



Citation: 2022 BCSECCOM 301

## Notice of Hearing

**BLOK Technologies Inc., Robert Earle Dawson,  
James Joseph Hyland, and David Malcolm Alexander**

### **Section 161 of the *Securities Act*, RSBC 1996, c. 418**

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (Act), based on the following facts:

#### **Summary**

1. BLOK Technologies Inc. (BLOK) issued a news release that contained a misrepresentation. BLOK announced the amount of funds raised in a financing but did not disclose that it had already spent or owed most of the funds.
2. Dawson, Hyland, and Alexander were officers and/or directors of BLOK when it issued the news release and by authorizing, permitting or acquiescing in BLOK's contravention, they contravened the same provision of the Act.

#### **Background**

3. BLOK is based in Vancouver, British Columbia and invests in the blockchain technology sector. At all material times, BLOK was a reporting issuer in British Columbia and its shares traded on the Canadian Securities Exchange.
4. Dawson is a resident of Port Moody, British Columbia. He was the president and the CEO of BLOK when it made the misrepresentation.
5. Hyland is a resident of North Vancouver, British Columbia. He was a vice president and a director of BLOK when it made the misrepresentation.
6. Alexander is a resident of North Vancouver, British Columbia. He was the CFO of BLOK when it made the misrepresentation.

#### **Misconduct**

7. In a June 8, 2018 news release, BLOK announced that it had raised a total of \$5,403,384 through a private placement. BLOK stated that the net proceeds would be used for advancing the company's current blockchain investment projects, evaluating new blockchain opportunities, and for working capital purposes. BLOK did not disclose that it would retain only \$947,321.50, or less than 18%, of the amount raised because it had already spent or owed \$4,456,062.50 on consulting fees.



8. By announcing the total proceeds from the private placement but failing to disclose that it would retain less than 18%, BLOK made a statement to investors that it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.
9. While they were directors and/or officers of BLOK, Dawson, Hyland and Alexander authorized, permitted or acquiesced in BLOK's contraventions of section 50(1)(d) and therefore, by operation of section 168.2 of the Act, they also contravened those same provisions.

### **Hearing Process**

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Thursday, October 13, 2022 at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: [hearingoffice@bcsc.bc.ca](mailto:hearingoffice@bcsc.bc.ca).
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 5 Orders made against you in this matter may automatically take effect against you in other Canadian jurisdictions, without further notice to you.

*Peter J Brady*

*Jul 27 2022 10:25 AM -07:00*

- ¶ 6 Peter J. Brady  
Executive Director