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STOCKGROUP INFORMATION SYSTEMS INC

Form SB-2

August 01, 2003

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON July 31, 2003  
REGISTRATION NO. \_\_\_\_\_

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----  
FORM SB-2  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933  
-----

STOCKGROUP INFORMATION SYSTEMS INC.  
(Exact Name of Registrant as Specified in Its Charter)

COLORADO	6282	84-1379282
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification Number)

SUITE 500 - 750 WEST PENDER STREET  
VANCOUVER, BRITISH COLUMBIA, CANADA V6C 2T7 (604) 331-0995  
(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's Executive Offices)

DEVLIN JENSEN  
BARRISTERS AND SOLICITORS  
2550 - 555 WEST HASTINGS STREET  
VANCOUVER, BC, CANADA V6B 4N5  
(604) 684-2550  
(Name, Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Agent for Service)

-----  
APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as  
practicable after this registration statement becomes effective.

-----  
If any of the securities being registered on this Form are being offered on a  
delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant  
to Rule 462(b) under the Securities Act of 1933, check the following box and  
list the Securities Act registration statement number of the earlier effective  
registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under  
the Securities Act of 1933, check the following box and list the Securities Act  
registration statement number of the earlier registration statement for the same  
offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under  
the Securities Act of 1933, check the following box and list the Securities Act  
registration statement number of the earlier registration statement for the same  
offering. [ ]

If delivery of the Prospectus is expected to be made pursuant to Rule 434,  
please check the following box. [ ]

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1

CALCULATION OF REGISTRATION FEE

Description of Securities (1)	Number of Shares	Maximum Offering Price Per Share (2)	Aggregate Offering Price	Amount of Registration Fee
Common shares being offered by selling security holders, originally acquired in a private placement December 31, 2002 . . . . .	3,403,750	\$ 0.285	\$ 970,069	\$ 8,000
Common shares underlying warrants, originally acquired in a private placement December 31, 2002 . . . . .	1,701,875	\$ 0.22	\$ 374,413	\$ 3,000
Common shares underlying agent's warrants, originally acquired in a private placement December 31, 2002 . . . . .	150,000	\$ 0.16	\$ 24,000	\$ 0
Common shares being offered by selling security holders, originally acquired in a short form offering June 4 and July 16, 2003. . . . .	3,742,800	\$ 0.285	\$ 1,066,698	\$ 9,000
Common shares underlying warrants issued, originally acquired in a short form offering June 4 and July 16, 2003. . . . .	1,871,400	\$ 0.55	\$ 1,029,270	\$ 9,000
Common shares underlying agent options originally acquired in a short form offering June 4 and July 16, 2003. . . . .	374,280	\$ 0.27	\$ 101,056	\$ 0
Common shares underlying warrants underlying agent options, originally acquired in a short form offering June 4 and July 16, 2003. . . . .	187,140	\$ 0.55	\$ 102,921	\$ 0
Totals. . . . .	11,431,245		\$ 3,668,432	\$ 33,000

1. All securities being registered are common shares, no par value
2. Calculated in accordance with Rule 457(c) and (o) under the Securities Act of 1933 solely for the purpose of calculating the registration fee.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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PROSPECTUS

Subject to completion, dated July 31, 2003

THE INFORMATION CONTAINED IN THIS PROSPECTUS IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES, AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES, IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

STOCKGROUP INFORMATION SYSTEMS INC.

7,146,550 shares of common stock to be sold by certain selling security holders  
4,284,695 shares of common stock issuable upon the exercise of outstanding warrants and agent options to be sold by certain selling security holders

This prospectus relates to the offer and sale of 7,146,550 shares of our common stock and 4,284,695 shares of our common stock issuable upon the exercise of outstanding warrants and agent options, by certain selling security holders. The selling security holders will offer and sell their shares of outstanding common stock and shares of common stock underlying outstanding warrants at prevailing market prices or at privately negotiated prices.

The shares will become tradable on the effective date of this prospectus. We will receive no proceeds from sales of shares by the selling shareholders, other than proceeds, if any, from the exercise of the warrants and agent options. Our common stock is listed on the O-T-C Bulletin Board under the symbol "SWEB" and on the TSX Venture Exchange under the symbol "SWB." On July 29, 2003, the closing price of our common stock was \$0.285 per share on the OTCBB.

SEE "RISK FACTORS" BEGINNING ON PAGE 7 FOR A DISCUSSION OF MATERIAL ISSUES TO CONSIDER BEFORE PURCHASING OUR COMMON STOCK.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is July 31, 2003

TABLE OF CONTENTS

SUMMARY INFORMATION AND RISK FACTORS . . . . .	5
PROSPECTUS SUMMARY . . . . .	5
SUMMARY FINANCIAL INFORMATION. . . . .	6
RISK FACTORS . . . . .	7
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS . . . . .	8
USE OF PROCEEDS. . . . .	9
SELLING SECURITY HOLDERS . . . . .	9
PLAN OF DISTRIBUTION . . . . .	18
SELLING SECURITY HOLDERS . . . . .	18
LEGAL PROCEEDINGS. . . . .	18

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DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS . . . . .	18
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT . . . . .	20
DESCRIPTION OF SECURITIES. . . . .	23
COMMON STOCK . . . . .	23
PREFERRED STOCK. . . . .	23
CONVERTIBLE DEBENTURES, NOTES AND WARRANTS . . . . .	23
STOCK OPTIONS. . . . .	24
EXPERTS. . . . .	26
LEGAL MATTERS. . . . .	26
DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES. . . . .	26
ORGANIZATION WITHIN LAST FIVE YEARS. . . . .	26
DESCRIPTION OF BUSINESS. . . . .	26
GENERAL. . . . .	26
EMPLOYEES. . . . .	29
REGULATORY ISSUES. . . . .	29
SUBSIDIARIES . . . . .	30
RESEARCH AND DEVELOPMENT . . . . .	30
MANAGEMENT'S DISCUSSION AND ANALYSIS . . . . .	30
RESULTS OF OPERATIONS - THREE MONTHS ENDED MARCH 31, 2003 AND MARCH 31, 2002 . . . . .	30
RESULTS OF OPERATIONS - FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001 . . . . .	31
CRITICAL ACCOUNTING POLICIES . . . . .	33
LIQUIDITY AND CAPITAL RESOURCES. . . . .	33
CORPORATE DEVELOPMENTS DURING THE YEAR . . . . .	34
CORPORATE DEVELOPMENTS SINCE YEAR END. . . . .	35
DESCRIPTION OF PROPERTY. . . . .	35
INTELLECTUAL PROPERTY, PROPRIETARY RIGHTS AND DOMAIN NAMES . . . . .	35
LEASEHOLD. . . . .	36
EQUIPMENT. . . . .	36
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS . . . . .	36
MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS . . . . .	36
EXECUTIVE COMPENSATION . . . . .	37
AGGREGATED OPTION EXERCISE IN LAST FISCAL YEAR AND FISCAL YEAR END OPTION VALUES . . . . .	38
FINANCIAL STATEMENTS . . . . .	39
CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE . . . . .	78
ANTITAKEOVER EFFECTS OF COLORADO LAW AND OUR ARTICLES OF INCORPORATION AND BYLAWS. . . . .	78
TRANSFER AGENT AND REGISTRAR . . . . .	78
SHARES ELIGIBLE FOR FUTURE SALE. . . . .	78
WHERE YOU CAN FIND ADDITIONAL INFORMATION. . . . .	78
PART II. . . . .	80
INDEMNIFICATION OF DIRECTORS AND OFFICERS. . . . .	80
LIMITATION OF LIABILITY AND INDEMNIFICATION MATTERS. . . . .	81
OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION. . . . .	83
RECENT SALES OF UNREGISTERED SECURITIES. . . . .	83
UNDERTAKINGS . . . . .	84
SIGNATURES . . . . .	85
EXHIBITS AND FINANCIAL STATEMENT SCHEDULES . . . . .	86
A. EXHIBIT INDEX. . . . .	86
B. FINANCIAL STATEMENT SCHEDULES. . . . .	87
EXHIBIT 4.10 FORM OF SUBSCRIPTION AGREEMENT DECEMBER 31, 2002. . . . .	88
EXHIBIT 4.11 FORM OF WARRANT DECEMBER 31, 2002 . . . . .	104
EXHIBIT 4.12 SHORT FORM OFFERING . . . . .	129
EXHIBIT 4.13 FORM OF WARRANT FOR SHORT FORM OFFERING . . . . .	150
EXHIBIT 4.14 AGENCY AGREEMENT. . . . .	175
EXHIBIT 5.1 CONSENT AND OPINION OF LEGAL COUNSEL . . . . .	194
EXHIBIT 23.1 CONSENT OF INDEPENDENT CHARTERED ACCOUNTANTS. . . . .	195

