



Citation: 2022 BCSECCOM 258

Settlement Agreement

Hello Pal International Inc. and Ryan James Johnson

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director), Hello Pal International Inc. (Hello Pal), and Ryan James Johnson (Johnson) agree as follows:

Agreed Statement of Facts

Background

1. Hello Pal is a software application developer originally incorporated in Ontario and continued in British Columbia. It is a reporting issuer in British Columbia and its shares trade on the Canadian Securities Exchange.
2. At all relevant times, Johnson was Hello Pal's corporate communications officer. He is a resident of North Vancouver, British Columbia.
3. Hello Pal and Johnson have no prior history of disciplinary proceedings under the *Securities Act* (the Act).

Misconduct

4. Hello Pal 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 from August 2016 to November 2016 included:
 - preparation and dissemination of five advertorials about Hello Pal on newswires and websites, and
 - multiple promotional posts about Hello Pal by nine social media influencers and by Stock Social on the social media platform, Twitter.
5. The advertorials were written in the style of news articles designed to look and read like objective journalistic content. However, none of the advertorials disclosed they were issued on behalf of Hello Pal. Further, although two of the advertorials indicated a distribution fee had been paid, neither the payor nor the payee was identified.
6. None of the promotional social media posts disclosed they were issued on behalf of Hello Pal.



7. Hello Pal admits it contravened section 52(2) of the Act by failing to ensure that:
 - the advertorials and social media posts disclosed they were issued on behalf of Hello Pal; and
 - the two advertorials that indicated payment of a distribution fee clearly and conspicuously disclosed that they were issued on behalf of Hello Pal.
8. Johnson represented Hello Pal during its engagement of Stock Social. He signed the retainer with Stock Social on Hello Pal's behalf, and he reviewed, revised, and approved content prepared for Hello Pal by Stock Social staff.
9. Johnson admits, as Hello Pal's corporate communications officer, he authorized, permitted or acquiesced in Hello Pal's contravention of section 52(2) of the Act and therefore he contravened the same provision by operation of section 168.2.

Mitigating Factors

10. Hello Pal and Johnson made admissions with respect to their misconduct prior to the commencement of the hearing of this matter.

Undertakings

11. Hello Pal undertakes to pay \$25,000 to the Commission in respect of settlement of this matter, which sum is due and payable immediately without further demand.
12. Johnson 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 Hello Pal and Johnson waive any right they 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 July 2, 2022

¶ 5 “Hello Pal International Inc.”
Hello Pal International Inc.
(Signing Authority)

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

¶ 6 July 4, 2022

¶ 7 “Ryan James Johnson”
Ryan James Johnson

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

Peter J Brady
Jul 7 2022 10:36 AM -07:00

¶ 8 Peter J. Brady
Executive Director