

2005 BCSECCOM 460

Notice of Hearing

XRAYMEDIA Inc. and Raymond Christopher Dabney

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

- ¶ 1 The Commission will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against XRAYMEDIA Inc. (XRAYMEDIA) and Raymond Christopher Dabney (Dabney) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418.
- ¶ 2 The Executive Director alleges that the following conduct and activity was contrary to the public interest:

The Respondents

1. XRAYMEDIA was incorporated in Minnesota, Minneapolis, USA on November 27, 1968. It is a public company listed and trading on the National Association of Securities Dealers Over the Counter Bulletin Board. It has never been registered, and is not a reporting issuer, under the Act.
2. XRAYMEDIA's principal executive offices, operations offices and computer servers are at 555 West Hastings Street, Suite 1560, Vancouver, British Columbia. XRAYMEDIA's ten employees work at its Vancouver office. XRAYMEDIA is not registered in British Columbia as an extraprovincial company under the *Company Act*, R.S.B.C. 1996, c. 62.
3. XRAYMEDIA purports to be a traditional full-service advertising agency. Its operations include an internet-based marketplace for buying and selling advertising which XRAYMEDIA lists and refers to as "media inventory".
4. Dabney has been a director of XRAYMEDIA since 1999, and is its majority shareholder, President and Chief Executive Officer. He is a resident of British Columbia and works at XRAYMEDIA's office in Vancouver where he directs operations. He has never been registered under the Act or any other securities legislation.

Misrepresentations by the Respondents

5. Between March 2003 and September 2003, and on behalf of XRAYMEDIA, Dabney issued press releases (the Press Releases) that misrepresented:

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- (a) XRAYMEDIA's revenues and profits;
- (b) the media inventory listed with XRAYMEDIA;
- (c) the terms of the media inventory listing agreements with XRAYMEDIA;
and
- (d) the commissions earned by XRAYMEDIA.

Undertaking as to Future Value or Price

- 6. On July 23, 2003 and on behalf of XRAYMEDIA, Dabney issued a press release which included an undertaking as to the future value or price of XRAYMEDIA shares (the July 23, 2003 Press Release).

Breaches of the Act

- 7. In issuing the Press Releases, Dabney and XRAYMEDIA made misrepresentations contrary to section 50(1)(d) of the Act.
- 8. In issuing the July 23, 2003 Press Release, Dabney and XRAYMEDIA made a prohibited representation, contrary to section 50(1)(b) of the Act.
- 9. As an officer and director of XRAYMEDIA Dabney authorized, permitted or acquiesced in XRAYMEDIA's contraventions of sections 50(1)(b) and (d) of the Act and therefore pursuant to section 168.2 of the Act Dabney also contravened the same provisions.

Hearing

- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. They are requested to advise the Commission of their intention to attend by contacting the Commission Secretary at PO Box 10142, 5th Floor, 701 West Georgia Street, Vancouver, BC, by telephone at 604 899-6500, or by e-mail at commsec@bcsc.bc.ca.
- ¶ 4 The Respondents or their respective counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, BC, on August 17, 2005 at 11:00 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 the respondents or their counsel do not appear at the hearing.

¶ 6 July 8, 2005

¶ 7 Brenda M. Leong
Executive Director