

# 2002 BCSECCOM 906

## Notice of Hearing

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

#### Section 161 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 A hearing (the Hearing) will be held to give L.O.M. Medical International, Inc. (L.O.M.) and John Klippenstein (Klippenstein) an opportunity to be heard before the British Columbia Securities Commission considers whether it is in the public interest to make the following orders:
1. pursuant to section 161(1)(b) of the *Securities Act*, RSBC 1996, c. 418 that L.O.M. and Klippenstein cease trading in any securities;
  2. pursuant to section 161(1)(c) of the Act that any or all of the exemptions described in sections 44 to 47, 74, 75, 98 or 99 of the Act do not apply to L.O.M. and Klippenstein;
  3. pursuant to section 161(1)(d)(i) of the Act that Klippenstein resign any position that he holds as a director or officer of any issuer;
  4. pursuant to section 161(1)(d)(ii) of the Act that Klippenstein be prohibited from becoming or acting as a director or officer of any issuer;
  5. pursuant to section 161(1)(d)(iii) of the Act that Klippenstein be prohibited from engaging in investor relations activities;
  6. pursuant to section 162 of the Act that L.O.M. and Klippenstein pay an administrative penalty;
  7. pursuant to section 174 of the Act that L.O.M. and Klippenstein pay prescribed fees or charges for the costs of, or related to, the Hearing; and
  8. to make any other orders as may be appropriate in the circumstances.
- ¶ 2 The Commission will be asked to consider the following facts and allegations in making its determination:
1. L.O.M. was incorporated in the State of Delaware on March 17, 1997, has its head office in Kelowna, British Columbia, and is not a reporting issuer under the Act. L.O.M. has never been registered in any capacity under the Act.

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2. At all material times, Klippenstein was, and still is, the president, controlling shareholder and a director of L.O.M. Klippenstein has never been registered in any capacity under the Act.
  3. During the period from at least October 31, 1996 through to December 31, 2000, L.O.M. distributed approximately 1,037,116 of its common shares (the L.O.M. Securities) to 344 British Columbia residents (the Investors).
  4. The amount that L.O.M. raised from the Investors through the distribution of the L.O.M. Securities was approximately US \$1,255,015.91, plus CDN \$238,531.70.
  5. L.O.M. did not file a prospectus under the Act, nor was L.O.M. able to rely upon any statutory exemptions from the registration and prospectus requirements of the Act, to distribute the L.O.M. Securities in British Columbia, contrary to sections 34(1) and 61(1) of the Act (the Illegal Distributions).
  6. Klippenstein knowingly participated in the Illegal Distributions, by trading in the L.O.M. Securities without being able to rely upon any statutory exemption from the registration requirements of the Act, contrary to section 34(1) of the Act.
  7. Neither L.O.M. nor Klippenstein has advised commission staff of the exemptions from registration or prospectus requirements it relied upon despite many requests from staff to do so.
- ¶ 3 L.O.M. and Klippenstein may be represented by counsel at the Hearing, and make representations and lead evidence. L.O.M. and Klippenstein are requested to advise the Commission of their intention to attend the Hearing by informing the Commission Secretary at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 4 L.O.M. and Klippenstein or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Wednesday, November 20, 2002, at 10:30 am if they wish to be heard before the Commission sets a date for the Hearing.

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- ¶ 5 Determinations may be made in this matter if L.O.M. and Klippenstein, or their counsel, do not appear at the Hearing.
- ¶ 6 October 24, 2002
- ¶ 7 Stephen J. Wilson  
Executive Director