

BRITISH COLUMBIA SECURITIES COMMISSION
Section 161 of the *Securities Act*, RSBC 1996, c. 418

Citation: Re BridgeMark Financial, 2021 BCSECCOM 247

20210611

**Justin Edgar Liu, Lukor Capital Corp., Asiatic Management Consultants Ltd.,
Anthony Kevin Jackson, BridgeMark Financial Corp., Jackson & Company Professional
Corp., Robert John Lawrence, Tavistock Capital Corp.,
Cameron Robert Paddock, Rockshore Advisors Ltd.**

Panel	Audrey T. Ho Judith Downes	Commissioner Commissioner
Date submissions completed	June 4, 2021	
Date of decision	June 11, 2021	
Appearing James K. Torrance	For the Executive Director	
J. Kenneth McEwan, Q.C. Laesha Smith	For Lukor Capital Corp. and Justin Edgar Liu	

Decision and Reasons for Decision

I. Introduction

- [1] On May 26, 2020, in *Re BridgeMark Financial*, 2020 BCSECCOM 171, this panel extended temporary orders against Justin Edgar Liu (Liu), Lukor Capital Corp. (Lukor) and Anthony Kevin Jackson (Jackson), as follows:
- (a) under section 161(1)(b)(ii), that Liu, Lukor and Jackson cease trading in, and are prohibited from purchasing, securities of Cryptobloc Technologies Corp., New Point Exploration Corp., Green 2 Blue Energy Corp. and BLOK Technologies Inc., and
 - (b) under section 161(1)(b)(ii), that Liu, Lukor and Jackson be prohibited from purchasing any securities of an issuer listed on the Canadian Securities Exchange (CSE) that are distributed using the exemption set out under section 2.24 of National Instrument 45-106, until May 26, 2021 (Temporary Orders).
- [2] On June 12, 2020, the panel provided reasons for its May 26, 2020 order, in *Re BridgeMark Financial*, 2020 BCSECCOM 188 (the June 2020 Reasons).
- [3] On May 21, 2021, the executive director applied to further extend the Temporary Orders, until a

hearing is held and a decision is rendered.

[4] On May 25, 2021, in *Re BridgeMark Financial*, 2021 BCSECCOM 216, the panel extended the Temporary Orders until June 15, 2021, in order to hear from the parties and consider the application.

[5] These are our decision on the application and the reasons for our decision.

II. Background

[6] On November 26, 2018, the executive director issued temporary orders and a notice of hearing (the original NOH) against a large number of parties, including: Liu, Lukor, Jackson, Asiatic Management Consultants Ltd., BridgeMark Financial Corp., Jackson & Company Professional Corp., Robert John Lawrence, Tavistock Capital Corp., Cameron Robert Paddock and Rockshore Advisors Ltd. (collectively, the Respondents).

[7] The temporary orders originally issued on November 26, 2018 were varied and extended from time to time, culminating in the Temporary Orders. A history of the variations and extensions is set out in the June 2020 Reasons.

[8] On April 28, 2021, the Executive Director issued an amended notice of hearing (the amended NOH), 2021 BCSECCOM 164, against the Respondents.

[9] By April 29, 2021, the Executive Director had discontinued proceedings against the remaining parties named in the original NOH (2021 BCSECCOM 170).

[10] In the amended NOH, the executive director alleged that:

(a) The Respondents acted contrary to the public interest by participating in a scheme (Scheme) in which:

- a. Individuals and companies (Consultants) entered into consulting agreements with certain CSE issuers (Issuers) and received prepaid consulting fees from the Issuers;
- b. Consultants performed little or no consulting work;
- c. Some Consultants purchased free trading shares of the Issuers through private placements, for which placements the Issuers relied on the consultant exemption to the prospectus requirement in section 2.24 of National Instrument 45-106,
- d. Issuers retained only a portion of the funds raised because they paid most of the private placement funds to the Consultants as prepaid consulting fees shortly before or after the private placements, and
- e. The placees in those private placements, in most instances, sold their shares shortly after purchase, generally below the private placement price.

(b) The fact that the Issuers retained only a portion of the funds raised in the private placements were material facts or material changes that were not generally disclosed.

