



**IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT
R.S.B.C. 1996, C. 141, AS AMENDED**

- AND -

**IN THE MATTER OF FIRST CAPITAL TRADING & FINANCE CORP.,
FIRST CAPITAL CREDIT CORP., AND
SOUTH BANK & TRUST CO. LTD.**

ORDER UNDER SECTIONS 244(2) AND 238, AND

**NOTICE OF RIGHT OF HEARING OR APPEAL
UNDER SECTIONS 238(2) AND 242**

WHEREAS it appears to the Superintendent of Financial Institutions (the "Superintendent") that:

- 1 First Capital Trading & Finance Corp. ("FCTF") is a corporation registered on July 3, 2002, with Corporations Canada, corporation #6001491, BN#8619611456RC0001. The directors of record are:
 - (a) Don Antle ("Antle").
 - (b) Hal McLeod ("McLeod").
 - (c) Fred Semeniuk ("Semeniuk").
2. The head office of record within the Province of British Columbia is located at #1000 – 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.
3. First Capital Credit Corp. ("FCC") is a company registered on April 28, 2003, with Corporations Canada, corporation #6091016, BN#891032500RC001. The director of record is:
 - (a) Hal McLeod

4. The head office of record within the Province of British Columbia is located at #355 – 1000 Burrard Street, Vancouver, British Columbia, V2G 6G8.
5. On September 16, 2003, Investigator Rick Stade (“Stade”) located an advertisement which appeared in the “Province” newspaper on September 14, 2003.
6. This advertisement appeared in Section 642 under “Business and Investment Opportunities”, and was titled, “A Private Bank”. The advertisement stated, “Exc. returns on min. inv. of \$10K. Fully secured. 1-866-772-7742.”
7. On September 16, 2003, Stade made a pretext call to the above telephone number, and a female answered stating, “Good morning, First Capital Credit”. When asked to speak with McLeod or Antle, she stated they were not presently in the office. She advised that the office was located at #100 – 2296 McCallum Road, Abbotsford, British Columbia.
8. On September 17, 2003, Stade received a call from a male person identifying himself as Antle. He advised that they were extremely busy, but would be available for a meeting at their office in Abbotsford on September 18, 2003, at 4:30 P.M.
9. On September 18, 2003, Stade attended at #100 – 2296 McCallum Road, Abbotsford, British Columbia, under the pretext of becoming a proposed investor, and met with McLeod, Antle, and a Gary Moss, (“Moss”) who advised he was from Dallas, Texas. As a result of this meeting, the following information was obtained:
 - (a) FCTF was a nationally registered corporation which owned other companies, in particular FCC, which provided the following:

Financial products and services, i.e., secured and “pre-paid major credit and debit cards to individuals who do not qualify for credit from financial institutions”.

- ii. FCC owns two Canadian credit card contracts, one being with Mastercard.

NOTE: On November 24, 2003, Investigator Stade received information from Mr. Mark Robinson, BMO Corporate Security, Western Canada Region, Vancouver, British Columbia, advising that, “Inquiries with Mastercard U.S. and Mastercard Canada confirmed that FCTF or any of their alleged affiliates are in fact NOT Mastercard issuers and do not possess any Territorial Licence in Canada to solicit same”.

- iii. Individuals or companies who apply for a pre-approved Mastercard credit card will deposit money to be held "in trust".
- iv. A Mastercard credit card or debit card will then be issued, and withdrawals can then be made up to and including the deposit amount.

The management team for FCTF is as follows:

McLeod – President, and Chief Executive Officer.

- ii. Antle, President, and Chief Executive Officer.
- iii. Semeniuk – Chief Financial Officer.
- iv. Mark Konstantine ("Konstantine") – controller.

As of October 16, 2003, FCTF operated a web site at www.fctf.com/card.htm. On this web site, FCTF offers pre-approved Mastercard personal credit cards with the following conditions:

"No credit checks ever! 100% approval."

- ii. "\$149 U.S. set-up fee. (We accept the equivalent in Canadian dollars and Euros.)"
 - iii. "Mastercard is sent to you with \$0 balance."
 - iv. "Deposit any amount you wish."
 - v. "Your deposit is equal to your spending limit."
- 10. On September 24, 2003, Stade attended at #1000 – 355 Burrard Street, Vancouver, British Columbia. This is the office of Automation Plus Business Services. Stade spoke with the receptionist, who stated that this was a "canned" office and that FCTF was no longer associated to this address.
 - 11. On September 24, 2003, Stade attempted to locate FCC at #355 – 1000 Burrard Street, Vancouver, British Columbia, and determined that this address does not exist.

12. On October 15, 2003, Stade received a fax message from Simone Lis ("Lis") of the Better Business Bureau of Lower Mainland, B.C., containing a complaint filed by Christine Molson ("Molson"). This complaint dealt with Molson's experience with McLeod and FCTF after she had applied for a pre-approved Mastercard and had given McLeod a deposit. Molson did not receive the credit card, and was unable to get her deposit back from FCTF.
13. On November 7, 2003, Stade interviewed Molson, at which time she advised that:

In August of 2002, she attended the office of FCTF on Burrard Street and completed an application form for a pre-approved Mastercard.

A week later she returned to the office of FCTF and gave a deposit of \$300 Canadian to McLeod, and was given a handwritten receipt. At that time she was advised that within six to eight weeks, she would receive the Mastercard in the mail.

After waiting nine weeks Molson had still not received her credit card, and was advised that she could either get a refund or submit another application and wait another six to eight weeks.

Molson submitted another application, and after eight weeks did not receive her credit card.

Some time in January, 2003, Molson spoke with McLeod who advised her that he would check into the situation.

