

In the Matter of
The Securities Act, 1988

and

In the Matter of
Ryan Godlien

STATEMENT OF ALLEGATIONS
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS
AUTHORITY OF SASKATCHEWAN

Staff of Financial and Consumer Affairs Authority of Saskatchewan (Staff of FCAA) make the following allegations:

The Respondent:

1. The Respondent, Ryan Godlien, ("Mr. Godlien") is an individual who resides in [REDACTED], Saskatchewan. The Respondent was not registered as a dealer or representative of a registered dealer in Saskatchewan at any material time.

SimplyVital:

2. SimplyVital Health, Inc. ("SimplyVital") is a Delaware corporation operating in [REDACTED], Massachusetts. It was founded in 2017 as a privately owned corporation based in [REDACTED], Connecticut. SimplyVital described itself as the designer and creator of Health Nexus, a health care-related blockchain ecosystem through which healthcare providers could safely share their patient data.

The Alleged Facts:

3. On September 21, 2017, SimplyVital publicly announced its plan to conduct a token sale to raise money to further its development of Health Nexus. SimplyVital offered its own new token called Health Cash, or HLTH, which it explained would be used ultimately as currency in the Health Nexus ecosystem that the company was developing based upon its blockchain protocol.
4. SimplyVital announced that its main token sale or "crowdsale" would occur between November 22, 2017 and December 20, 2017. SimplyVital planned to create a total of 200 million HLTH tokens to offer and sell.

5. Also on September 21, 2017, SimplyVital announced on its website that it would conduct a “pre-sale” and offer this to the public on September 26, 2017. In the pre-sale, SimplyVital offered to enter into purchase agreements with investors, called Simple Agreements for Future Tokens (“SAFTs”), under which HLTH tokens would be delivered to investors if and when SimplyVital created them. Initially, SimplyVital offered to sell 40 million of the 200 million HLTH tokens in its pre-sale and projected that the pre-sale would end on October 24, 2017.
6. SimplyVital set an investment minimum in its pre-sale of 35 Ether (“ETH”), a digital asset native to the Ethereum blockchain. During late September 2017, the pre-sale minimum of 35 ETH was equivalent to approximately \$10,000 U.S. dollars (“USD”). To encourage investment, SimplyVital offered pre-sale investors a bonus, meaning investors could purchase HLTH tokens from the pre-sale at a significant discount compared to the price at which SimplyVital would offer HLTH tokens during its crowdsale or “main sale”.
7. In late October 2017, SimplyVital extended its pre-sale due to low sales to investors.
8. To participate in the SimplyVital pre-sale, investors had to provide personal background information via the SimplyVital website, communicate directly with a representative of SimplyVital, and eventually execute a SAFT in exchange for ETH or USD. During the pre-sale purchasing process, investors expressed to SimplyVital that they were entering into the SAFTs in order to acquire future HLTH tokens. The SAFT agreement stated, among other things, that proceeds being raised in the pre-sale would be used by SimplyVital to fund the development of the Health Nexus platform and blockchain protocol.
9. Mr. Godlien created a YouTube channel called “TheGobOne” and retained sole editorial control of this channel. In September 2017, he began uploading videos to this channel. By January 2018, Mr. Godlien had 1,000 subscribers to his YouTube channel. The purpose of TheGobOne was to post videos on various cryptocurrency topics that were of interest. Those who watched his YouTube videos were made aware of his Discord server. The Discord server created by Mr. Godlien was a platform for individuals to exchange ideas with each other and discuss token sales in a very general fashion and to subsequently potentially participate in various ICO (“initial coin offering”) pools. On or about February 8, 2018, a spreadsheet analysis of the SimplyVital token sale was posted on the Discord server which noted that it had been prepared under Mr. Godlien’s corporate entity logo of “TGO Capital Inc.”.
10. Mr. Godlien received a SAFT agreement and a Private Placement Memorandum (“PPM”) from SimplyVital Health which he signed and returned as part of the agreement with SimplyVital. Mr. Godlien did not post the SAFT for the purchasers in the ICO pool to read and assimilate.
11. Mr. Godlien’s pool ultimately amassed 2,172 ETH to contribute to SimplyVital’s pre-sale which was worth over approximately \$1.6 million USD (at that time).
12. On January 25, 2019, SimplyVital publicly announced it would not generate HLTH tokens and would return funds to those who had participated in the token pre-sale. By on or about April 15, 2019, SimplyVital had returned substantially all of the ETH and USD claimed by purchasers.

Contraventions:

13. In carrying out the acts indicated in paragraphs 3 to 12 above, Ryan Godlien acted as a dealer as defined by section 2 (1)(n) of the Act by engaging in or holding himself out as engaging in the business of trading in securities or derivatives as principal or agent without being registered to do so in contravention of paragraph 27 (2) (a) of the Act.

Relief Sought:

14. Based on the above, FCAA Staff ask a panel of the FCAA appointed pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* to consider whether it is in the public interest to make the following orders:
- a. Pursuant to paragraph 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities law do not apply to Ryan Godlien, for eighteen months;
 - b. Pursuant to paragraph 134 (1) (d) of the Act, Ryan Godlien shall cease trading in any securities and derivatives in Saskatchewan, for eighteen months, save for the purposes of his own personal trading account(s) and/or digital wallet(s);
 - c. Pursuant to paragraph 134 (1) (d.1) of the Act, Ryan Godlien shall cease acquiring securities and derivatives for and on behalf of residents of Saskatchewan, for eighteen months, save for the purposes of his own personal trading account(s) and/or digital wallet(s); and
 - d. Pursuant to paragraph 134 (1) (e) of the Act, Ryan Godlien shall cease giving advice respecting securities and derivatives and trades thereof in Saskatchewan, for eighteen months.

DATED at Regina, Saskatchewan, this 1 day of April, 2022.



Dean Murrison
Executive Director,
Securities Division
Financial and Consumer Affairs Authority of
Saskatchewan