

**ALBERTA SECURITIES COMMISSION**

**DECISION**

**Citation: Golic, Re, 2008 ABASC 735**

**Date: 20081229**

**Adis Golic (a.k.a. Ady Golic), Adcapital Industries Inc.  
and AD Capital U.S. Inc.**

**Panel:** Glenda A. Campbell, QC  
Stephen R. Murison

**Counsel:** Shannon Hindmarch  
for Commission Staff

**Submissions Completed:** 22 December 2008

**Date of Decision:** 29 December 2008

## **I. INTRODUCTION**

[1] In a notice of application issued on 6 October 2008, staff ("Staff") of the Alberta Securities Commission (the "Commission") sought orders under section 198(1.1) of the *Securities Act*, R.S.A. 2000, c. S-4 (the "Act") against three respondents (the "Respondents"): Adis Golic (a.k.a. Ady Golic) ("Golic"); Adcapital Industries Inc. ("Adcapital"); and AD Capital U.S. Inc. ("Adcapital US").

[2] Staff based their application on a temporary order issued against the Respondents by the Executive Director of the British Columbia Securities Commission (the "BCSC") dated 20 May 2008 (the "BCSC Order") and subsequently extended on 4 June 2008.

[3] The affidavit evidence tendered by Staff satisfies us that the Respondents had adequate notice of the application. Although the Respondents were given an opportunity to be heard, we received no evidence or submissions from them, and a hearing was held based solely on the written material before us. Our decision and reasons follow.

## **II. BACKGROUND**

### **A. BCSC Order**

[4] According to the BCSC Order, it appeared to the BCSC Executive Director that:

- Adcapital is a British Columbia corporation with a registered office in Vancouver, British Columbia;
- Adcapital US is a Nevada corporation with a registered business address in Burnaby, British Columbia, and its shares are traded over the counter in the United States;
- Golic, a resident of Burnaby, is the president of Adcapital and his residence is the registered business address of Adcapital US;
- none of the Respondents is registered to trade securities under the British Columbia *Securities Act* (the "BC Act");
- neither Adcapital nor Adcapital US has filed a prospectus under the BC Act;
- from November 2007 to 7 May 2008 the Respondents operated a phone room in Burnaby that promoted Adcapital US securities to potential investors by telephone;
- Adcapital held the business licence for the phone room, and Adcapital US paid the individuals employed in the phone room;

- the Respondents, through their operation and management of the phone room, traded and distributed Adcapital US securities, contrary to the BC Act and the public interest.

[5] As a result, the BCSC Executive Director, considering that the length of time to hold a hearing could be prejudicial to the public interest, issued the BCSC Order. Among other things, the BCSC Order temporarily prohibited the Respondents from trading and purchasing any securities and Golic from becoming or acting as a director or officer of any issuer.

[6] With the consent of the parties, the BCSC Order was extended on 4 June 2008 until a BCSC hearing is held and a decision is rendered.

[7] Appended to an affidavit filed in support of Staff's application was an order of the New Brunswick Securities Commission (the "NBSC") dated 14 July 2008 (the "NBSC Order"). The NBSC Order was made on the basis of evidence and submissions regarding the BCSC Order, as extended. The NBSC Order prohibits, for so long as the sanctions in the BCSC Order remain in effect: all trading in securities of Adcapital and Adcapital US; the Respondents from trading in all securities or using any exemptions under New Brunswick securities laws; and Golic from becoming or acting as a director or officer of any issuer, registrant or mutual fund manager.

## **B. Alberta Connection**

[8] Uncontested affidavit evidence tendered by Staff indicated that in approximately April 2008 an Alberta resident was solicited by telephone by "a number of people from [Adcapital US]" to purchase Adcapital US shares.

## **III. ANALYSIS AND FINDINGS**

### **A. Statutory Preconditions**

[9] Both statutory preconditions to the application of section 198(1.1)(c) of the Act are met in this case. First, as noted, we are satisfied that the Respondents were given an opportunity to be heard. Second, the Respondents are subject to two orders (the BCSC and NBSC Orders) made by other securities regulatory authorities that impose sanctions, conditions, restrictions or requirements on them.

### **B. Protection of Alberta Investors and Alberta Capital Market**

[10] The Commission will make reciprocal orders under section 198(1.1) of the Act only when doing so will be in the public interest (*Re Leemhuis*, 2008 ABASC 585 at para. 12). Here, the prima facie evidence of the Respondents' mode of operation, across borders (including within Alberta), persuades us that reciprocal orders against the Respondents would serve to protect Alberta investors and the Alberta capital market from the risk of capital market misconduct by the Respondents and thus be in the public interest.

#### **IV. ORDERS**

[11] For the reasons given, under section 198(1.1)(c) of the Act, we order that, for so long as the BCSC Order remains in effect:

- under section 198(1)(a) of the Act, all trading in securities of Adcapital and Adcapital US must cease;
- under section 198(1)(b), the Respondents must cease trading in or purchasing any securities;
- under section 198(1)(c), all of the exemptions contained in Alberta securities laws do not apply to the Respondents; and
- under sections 198(1)(d) and (e), Golic must resign all positions he holds as a director or officer of any issuer, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer.

[12] This proceeding is concluded.

29 December 2008

**For the Commission:**

\_\_\_\_\_  
"original signed by"  
Glenda A. Campbell, QC

\_\_\_\_\_  
"original signed by"  
Stephen R. Murison