- (f) After numerous attempts by Molson to contact McLeod, he finally called and advised that he would be unable to give her a refund, as the money was deposited in the South Bank & Trust ("SBT") located in the United States, and there were problems with the bank.

14. On November 13, 2003, Stade interviewed a second complainant, Mr. Conrad Joseph Furtado ("Furtado"). Furtado advised that:

On or about June 20, 2002, he answered an advertisement which appeared on the Information Station, Channel 2, on Rogers Television, regarding a pre-approved Mastercard credit card.

Furtado called the telephone number in the advertisement, 1-800-644-4734, and talked with McLeod. McLeod informed him that the minimum deposit for a pre-approved Mastercard would be \$200 U.S., with a one-time processing fee of \$99 Canadian.

- (c) On July 26, 2002, Furtado attended the office of FCTF located at #1000 – 355 Burrard Street, Vancouver, British Columbia, and talked with McLeod. McLeod stated he was with SBT, and had Furtado complete and sign a three-page “Contract – Terms and Conditions Form”, together with an “Application Form Personal Account”, which indicated a deposit of \$200 U.S. (\$321 Canadian).

McLeod advised Furtado that he (Furtado) would be unable to check his statement over the phone, and would not receive anything through the mail. All correspondence was to be done by e-mail.

McLeod further informed Furtado that the credit card would be ready in approximately two weeks, and he would telephone Furtado so he could pick up his credit card at the office of FCTF.

- (f) A week later, McLeod telephoned Furtado and advised him the card was ready, but that Furtado had to pay SBT \$119 Canadian due to problems processing the card. McLeod advised Furtado that if he paid this \$119, the initial \$99 processing fee would be added to his total credit limit.

On August 26, 2002, Furtado met with McLeod and gave him the \$119 Canadian. McLeod advised Furtado that his card was at the FCTF office, and to call him the next day.

After approximately eight months, Furtado still had not obtained his credit card. He contacted McLeod demanding a refund of his \$420 Canadian deposit, plus the \$99 Canadian processing fee, or he would take McLeod to Small Claims Court.

- (i) McLeod advised Furtado he would courier a cheque to him, which Furtado never received.
- (j) Furtado talked with McLeod some time in June, 2003, but has not heard from him since.

15. On November 21, 2003, Stade contacted the Office of the Superintendent of Financial Institutions Canada (“OSFI”). OSFI informed Stade that FCTF is not a chartered bank under the Bank Act, nor is SBT a chartered bank under the Bank Act.
- 16 Neither FCTF nor SBT have been issued a business authorization, or are otherwise permitted to carry on trust business in the Province of British Columbia, pursuant to Section 70 of the Financial Institutions Act (the “Act”).

17. Neither FCTF nor SBT have been issued a business authorization, or are otherwise permitted to carry on deposit business in the Province of British Columbia, pursuant to Section 81(1) of the Act.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, First Capital Trading & Finance Corp., First Capital Credit Corp., and the South Bank & Trust Co. Ltd., are carrying on trust business in British Columbia while prohibited from carrying on trust business in British Columbia, pursuant to Section 70 of the Act, and are accordingly committing an act or pursuing a course of conduct that does not comply with the Act.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, First Capital Trading & Finance Corp., First Capital Credit Corp., and the South Bank & Trust Co. Ltd., are carrying on deposit business in British Columbia while prohibited from carrying on deposit business in British Columbia pursuant to Section 81(1) of the Act, and are accordingly committing an act or pursuing a course of conduct that does not comply with the Act.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, First Capital Trading & Finance Corp., First Capital Credit Corp., and the South Bank & Trust Co. Ltd., have improperly used the words "deposit" and "trust", and other words in connection with their business in a way likely to deceive or mislead the public about their ability to undertake deposit business and trust business, and have given the false impression that they are trust companies contrary to Section 31 of the Act, and are accordingly committing an act or pursuing a course of conduct that does not comply with the Act.

AND WHEREAS the Superintendent considers, pursuant to Section 238(1)(b) of the Act that the length of time that would be required to hold a hearing would be detrimental to the due administration of the Act.

NOW THEREFORE the Superintendent orders pursuant to Sections 244(2) and 238 that First Capital Trading & Finance Corp., First Capital Credit Corp., and the South Bank & Trust Company Ltd.:

- 1 Cease from either directly or indirectly carrying on trust business in British Columbia, including advertising trust opportunities and soliciting trust business.
2. Cease from either directly or indirectly carrying on deposit business in British Columbia, including advertising deposit opportunities, and soliciting deposit business.
- 3 Cease using the word "deposit" and other words in any way likely to deceive or mislead the public about their ability to carry on deposit business in British Columbia.

4. Cease using the word "trust" and other words in any way likely to deceive or mislead the public about their ability to carry on trust business in British Columbia, or to give the false impression that they are trust companies.

TAKE NOTICE THAT First Capital Trading & Finance Corp., First Capital Credit Corp., and the South Bank & Trust Co. Ltd. have a right to a hearing or an appeal under Sections 238(2) and 242 of the Act.

Dated at the City of Vancouver, Province of British Columbia
this 20th day of November, 2003.



W. Alan Clark
Superintendent of Financial Institutions
Province of British Columbia

TO: First Capital Trading & Finance Corp.
#1000 – 355 Burrard Street
Vancouver, British Columbia V6C 2G8

First Capital Trading & Finance Corp.
#100 – 2296 McCallum Road
Abbotsford, British Columbia V2S 3P4

First Capital Credit Corp.
#355 – 1000 Burrard Street
Vancouver, British Columbia V2G 6G8

First Capital Credit Corp.
#100 – 2296 McCallum Road
Abbotsford, British Columbia V2S 3P4

South Bank & Trust Co. Ltd.
P.O. Box 185
Plymouth, Montserrat, B.W.I.

Representative Office:
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Guatemala City, Guatemala