

2006 BCSECCOM 155

Notice of Hearing

Thomas Kim Seto

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

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing at which the Executive Director will tender evidence, make submissions and apply for orders against Thomas Kim Seto (Seto) under section 161 of the *Securities Act*, RSBC 1996, c. 418 (Act).
- ¶ 2 The Executive Director of the Commission alleges that the following conduct and activity was contrary to the public interest.

Background

1. Seto is a resident of Edmonton, Alberta.
2. On February 15, 2000, the Alberta Securities Commission (ASC) found that:
 - (a) in October, 1997, Seto registered a domain name, worldstock.com, and opened a website under the name “World Stock Exchange on the Internet” (WSE website);
 - (b) the purpose of the WSE website was to act as an internet-based stock exchange;
 - (c) the World Stock Exchange (WSE) was incorporated in the Cayman Islands on November 11, 1997;
 - (d) Seto was a director of WSE from November, 1997 to March, 1999;
 - (e) WSE carried on business as an exchange in Alberta contrary to section 52(1) of the *Securities Act*, R.S.A. 1981, c. S-61, as amended (Alberta Act);
 - (f) Seto solicited Alberta residents and companies to raise money on the WSE; and
 - (g) Seto traded in WSE securities and securities of companies listed on the WSE, contrary to sections 54(1) and 81(1) of the Alberta Act.

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3. On March 31, 2000, the ASC issued a Cease Trade Order (CTO) against Seto under section 165 of the Alberta Act. The CTO prohibited Seto from trading in securities and from acting as a director or officer or both of any issuer for five years.
4. On May 27, 2005, the Alberta Provincial Court convicted Seto of five counts of breaching the Alberta Act, including breaching the CTO. The Court sentenced Seto to a total of five months of incarceration and, also, extended the administrative sanctions against him for an additional twelve years.

Reciprocal Order

- ¶ 3 Seto's misconduct in Alberta is evidence that Seto presents a threat to the integrity of the capital markets and to the protection of investors in British Columbia.

Hearing Process

- ¶ 4 At the Hearing, Seto may be represented by counsel, make submissions and tender evidence. Seto is requested to advise the Commission of his 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.
- ¶ 5 Seto or his counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Monday, May 8, 2006, at 10:00 am if he wishes to be heard before the Commission sets a date for the Hearing.
- ¶ 6 If Seto or his counsel does not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to Seto may be made in his absence.
- ¶ 7 March 6, 2006

- ¶ 8 Brenda M. Leong
Executive Director