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### PROSPECTUS SUMMARY

THIS SUMMARY HIGHLIGHTS INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS. BECAUSE IT IS A SUMMARY, IT DOES NOT CONTAIN ALL OF THE INFORMATION THAT YOU SHOULD CONSIDER BEFORE INVESTING IN OUR COMMON STOCK. YOU SHOULD READ THE ENTIRE PROSPECTUS CAREFULLY, INCLUDING THE "RISK FACTORS" AND OUR FINANCIAL STATEMENTS AND RELATED NOTES APPEARING ELSEWHERE IN THIS PROSPECTUS, TO UNDERSTAND THIS OFFERING FULLY. References herein to "we", "us", "our", "Company" or "Stockgroup" refer to Stockgroup Information Systems Inc. and its subsidiaries.

#### Company Overview

Stockgroup is a financial media and technology company which provides a wide range of financial information services including Financial Software and Content Systems, and Public Company Disclosure and Awareness Products.

We were incorporated under the laws of the State of Colorado in 1994 and have a December 31st financial year end.

In addition to our corporate headquarters at Suite 500 - 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7, we have offices in Toronto, Ontario. Our telephone number at our corporate head office is (604) 331-0995.

A full description of our company may be found elsewhere in this prospectus under the heading "Business".

#### Selling Security Holders

This prospectus relates to the registration for resale of 7,146,550 shares of our common stock and 4,284,695 shares of our common stock issuable upon the exercise of outstanding warrants and agent options, by certain selling security holders. The selling security holders will offer and sell their shares of outstanding common stock and shares of common stock underlying outstanding warrants at prevailing market prices or privately negotiated prices. We will not receive any proceeds from the sale of the securities by the selling security holders, other than through the exercise, if any, of their outstanding warrants.

#### Other Information

Common stock outstanding prior to the offering:	29,418,371 shares. This number does not include shares issuable upon the exercise of outstanding stock options.
Common stock offered by selling Security holders:	11,431,245 shares. This number assumes the exercise of all warrants to purchase in aggregate 4,284,695 shares of common stock.
Common stock to be outstanding after the offering:	33,703,066 shares. This number assumes the exercise of all warrants being offered by the selling security holders.
Net proceeds:	We will not receive any proceeds from the sale of securities by the selling security holders.
Trading Symbols:	OTCBB: "SWEB" TSX Venture Exchange: "SWB"

## SUMMARY FINANCIAL INFORMATION

Set forth below are summary statements of operations data for the quarters ended March 31, 2003 and 2002 and years ended December 31, 2002 and 2001, and summary balance sheet data as of March 31, 2003, December 31, 2002 and December 31, 2001. This information should be read in conjunction with the quarterly consolidated financial statements for the quarters ended March 31, 2003 and 2002 and annual consolidated financial statements for the years ended December 31, 2002 and 2001 and notes thereto and "Management's Discussion and Analysis", appearing elsewhere in this prospectus.

	Three Months Ended March 31		Years Ended December 31	
	2003	2002	2002	2001
<b>STATEMENT OF OPERATIONS DATA:</b>				
<b>REVENUE</b>				
Revenues . . . . .	\$ 601,712	\$ 442,241	\$ 1,964,699	\$ 2,000,000
Cost of revenues . . . . .	157,354	164,248	706,911	1,000,000
Gross profit . . . . .	\$ 444,358	\$ 277,993	\$ 1,257,788	\$ 1,000,000
<b>EXPENSES</b>				
Sales and marketing . . . . .	\$ 158,774	\$ 92,060	\$ 475,038	\$ 500,000
Product development . . . . .	7,451	18,498	78,792	100,000
General and administrative . . . . .	530,288	363,540	1,712,056	1,500,000
Total expenses . . . . .	\$ 696,512	\$ 474,098	\$ 2,265,886	\$ 2,100,000
Loss from operations . . . . .	\$ (252,155)	\$ (196,105)	\$ (1,008,098)	\$ (1,000,000)
Interest income . . . . .	-	146	195	200
Interest (expense) . . . . .	(216,502)	(184,359)	(319,641)	(300,000)
Gain (loss) on warrants liability . . . . .	-	(55,000)	(55,000)	-
Gain on restructuring of convertible notes . . . . .	-	1,088,586	1,088,586	-
Gain on convertible note redemption . . . . .	-	-	-	-
Other income (expense) . . . . .	472	3,951	(12,719)	100
Loss before effect of cumulative change in accounting principle . . . . .	\$ (468,185)	\$ 657,219	\$ (306,677)	\$ (1,000,000)
Cumulative effect of change in accounting principle . . . . .	-	-	-	-
Net income (loss) . . . . .	\$ (468,185)	\$ 657,219	\$ (306,677)	\$ (1,000,000)
<b>Basic and diluted loss per share:</b>				
Net loss before cumulative change in accounting principle . . . . .	(0.02)	0.06	(0.02)	(0.02)
Cumulative effect of change in accounting principle . . . . .	0.00	0.00	0.00	0.00
Net loss . . . . .	(0.02)	0.06	(0.02)	(0.02)

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BALANCE SHEET DATA as at: . . . . .	March 31, 2003	December 31, 2002	December 31,
	-----	-----	-----
Total assets. . . . .	\$ 1,132,241	\$ 1,451,626	\$ 723
Total liabilities . . . . .	2,177,869	2,702,443	3,467
Total shareholders' deficiency. . . . .	(1,045,628)	(1,250,817)	(2,743)

6

### RISK FACTORS

The following factors should be considered carefully in evaluating Stockgroup and its business.

