

2008 BCSECCOM 378

Notice of Hearing

Kegam Kevin Torudag and Lai Lai Chan

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

¶ 1 The Commission will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against Kegam Kevin Torudag and Lai Lai Chan (collectively, the Respondents) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts:

Background

1. Kegam Kevin Torudag (Torudag) and Lai Lai Chan (Chan) are Quebec residents.
2. Icon Industries Limited (Icon) is a British Columbia reporting issuer.
3. Farlack Ventures Limited (Farlack) is a company incorporated in the British Virgin Islands with its administrative office located in Liechtenstein.
4. Torudag is the beneficial owner of Farlack.
5. Chan owned 85 contiguous mineral claims in the Otish Mountain area of Quebec (the Mineral Claims) in March 2007.

Material facts not generally disclosed

6. Between March 4 and 12, 2007, Torudag and his business partner (the Partners), Chan, and the president of Icon negotiated Icon's purchase of the Mineral Claims (the Icon Negotiations).
7. On March 12, 2007, the Partners entered into a letter of agreement with Chan stating that they wished to enter into an option agreement to purchase the Mineral Claims from Chan (the Mineral Claims Option).
8. By March 12, 2007, the Partners reached an oral agreement with Icon to assign the Mineral Claims Option to Icon (the Icon Agreement).
9. On March 13, 2007 (the Relevant Day), the Partners assigned the Mineral Claims Option to Icon.
10. The Icon Negotiations and the Icon Agreement (collectively, the Icon Material Facts) were material facts.

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11. The Icon Agreement was not generally disclosed until 15:32 Eastern Time (ET) on the Relevant Day, when Icon issued a news release about the Icon Agreement.
12. The Icon Negotiations were never generally disclosed.

Special relationship and knowledge of material facts

13. On the Relevant Day, the Respondents:
 - (a) were each in a special relationship with Icon; and
 - (b) knew about the Icon Material Facts.

Misconduct

Transactions of Icon securities

14. Between 13:00 and 14:15 ET on the Relevant Day:
 - (a) Chan purchased 10,000 Icon shares through a Canadian brokerage account; and
 - (b) Torudag purchased 119,000 Icon shares through an account in the name of Farlack.

(collectively, the Purchased Securities).
15. British Columbia residents sold most of the Purchased Securities to the Respondents.
16. The Respondents, knowing of the Icon Material Facts which had not been generally disclosed, purchased Icon securities while in a special relationship with Icon, contrary to section 86(1) of the Act.

Hearing Process

- ¶ 2 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on Tuesday, July 15, 2008, at 9:00 am if they wish to be heard before the Commission sets a date for the Hearing.

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- ¶ 4 If the Respondents or their counsel do 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 the Respondents may be made in their absence.
- ¶ 5 June 24, 2008
- “B. Leong”
- ¶ 6 Brenda M. Leong
Executive Director