

2012 BCSECCOM 400

Notice of Hearing

Jefferson Franklin Mesidor

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 Jefferson Franklin Mesidor (Mesidor) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts:

Background

1. Mesidor is a resident of British Columbia.
2. Templeton Investments Inc. (Templeton) was incorporated in British Columbia on December 30, 2005 and was struck from the corporate register on June 30, 2008. Mesidor was its sole director.
3. Investor A and her husband met Mesidor through their Vancouver Bible study group. When Investor A's husband died suddenly in 2005, Mesidor offered her his support and friendship. Investor A then introduced Mesidor to her friend, Investor B (together, the Investors).

Foreign exchange investment

4. Between April 2007 and March 2008, Mesidor solicited the Investors by representing to them that he would pool their money with his own, and use the pooled money to conduct foreign exchange trading on their behalf.
5. Mesidor opened an account at a BC bank in Templeton's name and designated himself as its sole signatory. Between April 2007 and March 2008, the account received a total of \$32,280 in investor funds, of which \$15,000 were from Investor A and \$17,280 from Investor B.
6. Mesidor lost approximately \$16,000 of the Investors' funds conducting foreign exchange trades through a brokerage account in New York. Mesidor did not contribute any of his own funds to this account.

Fraud

7. Mesidor used the balance of the Investors' funds, also approximately \$16,000, for his own personal purposes by:
 - (a) making cash withdrawals of approximately \$8,000;

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- (b) spending approximately \$2,900 on personal expenses such as groceries, restaurants, and credit card payments;
 - (c) depositing approximately \$2,500 into his personal bank account; and
 - (d) giving \$2,500 to his girlfriend.
8. In late 2008, the Investors asked Mesidor to return their principal investments. Over the next months, Mesidor gave a series of excuses why their payments were delayed. By November 2009, Mesidor had stopped communicating with the Investors. He has yet to return their investments.
9. By engaging in the conduct described above, Mesidor engaged in or participated in conduct relating to securities or exchange contracts that he knew, or reasonably should have known, perpetrated a fraud, contrary to section 57 of the Act.

Public interest

- ¶ 2 It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

Hearing Process

- ¶ 3 The Respondent or his counsel is required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on October 30, 2012, at 9:00 am if he wishes to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 4 At the Hearing, the Respondent may be represented by counsel, make submissions and tender evidence. The Respondent is requested to advise the Commission of his 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.
- ¶ 5 If the Respondent 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 the Respondent may be made in his absence.
- ¶ 6 October 15, 2012.

Paul C. Bourque, Q.C.

- ¶ 7 Paul C. Bourque, Q.C.
Executive Director