Our limited operating history makes it difficult for you to judge our prospects.

We have a limited operating history upon which an evaluation of our current business and prospects can be based. We have reported losses for each fiscal year since we became a public company. You should consider any purchase of our shares in light of the risks, expenses and problems frequently encountered by all companies in the early stages of its corporate development, such as lack of capital, difficulty attracting high quality personnel, lack of market exposure, and uncertainty about the viability of its business plan.

Liquidity and capital resources are uncertain.

We incurred a net loss of \$468,185 for the quarter ended March 31, 2003, and \$306,677 for the year ended December 31, 2002, and had a working capital deficiency of \$496,462 as at March 31, 2003. These factors raise substantial doubt about our ability to continue as a going concern and the report we received from our independent accountants for the year ended December 31, 2002 included an explanatory paragraph stating that there is substantial doubt about our ability to continue as a going concern as well. We have \$209,610 in notes payable and \$78,129 in capital lease payments due within the next twelve months. We have raised \$0.9M net (referenced elsewhere in this document at C\$1.4M gross proceeds) in equity placements on June 4, 2003, and July 16, 2003, and we may need to seek additional capital. Although we have taken steps to achieve profitable operations in 2003, there are no assurances that we will be successful in achieving our goals.

In view of these conditions, our ability to continue as a going concern is uncertain and dependent upon achieving a profitable level of operations and, if necessary, on our ability to obtain necessary financing to fund ongoing operations. As well, our ability to absorb a large unforeseen expenditure is limited by our current lack of capital resources.

Computer equipment problems and failures could adversely affect our business.

Problems or failures in Internet-related equipment, including file servers, computers and software, could result in interruptions or slower response times for our products, which could reduce the attractiveness of our Web site, financial tools or software products to advertisers and users. Should such interruptions continue for an extended period we could lose significant business and reputation. Equipment problems and failures could result from a number of causes, including an increase in the number of users of our Web site, computer viruses, outside programmers penetrating and disrupting software systems, human error, fires, floods, power and telecommunications failures and internal breakdowns. In addition, any disruption in Internet access and data feeds provided by third parties could have a material and adverse effect on our

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businesses. Our limited resources do not currently permit us to maintain an off-site disaster recovery facility. As a result, if we experience a major disaster such as a fire, theft, or intentional destruction of our computer equipment, it could have catastrophic results for our business.

We may not be able to compete successfully against current and future competitors.

We currently compete with several other companies offering similar services. Many of these companies have significantly greater financial resources, name recognition, and technical and marketing resources, and virtually all of them are seeking to improve their technology, products and services. We can not assure you that we will have the financial resources or the technological expertise to successfully meet this competition.

We are significantly influenced by our officers, directors and entities affiliated with them.

In the aggregate, ownership of Stockgroup shares by management represents approximately 18% of our present issued and outstanding shares of common stock. These shareholders, if acting together, will be able to significantly influence all matters requiring approval by shareholders, including the election of directors and the approval of mergers or other business combinations transactions involving the Company.

We may be unable to protect the intellectual property rights upon which our business relies.

We regard substantial elements of our Web site and underlying technology as proprietary and attempt to protect them by relying on intellectual property laws, including trademark, service mark, copyright and trade secret laws and restrictions on disclosure and transferring title and other methods. We also generally enter into confidentiality agreements with employees and consultants and in connection with license agreements with third parties, and we seek to control access to proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain or use our proprietary information without authorization or to develop similar technology independently. There can also be no assurance that our business activities will not infringe upon the proprietary rights of others, or that other parties will not assert infringement claims against us, including claims that by, directly or indirectly, providing hyperlink text links to Web sites operated by third parties, we have infringed upon the proprietary rights of other third parties.

7

It is unclear how any existing and future laws enacted will be applied to the internet industry and what effect such laws will have on us.

A number of legislative and regulatory proposals under consideration by federal, state, provincial, local and foreign governmental organizations may lead to laws or regulations concerning various aspects of the Internet including, but not limited to, online content, user privacy, taxation, access charges, liability for third-party activities and jurisdiction. Additionally, it is uncertain how existing laws will be applied by the judiciary to the Internet. The adoption of new laws or the application of existing laws may decrease the growth in the use of the Internet, which could in turn decrease the demand for our services, increase the cost of doing business or otherwise have a material adverse effect on our business, results of operations and financial condition.

We may be held liable for online information or products provided by us or third parties.



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Because materials may be downloaded by the public on Internet services offered by us or the Internet access providers with whom we have relationships, and because third party information may be posted by third parties on our Web site through discussion forums and otherwise, there is the potential that claims will be made against us for defamation, negligence, copyright or trademark infringement or other theories. Such claims have been brought against providers of online services in the past. The imposition of liability based on such claims could materially and adversely affect us.

Even to the extent such claims do not result in liability, we could incur significant costs in investigating and defending against such claims. The imposition on us of potential liability for information or products carried on or disseminated through our Web site could require implementation of measures to reduce exposure to such liability, which may require the expenditure of substantial resources and limit the attractiveness of services to members and users.

Our general liability insurance may not cover all potential claims to which we are exposed or may not be adequate to indemnify us for all liability that may be imposed. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on our business, results of operations and financial condition.

Future sales of shares may adversely impact the value of our stock.

We will attempt to raise additional capital through the sale of common stock in the near future, including through this offering. Future sales of common stock may dilute your position in the Company. As there is a limited market for our common stock, there may be considerable volatility in our stock price due to selling and buying pressures. Future sales of shares by us or our shareholders could cause the market price of our common stock to decline. Under the terms of outstanding convertible notes and debentures the number of shares that may be issued under such instruments may be increased in the event of certain changes in our capital structure.

The departure of key personnel could have an adverse impact on our business.

We employ certain key personnel with skills, including management skills, which may be difficult to replace quickly. Should one or more of our key personnel depart our Company we may incur time and cost losses replacing them. Even if replaced, it is possible that their departure could have a long lasting adverse impact on us.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements." In some cases you can identify forward-looking statements by terminology such as "may", "will", "should", "could", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of such terms and other comparable terminology.

These forward-looking statements include, without limitation, statements about:

- our market opportunity;
- our strategies;
- competition;
- expected activities and expenditures as we pursue our business plan; and
- the adequacy of our available cash resources.

These statements appear in a number of places in this registration statement and include statements regarding the intent, belief or current expectations of the

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Company, its directors or its officers with respect to, among other things: (i) trends affecting our financial condition or results of operations, (ii) our business and growth strategies, (iii) the Internet and Internet commerce and (iv) our financing plans. Although we believe that the expectations reflected in the forward-looking statement are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

8

The accompanying information contained in this prospectus including, without limitation, the information set forth under the headings "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Business" identify important factors that could adversely affect actual results and performance. All forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statement.

### USE OF PROCEEDS

We will not receive any proceeds from the sale of the securities by the selling security holders.

### SELLING SECURITY HOLDERS

This prospectus relates to the offering by the selling security holders of shares of our common stock acquired by them in an equity investment and exercise of warrants that the selling security holders received in certain private placements. 11,431,245 shares of common stock offered by this prospectus are being offered by the selling security holders for their own accounts.