- (c) In the course of participating in the Scheme, some Respondents (including Liu, Lukor and Jackson personally) also conducted insider trading, when they entered into transactions involving securities of some Issuers with knowledge of these material facts or material changes, thereby contravening section 57.2(2) of the Act.
- (d) Liu failed to file insider reports for the purchase and sale of shares in certain Issuers, thereby contravening section 87(2)(a) of the Act and sections 3.2 and 3.3 of National Instrument 55-104.
- (e) Liu, Jackson, Lawrence and Paddock, as directors and/or officers of their respective corporate Respondents, authorized, permitted or acquiesced in their corporations' contraventions of section 57.2(2) and also contravened that section by the operation of section 168.2.

III. Previous findings of facts

- [11] The Scheme and the conduct contrary to the public interest that are alleged in the amended NOH remain largely unchanged from the allegations made in the original NOH.
- [12] Therefore, our findings of fact from our previous decisions to extend and vary the Temporary Orders (and their predecessor orders) form part of this decision.

IV. Positions of the parties

- [13] The executive director made written submissions. He submitted that further extending the Temporary Orders against Jackson, Liu and Lukor is both necessary and in the public interest, for the reasons given by the panel in the June 2020 Reasons.
- [14] The executive director further submitted that the concerns identified by the panel in the June 2020 Reasons continue, and relied on the submissions and evidence filed in previous extension applications.
- [15] Liu, Lukor and Jackson were given notice of the application, and an opportunity to make submissions. Counsel for Liu and Lukor advised that Liu and Lukor take no position on the orders sought by the executive director. The Commission did not hear from Jackson.

V. Analysis

- [16] Section 161(3) of the Act provides that the Commission, with or without a hearing, may make an order extending a temporary order if it considers it necessary and in the public interest.
- [17] The starting proposition for our analysis in this case is that we previously found on multiple separate occasions, based upon the evidence before us at those times, that it was necessary and in the public interest to extend (and vary) the temporary orders imposed on Jackson, Liu and Lukor. Our evidentiary findings and our reasons for reaching those decisions were set out in our previous decisions including, most recently, the June 2020 Reasons.
- [18] We have the evidence filed by the executive director in connection with our previous decisions to extend and vary the temporary orders. That evidence led us to conclude that there is *prima*

facie evidence that Liu, Lukor and Jackson had engaged in or facilitated conduct that *prima facie* raised substantial public interest concerns.

- [19] We are of the view (for the reasons expressed in previous decisions) that that evidence would support a further extension of the Temporary Orders as necessary and in the public interest *unless* we have evidence in connection with the current application that leads us to conclude that circumstances have changed or new evidence is before us which suggests that an extension of some or all of the Temporary Orders is either unnecessary or not in the public interest.
- [20] There is no such evidence before us in the current application.
- [21] For the reasons set out in the June 2020 Reasons, we continue to believe it is necessary and in the public interest to maintain the Temporary Orders against Liu, Lukor and Jackson.
- [22] In the June 2020 Reasons, we indicated that we extended the Temporary Orders only until May 26, 2021 (and not, as the executive director applied for, until a hearing is held and a decision rendered) because we wish to understand the size and scope of the investigation and have an opportunity, with each extension application, to get a “status check” on the proceedings.
- [23] Given that the investigation has now advanced to the point where the executive director has updated his allegations in the amended NOH against the Respondents and a set date hearing has been scheduled for July 2021, we no longer find it necessary to get an annual status check on the proceedings. It is now appropriate to extend the Temporary Orders until a hearing is held and a decision is rendered.

VI. Order

- [24] For the above reasons, we consider it necessary and in the public interest to extend the Temporary Orders, as follows:
- (a) under section 161(1)(b)(ii), that Liu, Lukor and Jackson cease trading in, and are prohibited from purchasing, securities of Cryptobloc Technologies Corp., New Point Exploration Corp., Green 2 Blue Energy Corp. and BLOK Technologies Inc., and
 - (b) under section 161(1)(b)(ii), that Liu, Lukor and Jackson be prohibited from purchasing any securities of an issuer listed on the CSE that are distributed using the exemption under section 2.24 of National Instrument 45-106.

until a hearing is held and a decision is rendered.

June 11, 2021

For the Commission

Audrey T. Ho
Commissioner

Judith Downes
Commissioner