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BCSC alleges failure to disclose material information and insider trading connected to Canada Jetlines Ltd.

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## News Release

# BCSC alleges failure to disclose material information and insider trading connected to Canada Jetlines Ltd.

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**Vancouver** – The British Columbia Securities Commission (BCSC) [alleges](#) that an ultra-low-cost airline failed to disclose material information and that its director committed insider trading.

Mark Morabito of North Vancouver was the director and chairman of Canada Jetlines Ltd., which at the time of the alleged misconduct was a reporting issuer in British Columbia with shares trading on the TSX Venture Exchange. It is now known as Global Crossing Airlines Inc.

In September 2017, Canada Jetlines issued a news release announcing that it had entered into a letter of intent (LOI) to lease two aircraft, with delivery in April 2018. The airline also publicized that it would start flight operations in June 2018. However, the LOI was terminated in December 2017 after Canada Jetlines tried unsuccessfully to extend the payment terms.

This termination of the LOI, and the fact that it led to a delay to the start of flight operations, were material changes and material facts. However, this information was not made public until three months later, when Canada Jetlines issued a news release after the market closed on March 13, 2018.

Following the news release, Canada Jetlines' share price decreased 38 per cent over two days, and its daily trading volume increased 126 per cent in one day.

In addition, a month before the news release, Morabito transferred 352,945 shares in the company to his spouse, with the knowledge that his spouse would sell the shares.

The BCSC alleges that Canada Jetlines and Morabito, in delaying the announcement of the terminated LOI and its impact on the start of flight operations, failed to disclose material information as required by B.C.'s *Securities Act* and National Instrument 51-102 [Continuous Disclosure Obligations](#). The BCSC also alleges that Morabito's transfer of shares to his spouse contravened securities laws regarding insider trading.

The BCSC's allegations have not been proven. The commission will schedule a hearing date in November 2021.

**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

... .. 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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