



Citation: 2021 BCSECCOM 366

## **Partial Revocation Order**

**Verisante Technology, Inc.**

**Under the securities legislation of British Columbia (the Legislation)**

### **Background**

- ¶ 1 Verisante Technology, Inc. (the Issuer) is subject to a failure-to-file cease trade order (the FFCTO) issued by the regulator of the British Columbia Securities Commission (the Principal Regulator) on May 4, 2018.
- ¶ 2 The Issuer has applied to the Principal Regulator for a partial revocation order of the FFCTO.

### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

### **Representations**

- ¶ 3 This decision is based on the following facts represented by the Issuer:
- a. The Issuer's head office is located in British Columbia.
  - b. The company was incorporated on March 7, 2006, pursuant to the Ontario *Business Corporations Act*. The Issuer was continued into British Columbia under the *Business Corporations Act* (British Columbia) on August 27, 2009.
  - c. The Issuer is a reporting issuer in the provinces of British Columbia, Alberta and Ontario.
  - d. The Issuer's authorized share capital consists of an unlimited number of common shares, of which 98,615,888 are issued and outstanding as of the date hereof.

- e. The Issuer's common shares are listed on the NEX Board of the TSX Venture Exchange, where trading of the common shares has been halted.
- f. The FFCTO was issued as a result of the failure of the Issuer to file its audited financial statements and related management's discussion and analysis for the year ended December 31, 2017 (the Required Documents).
- g. The Issuer's failure to file the Required Documents was a result of financial distress.
- h. The Issuer is seeking a partial revocation of the FFCTO to enter into a loan agreement with the CEO and Director for \$150,000 (the Loan Proceeds) in exchange for a promissory note of the Issuer for \$150,000 at 10% annual interest (the Director's Loan Transaction).
- i. The Director's Loan Transaction will take place entirely within the jurisdiction of British Columbia.
- j. As the Director's Loan Transaction may be considered a trade in the securities of the Issuer (including for greater certainty, acts in furtherance of trades in securities of the Issuer), it cannot be completed without a variation of the FFCTO.
- k. The Issuer will rely on the prospectus exemption contained in subsection 2.5(1) of National Instrument 45-106 *Prospectus Exemptions*.
- l. The Loan Proceeds shall be used for the following purposes:

Expenses	Amount
Accounting and audit fees	\$55,000
General and administrative	\$25,000
Professional fees	\$5,000
Regulatory and listing fees, etc.	\$20,000
Due diligence	\$15,000
Working capital	\$30,000
<b>TOTAL EXPENSES</b>	<b>\$150,000</b>



- m. Prior to the completion of the Director's Loan Transaction, the lender will:
- i. Receive a copy of the Cease Trade Order;
  - ii. Receive a copy of this Order; and
  - iii. Receive written notice from the Issuer, and will provide written acknowledgement of such notice to the Issuer, that all of the Issuer's Securities in connection with the Director's Loan Transaction will remain subject to the Cease Trade Order until it is revoked, and that the granting of this Order does not guarantee the issuance of a full revocation in the future.
- n. Upon issuance of this Order, the Issuer will issue a press release and file a material change report announcing the Director's Loan Transaction and this Order.
- o. The Issuer reasonably believes that it will have sufficient resources upon receipt of the Loan Proceeds to bring its continuous disclosure obligations up to date, pay all related outstanding fees, and apply for a full revocation of the FFCTO.

#### **Order**

- ¶ 4 The Principal Regulator is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Principal Regulator to make the decision.
- ¶ 5 The decision of the Principal Regulator under the Legislation is that the FFCTO is partially revoked solely to permit the Issuer to complete the Director's Loan Transaction.
- ¶ 6 September 8, 2021

Larissa M. Streu  
Acting Manager, Corporate Finance