

**In The Matter of
*The Securities Act, 1988, C.S-42.2***

and

**In The Matter of
Seisma Oil Research, LLC
Seisma Energy Research, A.V.V.
Seisma Energy Research, LLC
SXC Stock Exchange of the Caribbean, A.V.V
Seisma Mckenzie Draw #1 Joint Venture, also known as Mckenzie Draw Joint Venture
Justin Solomon
Peter Somers
Victor Hedley
(collectively referred to as the Respondents)**

Hearing Held: December 9, 2010

Before: Paul Robinson, Hearing Panel Chairman
Peter Carton, Commissioner
(referred to as the Panel)

Appearances: Mr. Sonne Udemgba for the Staff of the Commission.
Witnesses Kenneth Foster, Investigator for the Commission and Mr. David Curtis Kardash. Mr. Udemgba reported that he had been advised by Mr. Marc Nurik, counsel for all of the respondents with the exception of Peter Somers and Victor Hedley, that he was aware of the hearing and that neither he nor the respondents he represents would attend the hearing.

The Panel rendered an oral decision on December 9, 2010 with an undertaking to issue a written decision. This document dated December 20, 2010 is the written decision.

The purpose of this hearing was to consider whether it is in the public interest to make an order pursuant to subsection 134(1) of the Act that:

1. The exemptions in Saskatchewan laws do not apply to the Respondents.
2. The Respondents cease trading in all securities and exchange contracts.
3. The Respondents cease acquiring securities and entering into exchange contracts.
4. The Respondents cease advising with respect to any securities and exchange contracts.

Mr. Udemgba provided the Panel with the Brief of Law/Argument as well as the following documents along with sworn Affidavits of Service:

Notice of Hearing and Notice of Application to Extend Temporary Order dated September 13, 2010.

Extending Order and Order Setting Hearing Date dated September 27, 2010.

After a consideration of these documents and affidavits and the report of Mr. Udemgba concerning his conversation with Mr. Nurik, the Panel was satisfied that proper notice was given to the Respondents and the Hearing could take place in their absence.

Evidence was presented by Mr. Kardash who was questioned by Mr. Udemgba. During this questioning, Mr. Udemgba submitted 41 documents as Exhibits 1-19, 19a, 20, 21, 21(a), 22-32, 32(a) - 32(g). The Panel then questioned Mr. Kardash. Mr. Udemgba then called Mr. Kenneth Foster, Investigator for the Commission, to present evidence. Mr. Udemgba and the Panel questioned Mr. Foster.

The evidence presented by the two witnesses and the exhibits submitted by Mr. Udemgba established the following facts:

1. The Respondents operated a website www.seismaresearch.com. The website is not currently accessible without registration as an investor.
2. Mr. Kardash visited the above website early in 2009 and sent an email to the site expressing an interest in investing. Mr. Kardash subsequently registered as a client of the Respondents. The subscription documents completed by Mr. Kardash and sent to and received by the Respondents, indicated that Mr. Kardash estimated his annual net income at between \$25,000 and \$50,000 per year and described his investment experience as limited. Under testimony, Mr. Kardash described his investment knowledge as 'little to none'. The panel determined that Mr. Kardash is not an accredited investor as defined by Saskatchewan securities law.
3. During 2009, two of the respondents (Somers and Hedley), who held themselves out as representatives of one of the corporate respondents contacted Mr. Kardash by email and by telephone and advised him of investment opportunities.
4. Mr. Kardash made two investments, \$7,511.88USD on or about June 18, 2009 and \$7,511.88 USD on or about August 4, 2009, to purchase two 1/8th units in a .25% working interest in Seisma Mckenzie Draw #1 Joint Venture. The funds were wired to two different German Banks to the account of Positive Processing Solutions.
5. Mr. Kardash did not hear from the Respondents for several months concerning his investments and contacted staff of the Commission on January 17, 2010.
6. On February 24, 2010, Mr. Kardash received an invoice for \$9,000USD plus a \$90 USD administration fee from the Respondents for the purchase of 3,000 shares of Stock Exchange of the Caribbean, A.V.V. at \$3 per share. Based on advice from Commission Staff, Mr. Kardash did not wire the money.
7. Staff has identified a second Saskatchewan resident who invested with the Respondents.
8. Seisma Oil Research LLC and Seisma Energy Research LLC are limited liability companies incorporated in Florida. Seisma Energy Research, A.V.V. is a limited liability company incorporated in Aruba affiliated with Seisma Oil Research LLC and Seisma Energy Research LLC. Respondent Justin Solomon is managing partner of Seisma Oil Research LLC and controls Seisma Energy Research LLC and Seisma Energy Research A.V.V.
9. Stock Exchange of the Caribbean A.V.V. is a limited liability company incorporated in Aruba that is controlled by Justin Solomon.

