

BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re Rochard, 2021 BCSECCOM 121

Date: 20210331

Reciprocal Order

John Byron Rochard

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

- [1] This is an order under sections 161(1) and 161(6)(c) of the *Securities Act*, RSBC 1996, c. 418.
- [2] Section 161(6) facilitates cooperation between the Commission and other securities regulatory authorities, self-regulatory bodies and exchanges. The executive director of the Commission has applied for an order reciprocating in British Columbia certain of the orders made by the Alberta Securities Commission (ASC) against John Byron Rochard (Rochard) in a decision involving both Global Social Capital Partners, Inc. (Global) and Rochard (Application).
- [3] The ASC made its orders on April 26, 2016 in its decision *Re Global Social Capital Partners, Inc.*, 2016 ABASC 97, which followed the ASC's findings against Rochard and Global in *Re Global Social Capital Partners, Inc.*, 2016 ABASC 27.
- [4] In his Application, the executive director tendered affidavit evidence and made written submissions to the Commission. We find that the executive director provided the respondent notice of the application. Although Rochard was provided the opportunity to be heard, Rochard did not participate in the hearing leading to the issuance of this order.
- [5] The Commission makes reciprocal orders under section 161(6) when such an order will, in the public interest, protect investors and the capital markets in British Columbia. Although the order in British Columbia is based on findings and sanctions in another jurisdiction, the Commission must be able to regulate a cross-border securities industry with highly mobile funds, people and information.
- [6] The ASC made the following findings:
 - (a) Rochard identified himself as president, director and CEO of Global, an Alberta company;

- (b) Rochard was Global's guiding mind, played a central role in all aspects of Global's operations, including its capital-raising activities, and was the primary speaker at presentations promoting investments in Global;
 - (c) some statements made at Global presentations were untrue, and Rochard knew or reasonably ought to have known them to be untrue;
 - (d) neither Rochard nor Global filed a prospectus in respect of the distribution of Global securities;
 - (e) apart from two accredited investors acknowledged by ASC staff, neither Rochard nor Global demonstrated the availability of an exemption from the requirement to file a prospectus; and
 - (f) Rochard and Global raised approximately \$1.5 million from investors, almost all by illegally distributing Global securities.
- [7] The ASC determined that Rochard and Global illegally traded and distributed Global securities and made materially untrue statements to investors, that Global failed to file required exempt-distribution reports, and that Rochard authorized, permitted or acquiesced in Global's contraventions of Alberta securities laws.
- [8] The ASC imposed market prohibitions and an administrative penalty on Rochard and permanent market prohibitions on Global.
- [9] To prevent Rochard from engaging in similar conduct in British Columbia, we find that it is in the public interest to order that
- (a) under section 161(1)(d)(i), Rochard resign any position he holds as a director or officer of an issuer or registrant;
 - (b) until the later of April 26, 2031 and the date on which the administrative penalty ordered against him has been paid in full to the ASC, Rochard is prohibited:
 - (i) under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives;
 - (ii) under section 161(1)(c), from relying on any of the exemptions set out in this Act, the regulations or a decision;
 - (iii) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant;

- (iv) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter;
- (v) under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives markets; and
- (vi) under section 161(1)(d)(v), from engaging in promotional activities by or on behalf of
 - (A) an issuer, security holder or party to a derivative, or
 - (B) another person that is reasonably expected to benefit from the promotional activity.

March 31, 2021

For the Commission

Gordon Johnson
Vice Chair

Deborah Armour, QC
Commissioner