#### A. 28 SHAREHOLDERS PARTICIPATING IN THE DECEMBER 31, 2002 PRIVATE PLACEMENT

We are registering the resale of 5,255,625 shares for this group of shareholders.

555625 BC Ltd., APL Securities, C. Channing Buckland, Carpe Diem Investments Ltd., Isabel Chiarantano, James McAusland, Jasna Frakes, Jeana Traviss, Kimberly D. Hodal, Madeline McAusland, Neil Linder, Ronald Blusson, Rudy Lunter, Shane Myers, 828820 Alberta Ltd, Ming Capital Enterprises, Turf Holding, Dorothy Morrison, Sanovest Holdings Ltd., Bank Sal Oppenheim jr. cie, Belzberg Financial Market & News Inc., Clive de Larrabeiti, Darcy A. Higgs, Panorama Public and Industrial Communications Ltd., Konstantinos Tsirigotis, Les Enterprises de Richard Atkinson Ltee., Peter Krag Hansen, Thomas O'Neill and Bolder Capital (collectively, the "selling security holders") purchased an aggregate 3,403,750 units, each unit consisting of one common share and one non-transferable warrant, at a price of \$0.16 per unit for total gross proceeds of \$544,600 from us in a private placement transaction which completed on December 31, 2002. Each two warrants entitle the holder to acquire one common share at an exercise price of \$0.22 until December 31, 2003. We also issued 150,000 agent's warrants to Bolder Capital as a placement fee in the transaction. Each one agent's warrant is exercisable at \$0.16 per common share.

As of the date of this prospectus none of the warrants or agent's warrants had been exercised.

The following table sets forth information with respect to the common stock beneficially owned by the selling security holders as of the date of this prospectus. Beneficial ownership is determined in accordance with Securities and Exchange Commission rules and includes voting or investment power with respect to the securities.

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The percentage interest of each selling security holder is based on the beneficial ownership of that selling security holder divided by the sum of the current outstanding shares of common stock plus the additional shares, if any, which would be issued to that selling security holder (but not any other selling security holder) when exercising warrants in the future.

To our knowledge, each of the selling security holders has sole voting and investment power over the shares of common stock listed in the table below. No selling security holder has had a material relationship with us during the last three years, other than as an owner of our common stock or other securities. To our knowledge, none of these investors is affiliated with the others.

9

Name	Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percent Owned
555625 BC Ltd. . . . .	50,000	50,000	
APL Securities . . . . .	75,000	75,000	
C. Channing Buckland . . . . .	236,250	236,250	
Carpe Diem Investments Ltd. . . . .	62,500	62,500	
Isabel Chiarantano . . . . .	31,250	31,250	
James McAusland. . . . .	30,000	30,000	
Jasna Frakes . . . . .	25,000	25,000	
Jeana Traviss. . . . .	60,000	60,000	
Kimberly D. Hodal. . . . .	60,000	60,000	
Madeline McAusland . . . . .	30,000	30,000	
Neil Linder. . . . .	100,000	100,000	
Ronald Blusson . . . . .	60,000	60,000	
Rudy Lunter. . . . .	30,000	30,000	

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Shane Myers . . . . .	150,000	150,000	
828820 Alberta Ltd . . . . .	312,500	312,500	1.
Ming Capital Enterprises . . . . .	475,000	475,000	1.
Turf Holding . . . . .	500,000	500,000	1.
Dorothy Morrison . . . . .	100,000	100,000	
Sanovest Holdings Ltd. . . . .	312,500	312,500	1.
Bank Sal Oppenheim jr. Cie. . . . .	81,250	81,250	
Belzberg Financial Market & News Inc.. . . . .	200,000	200,000	
Clive de Larrabeiti. . . . .	100,000	100,000	
Darcy A. Higgs . . . . .	62,500	62,500	

Name	Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percent Owned
Panorama Public and Industrial Communications Ltd.	100,000	100,000	
Konstantinos Tsirigotis. . . . .	10,000	10,000	
Les Enterprises de Richard Atkinson Ltee . . . . .	50,000	50,000	
Peter Krag Hansen. . . . .	50,000	50,000	
Thomas O'Neill . . . . .	50,000	50,000	
Bolder Investment Partners . . . . .	150,000	150,000	

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\* - Less than 1%

B. 215 SECURITY HOLDERS PARTICIPATING IN THE APRIL 2003 SHORT FORM OFFERING

We are registering the resale of 6,175,620 shares for this group of security holders.

The list of security holders in the table below purchased an aggregate of 3,742,800 units, each unit consisting of one common share and one non-transferable warrant, at a price of C\$0.37 per unit, for total gross proceeds of C\$1,384,836, from us in a short form offering which completed in two parts on June 4, 2003 and July 16, 2003. Each two warrants entitle the holder to acquire one share of us at an exercise price of C\$0.75 for 12 months from the respective completion date. In addition, a group of agents led by First Associates Investments Inc. and including Bolder Investment Partners Ltd., Canaccord Capital Corp., Haywood Securities Inc., Penson Financial Services Canada, Wolverton Securities Ltd., and Union Securities Ltd. received an aggregate of 374,280 agent options, with each agent option entitling the holder to acquire one unit as described above for 24 months from the respective completion date at C\$0.37 per unit.

As of the date of this prospectus none of the warrants or agent options had been exercised.

The following table sets forth information with respect to the common stock beneficially owned by the selling security holders as of the date of this prospectus. Beneficial ownership is determined in accordance with Securities and Exchange Commission rules and includes voting or investment power with respect to the securities.

The percentage interest of each selling security holder is based on the beneficial ownership of that selling security holder divided by the sum of the current outstanding shares of common stock plus the additional shares, if any, which would be issued to that selling security holder (but not any other selling security holder) when exercising warrants in the future.

To our knowledge, each of the selling security holders has sole voting and investment power over the shares of common stock listed in the table below. No selling security holder has had a material relationship with us during the last three years, other than as an owner of our common stock or other securities. To our knowledge, none of these investors is affiliated with the others.

11

Name	Amount and Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percentage of Stock Owned Prior To the Offering
Marc Melnic. . . . .	15,000	15,000	*
Robert Grapko. . . . .	15,000	15,000	*
Wendy Stang. . . . .	15,000	15,000	*
Mr Keith Pascoe-Price. . . . .	15,000	15,000	*

