

ALBERTA SECURITIES COMMISSION

Citation: Re Floreani, 2024 ABASC 30

File No.: ENF-013006

Date: 20240221

NOTICE OF HEARING

To: **James Domenic Floreani and Jayconomics Inc. (Respondents)**

Notice: The Alberta Securities Commission (the **Commission**) will convene at 9:00 a.m. on Friday, April 5, 2024, or as otherwise directed (the **Set Date Hearing**), at Calgary, Alberta, to set a date or dates for the conduct of a hearing regarding the allegations in this Notice (the **Merits Hearing**). At the Merits Hearing, the Commission will consider whether the allegations have been proven. If so, the Commission will subsequently consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c. S-4, as amended (the *Act*).

Location: Alberta Securities Commission, 5th Floor, 250 – 5 Street S.W., Calgary, Alberta.

Procedure:

1. You may obtain disclosure and further information about particulars of the allegations in this Notice from Richard Van Dorp, c/o Alberta Securities Commission, 600, 250 - 5 Street S.W., Calgary, Alberta, T2P 0R4, telephone: 403.355.3869, email: richard.vandorp@asc.ca.
2. You may be represented by legal counsel or represent yourself. You or your legal counsel may make representations at the Set Date Hearing as part of the process for scheduling the Merits Hearing and the hearing management sessions that will take place between the Set Date Hearing and the Merits Hearing. At the Merits Hearing, you or your legal counsel may make representations and introduce relevant evidence regarding the allegations in this Notice.
3. If you or your legal counsel fail to attend the Set Date Hearing, the scheduling of the Merits Hearing and the hearing management sessions may proceed in your absence without further notice, and the Merits Hearing itself may proceed in your absence without further notice, following which orders may be made against you.

See attached sections 29, 103.1, 198, 199 and 202 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.

Reciprocation: Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

Allegations

Parties

1. James Domenic Floreani (**Floreani**) is an individual who, at all material times, resided in Canmore, Alberta.
2. Jayconomics Inc. is an Alberta company with a registered office in Canmore, Alberta (**Jayconomics**).
3. Jayconomics was incorporated on February 2, 2021. Floreani is the sole shareholder and director of Jayconomics and is its guiding mind.

Investor Relations Activities

4. From November 2020 through March 2022, Floreani and/or Jayconomics disseminated records and made public oral statements, including via tweets, videos and buy recommendations on social media (**Promotional Materials**) on behalf of four Alberta reporting issuers (individually **Issuer**, and collectively **Issuers**), namely:
 - 4.1 Sekur Private Data Ltd., formerly GlobeX Data Ltd., (**Sekur**), a British Columbia company with a registered office in Vancouver, British Columbia;
 - 4.2 Tenet Fintech Group Inc., formerly known as Peak Fintech Group Inc., (**Tenet**), a federally incorporated company with a registered office in Toronto, Ontario;
 - 4.3 Gold Mountain Mining Corp. (**Gold Mountain**), a British Columbia company with a registered office in Vancouver, British Columbia; and
 - 4.4 Levitee Labs Inc. (**Levitee**), a British Columbia company with a registered office in Vancouver, British Columbia.
5. In respect of each Issuer, the Respondents were retained and paid directly by that Issuer to make and disseminate the Promotional Materials relating to that Issuer.

6. The Promotional Materials made and disseminated by the Respondents on behalf of the Issuers included:
 - 6.1 in respect of Sekur, Tenet, Gold Mountain and Levitee, favourable videos posted on YouTube, a free video sharing website;
 - 6.2 in respect of Tenet, Gold Mountain and Levitee, favourable tweets posted on X (formerly Twitter), a social media platform where people communicate in short messages; and
 - 6.3 in respect of Gold Mountain and Levitee, buy alerts posted on Patreon, an online platform that enables content creators to run a subscription service.
7. The Promotional Materials, either expressly or when considered in context, promoted or reasonably could be expected to promote the purchase or sale of the securities of the Issuers.
8. In making and disseminating the Promotional Materials, the Respondents were engaged in investor relations activities, as defined in the *Act*, on behalf of each of the Issuers.

Failure to Disclose

9. In regard to the Promotional Materials described in paragraph 6:
 - 9.1 one YouTube video made and disseminated by the Respondents for Tenet disclosed that it was made on behalf of Tenet, but that disclosure was not made clearly and conspicuously as required by the *Act*; and
 - 9.2 all other Promotional Materials did not disclose that they were made or disseminated by the Respondents on behalf of the respective Issuers, as required by the *Act*.

Breaches

10. As a result of the above, Staff allege that the Respondents breached section 103.1(2) of the *Act* by failing to ensure that every record disseminated, and every public oral statement made, by the Respondents in the course of engaging in investor relations activities clearly and conspicuously disclosed that the record was issued, or the statement was made, by or on behalf of the Issuers.

11. Floreani authorized, permitted or acquiesced in Jayconomics' breaches of section 103.1(2) of the *Act*.

Calgary, Alberta, 21 February, 2024.

) ALBERTA SECURITIES COMMISSION

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) "*Original signed by*"

) Samir Sabharwal

) Executive Director