inc. (Stock Social) a marketing company, to conduct investor relations activities (IR Activities) on its behalf. The IR Activities provided in November 2016 included:
  - preparation and dissemination of an advertorial about ImagineAR on a website, and
  - posts about ImagineAR by six social media influencers and by Stock Social on the social media platform, Twitter.
6. The advertorial was written in the style of a news article designed to look and read like objective journalistic content. However, it did not disclose that it was issued on behalf of ImagineAR.
7. None of the promotional social media posts disclosed they were issued on behalf of ImagineAR.



8. On November 16, 2016, ImagineAR disseminated a news release announcing that it launched a 360 Degree, 3D virtual reality production services business in partnership with another company (the News Release).
9. ImagineAR paid \$30,000.00 CAD to Stock Social for its services.
10. McMillan introduced Stock Social to ImagineAR, and ImagineAR engaged Stock Social directly. McMillan, together with directors and officers of ImagineAR, reviewed, revised, and contributed to the approval of content prepared for Imagine AR by Stock Social staff.
11. ImagineAR did not ensure that the advertorial and social media posts disclosed that they were issued on behalf of ImagineAR, contrary to Section 52 (2) of the Act.
12. Having contributed to the review, revision and approval of the subject advertorial as one of ImagineAR's representatives, McMillan authorized, permitted or acquiesced in ImagineAR's contravention of section 52(2) of the Act, and therefore also contravened the same provision by operation of section 168.2.
13. The dissemination of the News Release, the advertorial and the social media posts described above did not appear to have any significant effect on the trading volume or market price of the shares of ImagineAR.

***Mitigating Factors***

14. McMillan made admissions with respect to the misconduct prior to the commencement of the hearing of this matter.

***Undertaking***

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

***Waiver***

- ¶ 2 McMillan 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 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.

¶ 4 September 9th, 2022

¶ 5 Chad David McMillan  
Chad David McMillan

Redacted )

Witness Signature )

Redacted )

Witness Name (please print) )

Redacted )

)

Redacted )

Address )

Redacted )

Occupation )

*Peter J Brady*

*Sep 12 2022 5:07 PM -07:00*

¶ 6 Peter J. Brady  
Executive Director