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Ms. Alice Linderman. . . . .	7,500	7,500	*
Mike Svab. . . . .	15,000	15,000	*
Margaret Bosch . . . . .	7,500	7,500	*
Miss Raffelina Lamontagne. . . . .	7,500	7,500	*
Wayne Young. . . . .	30,000	30,000	*
Guy Farebrother. . . . .	30,000	30,000	*
Roger Michaud. . . . .	15,000	15,000	*
Bob Pandelidis . . . . .	3,000	3,000	*
Ann Kostiuik. . . . .	15,000	15,000	*
Andy Kostiuik . . . . .	15,000	15,000	*
Denis Gosselin . . . . .	1,500	1,500	*
Mr. Mohammed Elsaghir. . . . .	30,000	30,000	*
Ty Lopes . . . . .	1,500	1,500	*
Robin John Wilkinson . . . . .	75,000	75,000	*
Ralph Wallace. . . . .	30,000	30,000	*
Colin Magee. . . . .	4,500	4,500	*
940180 Alberta Limited . . . . .	15,000	15,000	*
Kenneth Leong. . . . .	15,000	15,000	*
Mr. Ben J Murphy . . . . .	3,750	3,750	*
Cheryl Enright . . . . .	1,500	1,500	*
Karen Tomter . . . . .	15,000	15,000	*
Winsome Capital Inc. . . . .	52,500	52,500	*
Balmon Holdings Ltd. . . . .	150,000	150,000	*
Cibc World Markets Inc . . . . .	65,700	65,700	*
Brian Schmidt. . . . .	15,000	15,000	*
Oriole Energy Eastern Ltd. . . . .	15,000	15,000	*
Barry Slusarchuk . . . . .	22,500	22,500	*
Gary L Gray Pro Corp.. . . . .	30,000	30,000	*
Peter-Paul Holdings. . . . .	150,000	150,000	*
Steve Mulherin . . . . .	45,000	45,000	*
Ms. Jan Richard. . . . .	22,500	22,500	*

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Mr. Peter Tse . . . . .	7,500	7,500	*
International Benefits Management . . Corporation	150,000	150,000	*
Tony Smith . . . . .	30,000	30,000	*
Mr. Dean Bristow . . . . .	30,000	30,000	*

12

Name	Amount and Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percentage of Stock Owned Prior To the Offering
Michelle L Colley . . . . .	3,000	3,000	*
Leo Verlaan . . . . .	7,500	7,500	*
Elizabeth Verlaan . . . . .	7,500	7,500	*
Mr. Steve Simonds . . . . .	30,000	30,000	*
Keith Rose . . . . .	52,500	52,500	*
Mr Raymond Pineo . . . . .	43,500	43,500	*
Sherry Sturko . . . . .	4,500	4,500	*
Mr John Robert Conaty And/Or . . . . Mrs Louise Conaty Jtwros	15,000	15,000	*
Warren Seaman . . . . .	3,750	3,750	*
Melissa M Hart . . . . .	22,500	22,500	*
Tom Hart . . . . .	22,500	22,500	*
Mr Gord Berkhold . . . . .	7,500	7,500	*
Andrew Watts . . . . .	3,000	3,000	*
Jenifer Gray . . . . .	7,500	7,500	*
Heather Hankins-Bruce . . . . .	7,500	7,500	*
Time Frame Construction Ltd. . . . .	30,000	30,000	*
Mr. Robert J Watts . . . . .	9,000	9,000	*
Mr Arthur Borzel . . . . .	15,000	15,000	*
Mr. Mark Salmon . . . . .	22,500	22,500	*

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Jeff Wright . . . . .	6,000	6,000	*
Mr. Kevin Clarkson . . . . .	1,500	1,500	*
Yue Tim Pak . . . . .	7,500	7,500	*
Aldo Marangoni For Jesse Marangoni . . . . .	3,000	3,000	*
Flo Ibsen And Barrie Ibsen Jtwros. . . . .	6,000	6,000	*
Mr. Randal Wilson . . . . .	75,000	75,000	*
Jack Howorko . . . . .	7,500	7,500	*
Bill Brandsma . . . . .	6,000	6,000	*
Galaxy Players Ltd . . . . .	37,500	37,500	*
Rykel Resources Ltd. . . . .	22,500	22,500	*
Mr. David Westlund . . . . .	30,000	30,000	*
Gabina Herrmann . . . . .	1,500	1,500	*
Tarik Elsaghir . . . . .	15,000	15,000	*
Mr. Derrick Armstrong . . . . .	150,000	150,000	*
Mr. Gary Lobb . . . . .	45,000	45,000	*
Gary Dagnall . . . . .	30,000	30,000	*
Mrs. Linda Dagnall . . . . .	82,500	82,500	*
Mark Woods . . . . .	3,750	3,750	*

13

Name	Amount and Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percentage of Stock Owned Prior To the Offering
Shannon L Lussier . . . . .	3,750	3,750	*
Dean Giesbrecht . . . . .	15,000	15,000	*
Mrs. Kari-Leigh Whitelaw . . . . .	15,000	15,000	*
Brian Whitelaw . . . . .	22,500	22,500	*
Mr. Wayne Cutforth . . . . .	15,000	15,000	*
Mr Paul Chiasson . . . . .	7,500	7,500	*



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Melinda Chiasson . . . . .	7,500	7,500	*
Bill Hamilton. . . . .	2,250	2,250	*
Don Serwa. . . . .	15,000	15,000	*
Todd Viollette . . . . .	42,000	42,000	*
L Kristi Eshleman. . . . .	15,000	15,000	*
Mr. Aldo Marangoni . . . . .	15,000	15,000	*
Caribou Land Services Ltd. . . . .	37,500	37,500	*
Cal Gazdag . . . . .	37,500	37,500	*
Hamish Pollard . . . . .	6,000	6,000	*
Domenic Parrotta For Joey. Parrotta	30,000	30,000	*
827119 Alberta Ltd . . . . .	30,000	30,000	*
Roxana J Acheson . . . . .	15,000	15,000	*
Mr. John Sobkowich . . . . .	9,000	9,000	*
Denise Blinkal . . . . .	9,000	9,000	*
Mr. Bruce Hrabchak . . . . .	3,000	3,000	*
Nizar Devji. . . . .	7,500	7,500	*
Sandy Tse. . . . .	25,500	25,500	*
Stacy Provins. . . . .	12,000	12,000	*
Aldo Marangoni For Jenna Maria Marangoni	3,000	3,000	*
Jason Perri. . . . .	7,500	7,500	*
Candace Cooke. . . . .	7,500	7,500	*
Mr. Gary Whelan. . . . .	7,500	7,500	*
Gary Brownlee. . . . .	1,500	1,500	*
Gary Brownlee For Steven Unsworth	3,000	3,000	*
Rudy Witt. . . . .	15,000	15,000	*
Mr Terry Sheepy. . . . .	3,750	3,750	*
Mr. Jack Little. . . . .	15,000	15,000	*
Mr. Richard Block. . . . .	15,000	15,000	*
Gordon Jeffery . . . . .	45,000	45,000	*

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Name	Amount and Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percentage of Stock Owned Prior To the Offering
Mr Danny Rasmussen . . . . .	22,500	22,500	*
-----			
14			
Bob Anderson . . . . .	15,000	15,000	*
Mr. John-Paul Trottier . . . . .	90,000	90,000	*
Herb Pflughaupt . . . . .	16,500	16,500	*
Colleen Weeks . . . . .	16,500	16,500	*
Kirk Pflughaupt . . . . .	15,000	15,000	*
Mr. Bob Eakin . . . . .	75,000	75,000	*
James Belovich . . . . .	7,500	7,500	*
Leroy N Hiller . . . . .	2,250	2,250	*
Leroy Hiller For Jordan Hiller . . .	2,250	2,250	*
Neil B Ramsay . . . . .	30,000	30,000	*
Neil Ramsay Professional Corporation . . . . .	30,000	30,000	*
Paul Sabourin . . . . .	45,000	45,000	*
Mr. Alan Olinyk . . . . .	30,000	30,000	*
Mrs. Mary Panas . . . . .	7,500	7,500	*
Paul Vandergust . . . . .	9,000	9,000	*
Mr. Marc I Lozynsky . . . . .	1,500	1,500	*
Mr. Michael Marianicz . . . . .	7,500	7,500	*
Mrs. Marlane Marianicz . . . . .	7,500	7,500	*
Miss Lori Marianicz . . . . .	15,000	15,000	*
Mr. Alexander Meinzinger And Helen Meinzinger Jtwros . . . . .	15,000	15,000	*
Maurice Walsh . . . . .	15,000	15,000	*
Maxine E Webb And Norman Webb Jtwros . . . . .	13,500	13,500	*

