

Citation: 2023 BCSECCOM 533

Settlement Agreement

Michael Louis Young

Securities Act, RSBC 1996, c. 418 (the Act)

- ¶ 1 The Executive Director of the British Columbia Securities Commission (Executive Director) and Michael Louis Young (Young) agree as follows:

AGREED STATEMENT OF FACTS

Background

1. G2 Energy Corp., formerly known as Green 2 Blue Energy Corp. (Green 2 Blue), is a reporting issuer in British Columbia and its shares trade on the Canadian Securities Exchange.
2. Young was CFO and a director of Green 2 Blue from July 19, 2017 until December 19, 2018.
3. During the relevant period, Young was a resident of Vancouver, British Columbia.
4. Young has no prior history of securities regulatory misconduct.

Misconduct

April 12, 2018 News Release

5. In an April 12, 2018 news release, Green 2 Blue announced a non-brokered private placement for aggregate gross proceeds up to \$4 million and that the net proceeds would be used to complete facility upgrades, equipment purchases and for general working capital. Green 2 Blue did not disclose its intention to immediately spend \$3,723,660 of the funds on consultants.
6. By announcing a private placement but failing to disclose its intention to spend most of the funds on consulting fees, Green 2 Blue made a statement to investors it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.

April 17, 2018 News Release

7. In an April 17, 2018 news release, Green 2 Blue announced that it had closed the previously announced non-brokered private placement for gross proceeds of \$4,280,000. Green 2 Blue stated that the proceeds would be used to complete facility upgrades, equipment purchases and for general working capital. Green 2 Blue did not disclose that it would only retain \$556,340, or about 13%, of the amount raised because it spent \$3,723,660 on consulting fees.

8. By announcing the gross proceeds from the private placement but failing to disclose that it would only retain about 13% of the funds, Green 2 Blue made a statement to investors it knew, or ought reasonably to have known, was a misrepresentation contrary to section 50(1)(d) of the Act.

Material Change Report

9. Green 2 Blue filed a material change report on April 17, 2018 containing the same misrepresentation as in the April 17, 2018 news release. In doing so, Green 2 Blue made a statement or provided information in a record filed under the Act that in a material respect was false or misleading, contrary to section 168.1(1)(b) of the Act.

Contraventions Attributable to Young

10. At the time of the April 12, 2018 news release, Young knew about Green 2 Blue's intention to immediately spend \$3,723,660 of the private placement funds on consultants.
11. At the time of the April 17, 2018 news release and material change report, Young knew that Green 2 Blue would only retain \$556,340, or about 13%, of the private placement funds because the company had already spent \$3,723,660 on consulting fees.
12. Young, as CFO and a director of Green 2 Blue, authorized, permitted or acquiesced in Green 2 Blue's contraventions of sections 50(1)(d) and 168.1(1)(b) of the Act and therefore he contravened the same provisions by operation of section 168.2.

Mitigating Factors

13. Young made admissions with respect to his misconduct prior to the commencement of the hearing of this matter.

Public Interest

14. It is in the public interest that the Executive Director issue orders under section 161.

Undertaking

15. Young undertakes to pay \$25,000 to the Commission, which is due and payable immediately without further demand.

ORDER

¶ 2 The Executive Director will issue an order that:

1. Under section 161(1)(d)(i) of the Act, Young resign any position he currently holds as a director or officer of an issuer or registrant; and
2. Young is prohibited for a period of three years:

- (a) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any reporting issuer or registrant;
- (b) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter; and
- (c) 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.

CONSENT TO REGULATORY ORDER

- ¶ 3 Young consents to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Order set out in paragraph ¶2 above.

WAIVER

- ¶ 4 Young waives any right he 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

- ¶ 5 This settlement agreement may be executed in counterpart or by electronic execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

- ¶ 6 November ____, 2023

- ¶ 7 Michael Young
Michael Louis Young

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

Peter J Brady
11/29/2023 | 3:58 PM PST

- ¶ 8 Peter J. Brady
Executive Director