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BCSC settles with software company and North Vancouver man for failing to disclose that advertorials and social media posts were issued on company's behalf

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News Release

BCSC settles with software company and North Vancouver man for failing to disclose that advertorials and social media posts were issued on company's behalf

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**Vancouver** – A software application development company and its then-communications officer must pay a combined \$35,000 [in a settlement](#) with the British Columbia Securities Commission for not disclosing that advertorials and promotional Twitter posts were issued on the company's behalf.

Hello Pal International Inc. hired Stock Social Inc., a marketing company, in 2016 to conduct investor relations activities. This work included producing advertorials for newswires and websites and promotional social media posts, some of which were posted by influencers on Twitter.

The five advertorials were written to look and read like objective journalistic content, but did not disclose that they were issued on behalf of Hello Pal. Two of the advertorials indicated a distribution fee had been paid, but did not specify who was paying for it.

The promotional social media posts by nine social media influencers and by Stock Social did not disclose that they were issued on behalf of Hello Pal.

The *Securities Act* requires anyone engaged in investor relations activities, or who is doing so on behalf of an issuer or security holder, to clearly and conspicuously disclose when promotional materials are issued by them or on their behalf.

Hello Pal, a reporting issuer in B.C. whose shares trade on the Canadian Securities Exchange, admitted it violated the *Securities Act* by not ensuring these promotional materials disclosed they were issued on its behalf.

Ryan James Johnson, the then-corporate communications officer for Hello Pal, signed the retainer with Stock Social. He reviewed, revised and approved content prepared for Hello Pal by Stock Social Inc's staff. Johnson admitted his involvement in the company's contravention of the *Securities Act*, and therefore contravened it himself.

Under the settlement, Hello Pal must pay \$25,000 to the BCSC, and Johnson, of North Vancouver, must pay \$10,000.

About the British Columbia Securities Commission ([www.bcsc.bc.ca](http://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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