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Mr. Dale K Anderson. . . . .	30,000	30,000	*
Tony Wong. . . . .	22,500	22,500	*
Ms Laura Jean Mack . . . . .	7,500	7,500	*
Sharon Willcock. . . . .	1,500	1,500	*
Mr Robert Borzel . . . . .	15,000	15,000	*
Chris Blyth. . . . .	7,500	7,500	*
Barry Brown. . . . .	30,000	30,000	*
Vern Haberlack . . . . .	30,000	30,000	*
Serge Bonnet . . . . .	15,000	15,000	*
Mr. Leonard Henri Garon. . . . .	7,500	7,500	*
Thurston Consulting Ltd. . . . .	30,000	30,000	*
Igor Lozynsky. . . . .	7,500	7,500	*
Mr. John Ames. . . . .	30,000	30,000	*

15

Name	Amount and Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percentage of Stock Owned Prior To the Offering
Ash Mukherjee. . . . .	7,500	7,500	*
Gary Lynkowski And Denise Lynkowski Jtwros	7,500	7,500	*
Don Osbak. . . . .	3,000	3,000	*
Donna Gaidica. . . . .	30,000	30,000	*
Canaccord Capital Corp . . . . .	312,000	312,000	1.06%
Donald Mcinnes . . . . .	30,000	30,000	*
Haywood Securities Inc . . . . .	300,000	300,000	1.02%
Jurgen Wollschlager. . . . .	15,000	15,000	*
Hanwol Investments Ltd . . . . .	37,500	37,500	*
Randy Wold And Tina Wold Jtwros	15,000	15,000	*

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Mr. Patrick Stratton . . . . .	75,000	75,000	*
Mr. Vern Chipiuk . . . . .	15,000	15,000	*
Ruth Ferguson. . . . .	15,000	15,000	*
Mr Rick Draper . . . . .	15,000	15,000	*
Charlene Squire. . . . .	15,000	15,000	*
Mrs. Jacquie Danforth. . . . .	3,000	3,000	*
Sheryl Schlegel. . . . .	15,000	15,000	*
Karen Mawhinney. . . . .	15,000	15,000	*
George Kakouros. . . . .	10,500	10,500	*
Mr Andy Borzel . . . . .	15,000	15,000	*
Mr. Joe Stewart. . . . .	30,000	30,000	*
Scott Mackenzie. . . . .	15,000	15,000	*
Don Serwa. . . . .	22,500	22,500	*
Mr. Archibald Nesbitt. . . . .	15,000	15,000	*
Baljinder Garcha . . . . .	8,100	8,100	*
Nazir Mulji. . . . .	4,200	4,200	*
Rudolph & Margaretha Zwamborn . . . . .	4,200	4,200	*
Patrick O'brien. . . . .	12,000	12,000	*
Antonio Spadafora. . . . .	10,500	10,500	*
Inder Singh. . . . .	3,600	3,600	*
Harold Busat . . . . .	12,000	12,000	*
Darshan & Kewal Bains. . . . .	4,200	4,200	*

16

Name	Amount and Number of Shares Beneficially Owned	Number of Shares Offered Herein	Percentage of Stock Owned Prior To the Offering
Leslie Orton . . . . .	4,200	4,200	*

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Raymond Hill . . . . .	15,000	15,000	*
Mr Bernard De Souza. . . . .	15,000	15,000	*
Mrs Lucia De Souza And/Or. . . . .	7,500	7,500	*
Mr Patrick De Souza Jtwros			
Delores Tam. . . . .	51,000	51,000	*
Penson Financial Services. . . . .	15,000	15,000	*
In Trust For:Arthur Curley			
Penson Financial Services. . . . .	7,500	7,500	*
In Trust For:Kenneth Mcfarland			
Kostas Konstantinou. . . . .	15,000	15,000	*
Mr Jim Taylor. . . . .	22,500	22,500	*
Cherie Anne &/Or Paul Chappelle. . .	7,500	7,500	*
Konstantinos Tsirigotis. . . . .	15,000	15,000	*
Itf Dimitrios			
Konstantinos Tsirigotis Itf Sophia .	15,000	15,000	*
Mr Matt Kuhn . . . . .	54,000	54,000	*
Panagiota Mattheakis . . . . .	15,000	15,000	*
Catherine A &/Or Walter Gagen. . . .	15,000	15,000	*
Penson Financial Services. . . . .	75,000	75,000	*
In Trust For:Beverly Cherry			
Mr Thomas O'neill. . . . .	37,500	37,500	*
Mr. Doug Johnson . . . . .	150,000	150,000	*
Nikolaos &/Or Athina Kilindris . . .	15,000	15,000	*
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
Itf Kinder S Deo			
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
Itf Chrisovalantis D Gionis			
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
Itf Caroline K Huen			
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
Itf Antonios Tsigounis			
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
Itf Joanna Kotsiris			
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
Itf Konstantinos Tsirigotis			
Penson Financial Services. . . . .	4,500	4,500	*
In Trust For:Peter Stratford			

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Penson Financial Services. . . . . In Trust For:Peter Stratford	3,000	3,000	*
-----			
Richard Bullock. . . . .	1,045,000	600,000	3.53%
-----			
First Associates Investments Inc.. . . . .	456,090	456,090	1.54%
-----			
Bolder Investment Partners Ltd.. . . . .	15,000	15,000	*
-----			
Canaccord Capital Corp.. . . . .	12,000	12,000	*
-----			
Haywood Securities Inc.. . . . .	54,000	54,000	*
-----			
Penson Financial Services Canada . . . . . In Trust For: 3QAAGCA - Dan Currie - Northern Securities Inc.	5,250	5,250	*
-----			
Wolverton Securities Ltd.. . . . .	15,000	15,000	*
-----			
Union Securities Ltd.. . . . .	4,080	4,080	*
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17

### PLAN OF DISTRIBUTION

#### SELLING SECURITY HOLDERS

The selling security holders and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling security holders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales;
- broker-dealers may agree with the selling security holders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such method of sale; or
- any other method permitted pursuant to applicable law.

The selling security holders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

The selling security holders may also engage in short sales against the box, puts and calls and other transactions in securities of Stockgroup or derivatives of our securities and may sell or deliver shares in connection with these trades. The selling security holders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling security holder defaults on a margin loan, the broker may, from time to time, offer and sell

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pledged shares.