10. Seisma Mckenzie Draw #1 Joint Venture was held out to be an oil exploration venture in west Texas undertaken by Seisma Oil Research LLC.
11. The Australian Securities and Investments Commission has listed Seisma Oil, Seisma Energy and Seisma Energy Research LLLC (sic) on their 'Scams- Cold calling blacklist'.
12. The United States Securities and Exchange Commission filed a civil action against; Seisma Oil, Seisma Energy and Justin Solomon claiming that these respondents solicited investors by fraudulently offering units in an investment including the Seisma McKenzie Draw #1 Joint Venture.
13. With the exception of Somers and Hedley, the Respondents were duly served with notices of all of the proceedings. The Respondents failed to attend any of the proceedings and have not denied any of the allegations contained in these notices.
14. None of the Respondents is registered in any capacity in the Commission under the Securities Act.
15. The Director of the Securities Division of the Commission has not issued a prospectus for securities of any of the corporate Respondents.
16. Neither the Commission nor the Director has issued an order exempting any of the Respondents from the registration and prospectus requirements of the Securities Act. Commission staff are not aware of any other exemption under Saskatchewan securities law which is available to the Respondents.

Based on these facts, the Panel concluded that there are reasonable grounds to conclude that:

1. the exemptions in the Saskatchewan Securities Act do not apply to the Respondents.
2. the Respondents breached the registration requirements in section 27 of the Act and the prospectus requirements in Section 58 when they provided investment advice and accepted money for an investment in Seisma Mckenzie Draw #1 Joint Venture from the Saskatchewan Investor without being registered to trade securities in Saskatchewan and without the Director having issued a receipt for a prospectus for Seisma Mckenzie Draw #1 Joint Venture.

Based on the evidence presented and because the Respondents have not responded to the allegations of Commission staff, the Commission believes it is in the public interest to order pursuant to *The Securities Act, 1988* (the Act) that:

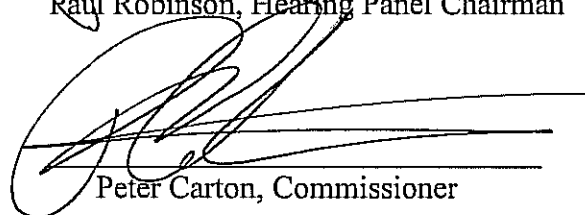
1. pursuant to subsection 134(3) and clause 134(1)(a) of the Act, the exemptions in Saskatchewan securities laws do not apply to the Respondents;
2. pursuant to subsection 134(3) and clause 134(1)(d) of the Act, the Respondents cease trading in all securities and exchange contracts;
3. pursuant to subsection 134(3) and clause 134(1)(d.1) of the Act, the Respondents cease acquiring securities and entering into exchange contracts;
4. pursuant to subsection 134(3) and clause 134(1)(e) of the Act, the Respondents cease giving advice respecting any securities, trades or exchange contracts.

Mr. Udemgba advised the panel that Mr. Kardash had requested that the Panel make an order for financial compensation for \$15,023.76 USD from the Respondents. He also presented an

email from the Director of the Securities Division requesting an order for the financial compensation for Mr. Kardash. The Panel deferred a decision on this request until it has received a report from staff detailing: the results of any further discussions between Mr. Udemgba and Mr. Nurik concerning possible financial compensation, the extent of the losses suffered by the second Saskatchewan investor, any attempts that have been or will be made to determine if there are other Saskatchewan investors, the Commission's policy on when to order financial compensation.

Dated this 20 day of December 2010.


Raul Robinson, Hearing Panel Chairman


Peter Carton, Commissioner