

[Home](#) > [About](#) > [Media Room](#) > [News Releases](#) > 2022 >

BCSC settles with former cannabidiol distribution company CEO for failing to disclose that advertorials and Facebook posts were issued on company's behalf

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News Release

BCSC settles with former cannabidiol distribution company CEO for failing to disclose that advertorials and Facebook posts were issued on company's behalf

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Vancouver – The former president, chief executive officer and director of a company that distributed cannabidiol products must pay \$10,000 in a [settlement](#) with the British Columbia Securities Commission (BCSC) for not disclosing that paid social media posts and advertorials were issued on the company's behalf.

John-David Alexander Belfontaine led Phivida Holdings Inc., a B.C. company and distributor of cannabidiol foods and beverages. Phivida hired marketing company Stock Social Inc. to conduct investor relations activities between 2017 and 2018. This work included six advertorials and multiple promotional posts on Facebook.

Stock Social issued the advertorials and social media posts on Phivida's behalf but they did not clearly and conspicuously disclose that they were issued on behalf of Phivida, as required under the *Securities Act*. Some of the advertorials indicated a distribution fee had been paid, but none of the published materials clearly and conspicuously disclosed that they were issued on behalf of Phivida.

Belfontaine reviewed, revised and approved drafts of the content. When the materials were published without clearly and conspicuously disclosing they were issued on behalf of Phivida, Belfontaine did not ensure that Stock Social corrected the content to address the deficiencies.

Belfontaine admitted he failed to comply with investor relations activities requirements in the *Act*.

The Executive Director of the BCSC filed a Notice of Discontinuance with respect to Phivida, which has commenced proceedings under the Companies' Creditors Arrangement Act, is under new management, and has no assets of any value.

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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