Broker-dealers engaged by the selling security holders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling security holders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling security holders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

The selling shareholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares. We have agreed to indemnify the selling security holders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

### LEGAL PROCEEDINGS

We are currently involved in litigation with a customer to collect amounts owing pursuant to a contract entered into in September, 2000. The defendant provided a \$100,000 deposit and contracted us to provide certain lead generation services. We delivered the requested services throughout October and November, 2000, however, the defendant defaulted on all additional payments. We are suing the defendant for the \$351,800 balance owing, plus interest and costs. The defendant has filed a statement of defense and counterclaim to recover the \$100,000 deposit. As of the date of this prospectus no further action had been taken by either party and no court date has been set. Although we currently believe the outcome of the litigation will be in our favor, we have not elected to aggressively pursue the litigation at this time. We have made no provision for the counterclaim in the financial statements and any settlement or final award will be reflected in our statement of operations as the litigation is resolved.

### DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

The following table sets forth, as of the date of this prospectus, the name, age and position of our directors, executive officers and other significant employees:

18

Director/Officer Name	Age	Since	Position with the Company
Marcus A. New . . .	33	May 1995(1)	Chief Executive Officer and Chairman of
Leslie A. Landes. .	59	August 1998(2)	President and a Director
David Gillard . . .	33	November 2001	Chief Financial Officer
Craig Faulkner. . .	32	May 1995(3)	Director

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David N. Caddey . .	53	June 1999	Director
Louis deBoer II . .	51	October 1999	Director
Jeffrey Berwick . .	32	July 2002	Director

The backgrounds of the our directors, executive officers and significant employees are as follows:

Marcus A. New, B.A., Chief Executive Officer and Chairman of the Board

Marcus A. New is the founder, and has been Chairman and Chief Executive Officer, since May of 1995, of Stockgroup. Mr. New formed the vision for Stockgroup in 1995 and developed the company from an idea to the goal of becoming a leader in information solutions for financial services companies and a leading provider of investor relations products for public companies on the Internet. Over its history he has grown the Company by re-investing internally generated capital and has successfully built a substantial corporate client roster. Similar to other successful Internet pioneers, Mr. New created Stockgroup based on identification of the ways in which the Internet could be used to provide services that were not otherwise available. Prior to that, Mr. New was VP of AmCan Public Relations Group and is currently a director of Iwave.com Inc., an online information company. Mr. New earned a Bachelor of Arts degree majoring in business from Trinity Western University.

Leslie A. Landes, President and a Director

Leslie A. Landes has served as Stockgroup's President and Chief Operating Officer since August 1998 and has been an advisor to Stockgroup since shortly after its inception. Since January 1992, Mr. Landes has served as the President and as a director of Landes Enterprises Limited, which he founded, and which is an interim turnaround management consulting company that advised and counseled clients in several industries, including telecommunications and technology, on issues ranging from mergers and acquisitions to international marketing campaigns. Prior to forming Landes Enterprises in 1992 Mr. Landes spent 13 years with the Jim Pattison Group, Canada's third largest privately held company with sales in excess of CDN\$3 Billion, with over 13,000 employees. He served as President of The Jim Pattison Sign Group, Outdoor Group and Communications Group, which included radio and television stations and paid subscription print publications. Ultimately he was appointed President of Jim Pattison Industries Ltd. and Senior Vice President of the parent Jim Pattison Group, responsible for the Group's acquisitions and divestitures, and with involvement in the management of the Group's 50 diversified companies. He successfully initiated and completed the acquisitions of other companies in a number of diverse industries in which the Group was active. Under his direction the Sign Group was built into the largest electric sign company in the world. Mr. Landes is also a director of TIR Systems Ltd., a lighting technology company, which is a public company.

David Gillard, CGA, Chief Financial Officer

David Gillard has been Chief Financial Officer of us since November 2001, and prior to that he had been with us in the capacity of Controller since March 2000. From 1993 to 2000, prior to joining us, he gained extensive finance and accounting experience with Maynards Industries Ltd., one of the largest asset conversion companies in North America. He is a graduate of the British Columbia Institute of Technology and has been a Certified General Accountant since 1996.

Craig Faulkner, B.A., Director

Craig Faulkner is one of our founding partners. Mr. Faulkner's skill and



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knowledge of database-to-Web solutions brings a history of innovative and dynamic solutions. Early in his career, Mr. Faulkner led us to co-develop one of the first portfolio tracking tools, LivequoteSRG, fully based on the use of Java. Mr. Faulkner managed our programming and information management team at Stockgroup, initiated solutions with data and hardware vendors, while maintaining a senior management role and board membership. Under Mr. Faulkner's direction we implemented a sophisticated blend of both Sun Solaris and Microsoft solutions. Mr. Faulkner is also part of the advisory boards for Brand Fidelity

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- 1 Mr. New was a founding member and CEO of Stock Research Group Ltd., which was incorporated in May, 1995, and became a director of Stockgroup in March, 1999.
  - 2 Mr. Landes became President in August, 1998, but was not a director until June, 1999
  - 3 Mr. Faulkner was a founding member and Chief Technology Officer of Stock Research Group Ltd., which was incorporated in May, 1995, and became a director of Stockgroup in March, 1999.

19

an online service addressing the commercial naming and branding business, and Serveyor, a leading Managed Service Provider (MSP) for Internet Availability Monitoring, Performance Measurement and Quality testing. On March 28, 2002, Craig resigned as our Chief Technology Officer but he remains on the Board of Directors.

David N. Caddey, B.Sc., M.Sc., Director

David N. Caddey has been a director of us since June 1999 and has over 26 years experience in the business and program management field. Since July 1998 he has served as an Executive Vice President of MacDonald Dettwiler and Associates Ltd., a space technology and satellite services company that designs, manufactures, operates and markets a broad range of space products and services. During this period he has also served as the General Manager of that company's Space Missions Group, where he is responsible for managing the construction of the Radarsat-2 spacecraft and associated ground infrastructure program, valued at over \$350 million, as well as the construction of the Space Station Mobile Servicing System. From July 1994 to June 1998, Mr. Caddey worked as a Vice President and General Manager of the Space and Defense Systems Business Area of MacDonald Dettwiler and Associates Ltd. In this capacity he was responsible for marketing and sales, project management, technical management and post delivery support. From 1990 to 1994 he served as Vice President and General Manager of Geo-information Systems of MacDonald Dettwiler and Associates Ltd., where he managed the development of Radarsat I Ground Segment Program.

Louis de Boer II, Director

Louis de Boer has served as a director of us since October 1999. Since May of 1998, he has served as President of MediaFutures, Inc., which provides consulting services to clients in the Internet and cable broadcasting industries, including such companies as Hearst New Media, Cox Enterprises and Rainbow Programming as well as several emerging growth companies. From July 2000 through June 2001, he also served as Chief Executive Officer of Automatic Media Incorporated, an Internet media and software firm based in New York City. From June 1996 to April 1998, he was Chief Executive Officer at New Century Network, an online company formed by a consortium of the nine leading US newspaper organizations, including, Advance Communications, Cox Communications, The Chicago Tribune, Hearst, Gannett, Knight-Ridder, Inc., The New York Times, The Washington Post and Times-Mirror. From 1977 to December 1994, Mr. de Boer was employed at HBO culminating in the positions of Executive Vice President of

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HBO Inc. and President of its International division, where he played an instrumental role in helping negotiate and broker deals that significantly increased that company's presence in its international markets. Mr. de Boer is also a director of Click TV, a television production company in the UK and Priva Technologies, both of which are private companies.

