

# 2004 BCSECCOM 391

COR#04/098

## Variation Order

### L.O.M. Medical International, Inc. and John Klippenstein

#### Section 171 of the *Securities Act*, RSBC 1996, c. 418

#### Background

- ¶ 1 The executive director issued a notice of hearing on October 24, 2002 against L.O.M. Medical International, Inc. and John Klippenstein that was subsequently amended on July 30, 2003.
- ¶ 2 On June 24, 2003 the commission issued a temporary order under section 161(2) and (3) of the *Securities Act*, RSBC 1996, c.418, that LOM and Klippenstein cease trading in securities of LOM until the hearing is held and a decision is rendered.
- ¶ 3 On March 19, 2004, the commission varied the cease trade order to allow LOM to issue a debenture to Le Monde Holdings Ltd. or Robert Pirooz on the condition that the proceeds be used by LOM only to pay
  - (a) LOM securityholders who accepted LOM's April 10, 2001 offer to rescind and have not yet been paid, and
  - (b) LOM securityholders who accept any subsequent offer by LOM to rescind their securities.
- ¶ 4 On April 5 and 7, 2004, the commission held the hearing.
- ¶ 5 On April 13, 2004, LOM, William James MacLean and the Director of Employment Standards entered into a settlement agreement under the *Employment Standards Act* in which LOM agreed to issue 20,000 common shares to William James MacLean.
- ¶ 6 On May 28, 2004, the commission issued its decision dealing with the allegations in the notice of hearing and ordered that the cease trade order be revoked, on the conditions that
  - (a) LOM complete the rescissions contemplated in the March 19, 2004 variation order, and

## 2004 BCSECCOM 391

(b) Klippenstein and his family members comply with conditions in the LeMonde agreement dated March 4, 2004 (which is attached to the commission's decision).

¶ 7 LOM has applied for a variation of the cease trade order, in order to comply with the settlement agreement reached with McLean and the Director of Employment Standards.

¶ 8 The commission considers that to vary the order would not be prejudicial to the public interest.

### **Order**

¶ 9 The commission orders that the cease trade order is varied so LOM may issue 20,000 common shares to William James MacLean under the settlement agreement on the condition that LOM informs MacLean that he may not trade those shares until LOM confirms to him that the conditions in the commission's May 28, 2004 decision have been met.

June 29, 2004

Brent W. Aitken  
Vice Chair

Marc A. Foreman  
Commissioner

Robert J. Milbourne  
Commissioner