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Vancouver – A B.C. Securities Commission (BCSC) panel [has dismissed](#) allegations of misrepresentation against a Vancouver-based farming company and three people connected to it.

The BCSC had [alleged](#) that Affinor Growers Inc., which was developing stacked indoor growing facilities, made a misrepresentation when it announced in two news releases in 2018 that it had raised or intended to raise approximately \$4 million through a private placement, but didn't disclose in either news release that it already paid or committed to pay approximately 92 per cent of the money raised – \$3.6 million – to consultants.

The BCSC also alleged that Affinor's CEO Nicholas Gordon Brusatore of Abbotsford, director Brian Kent Whitlock of Langley, and Chief Financial Officer Usama Zafar Chaudhry of Surrey committed the same violations of the *Securities Act*. Brusatore and Whitlock were with Affinor when the first and second news releases were issued and Chaudhry was with the company when the second news release was issued.

The panel concluded that omitting the information about consultant spending did not make the news release misleading and further determined that even if there was a misleading omission, the omission was not material. A material fact is something that would reasonably be expected to have a significant effect on the market price or value of a company's shares.

In making this decision, the panel wrote that it had "significant doubt that the expectations of investors have been established with sufficient clarity to prove all the elements that the executive director must prove." The panel noted that it did not take a different view of the legal principles which had been applied in recent, similar cases where breaches of the Act were established. The panel found that the facts were different here in that Affinor's prior disclosure to the market did not create clear expectations that substantially all of the funds raised in the private placement would be dedicated to uses different from the purposes Affinor actually spent them on, whether through consultants or otherwise.

As such, the allegations against Affinor, Brusatore, Whitlock and Chaudhry were dismissed. **About the B.C. Securities Commission (bcsc.bc.ca)**

The B.C. Securities Commission, an independent provincial government agency, strives to make the investment market benefit the public. We set rules, monitor compliance by industry, take action against misconduct, and provide guidance to investors and industry. As guardians of B.C.'s investment market, we're committed to maintaining a market that is honest, fair, competitive and dynamic, enabling British Columbians to thrive.

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