Jeffrey Berwick, Director

Jeff Berwick has served as a director of us since July 2002. Mr. Berwick established StockHouse Media Corporation in 1995. StockHouse grew to a size of 250 employees in 8 countries worldwide at its peak, providing financial information through its portals to over a million unique customers. StockHouse raised over \$30 million USD from private equity markets. Mr. Berwick held the position of Chief Executive Officer and Chairman of the Board for StockHouse Media Corporation from its inception. In 2003 Mr. Berwick helped found Covenant Corporation, a leader in anti-piracy solutions in the entertainment industry, and retains an active role with the company.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of the date of this prospectus, the beneficial ownership of common stock of each person known to us who owns, or has the right to acquire within the next 60 days, more than 5% of our issued and outstanding common stock.

Name and address* of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Marcus A. New . . . . .	3,016,500	9.98%
Yvonne New . . . . .	2,214,500	7.53%
518464 B.C. Ltd. . . . .	1,945,000	6.61%
U.S. Global Funds 7900 Callaghan Road, San Antonio, TX 78229. . . . .	2,400,000	8.16%

\*Unless otherwise referenced, the address for each of the above mentioned parties is c/o Stockgroup Information Systems Inc., Suite 500 - 750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T7.

On March 11, 1999, we entered into a Share Exchange and Share Purchase Agreement with 579818 B.C. Limited, a British Columbia corporation, Stock Research Group, Inc., a British Columbia corporation, and all of the shareholders of Stock Research Group. Under that agreement we acquired all of the issued and outstanding shares of Stock Research Group in consideration of which 579818 B.C. Limited issued to the Stock Research Group shareholders 3,900,000 Class A Exchangeable Shares. We also issued to Stock Trans, Inc., our transfer agent, 3,900,000 shares of common stock, to hold as trustee for the benefit of the Stock Research Group shareholders. The exchangeable shares may be converted, at the option of the holder, into an equal number of shares of common stock held by the trustee. Pending any such conversion, each holder of the exchangeable shares

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may direct the trustee to vote an equivalent number of shares of common stock. The trustee has no discretion as to the voting or disposition of such common stock.

As a result of these transactions each of the former Stock Research Group shareholders has the right to vote, or to direct the trustee to vote on their behalf, a number of shares of common stock equal to the number of exchangeable shares held of record by them. In the aggregate, as of the date of this prospectus, the 2,808,000 shares of common stock held by the trustee represent approximately 9.55% of our issued and outstanding shares of common stock.

The trust created by these transactions will continue until the earliest to occur of the following events:

- no outstanding exchangeable shares are held by any former Stock Research Group shareholder;
- each of 579818 B.C. Limited and Stockgroup acts in writing to terminate the trust and such termination is approved by the holders of the exchangeable shares; and no outstanding exchangeable shares are held by any former Stock Research Group shareholder; and
- December 31, 2098.

Marcus New directly owns 169,500 exchangeable shares and his wife, Yvonne New, owns directly 19,500 exchangeable shares. They both indirectly own, through 518464 B.C. Ltd., a British Columbia company owned by Mr. New as to 50% and by Mrs. New as to 50%, 1,945,000 exchangeable shares. Accordingly, Marcus and Yvonne New beneficially own 2,134,000 exchangeable shares of common stock, which represent approximately 7.25% of our issued and outstanding common stock.

Mr. New also owns 2,000 shares of common stock which were purchased in the open market. On September 18, 2001, Mr. New was granted options to purchase 100,000 shares of common stock at an exercise price of \$0.12 per share. These options fully vested on March 18, 2002 and expire on September 17, 2007. On March 5, 2002, Mr. New was granted options to purchase 400,000 shares of common stock at an exercise price of \$0.22 per share, fully vesting on the grant date and with an expiry date of March 4, 2008. On May 13, 2002, Mr. New was granted options to purchase 300,000 shares of common stock at an exercise price of \$0.17 per share, fully vesting on grant date and with an expiry date of May 12, 2008. In combination with Mr. New's 2,134,000 exchangeable shares, his wife's 80,500 common shares, his 800,000 vested options and 2,000 shares of common stock, Mr. New holds a beneficial ownership position in us of 3,016,500 shares, representing approximately 9.98% of issued and outstanding common stock.

Yvonne New owns directly 80,500 common shares. Her direct shares in combination with her beneficial ownership of 2,134,000 exchangeable shares give her a beneficial ownership position in us of 2,214,500 shares, representing approximately 7.53% of issued and outstanding common stock.

U.S. Global Funds owns 2,400,000 shares, representing approximately 8.16% of issued and outstanding common stock.

### Security ownership of management

The tables below and the paragraphs that follow present certain information concerning directors, executive officers and significant employees of us. None of our directors, executive officers or significant employees has any immediate family relationship with any other director, executive officer or significant employee.

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Name	Position with Company	Shares Beneficially Owned July 31, 2003	Percent of Class
Marcus A. New. . . . .	CEO, Director	3,016,500	9.98%
Leslie A. Landes . . . . .	President, Director	831,560	2.76%
David Gillard. . . . .	Chief Financial Officer	100,000	0.34%
Craig D. Faulkner. . . . .	Director	784,000	2.65%
David N. Caddey. . . . .	Director	160,000	0.54%
Louis de Boer II . . . . .	Director	100,000	0.34%
Jeffrey Berwick. . . . .	Director	437,230	1.49%
All directors, executive officers and significant employees as a group		5,429,290	18.10%

Leslie A. Landes acquired 105,000 common shares by exercising 105,000 options on November 26, 2002. On August 10, 2001, Mr. Landes was granted 533,200 options at an exercise price of \$0.22 and with an expiry date of August 9, 2007, of which 426,560 had vested as of the date of this filing. On October 22, 2002, Mr. Landes was granted options to purchase 300,000 shares of common stock at an exercise price of \$0.15 per share, fully vesting on the grant date and with an expiry date of October 21, 2008. Mr. Landes' common shares and vested options provide him with a beneficial ownership of 831,560 shares representing 2.76% of our issued and outstanding common stock.

David Gillard was granted, on April 30, 2001, options to purchase 7,500 shares of common stock at an exercise price of \$0.31 per share, fully vesting on October 31, 2001 with a six year exercise term. On May 13, 2002, Mr. Gillard was granted options to purchase 92,500 shares of common stock at an exercise price of \$0.15 per share, fully vesting on May 13, 2002 and with a six year exercise term. Mr. Gillard has beneficial ownership of 100,000 shares of common stock representing less than 1% of issued and outstanding common stock.

Of the amount shown for Craig Faulkner, Mr. Faulkner directly owns 169,000 exchangeable shares and indirectly owns, through 569358 B.C. Ltd., a British Columbia company owned by Mr. Faulkner, 465,000 exchangeable shares. On September 18, 2001, Mr. Faulkner was granted options to acquire 100,000 shares of common stock at an exercise price of \$0.12 per share, fully vesting on the March 18, 2002, and with an expiry date of September 17, 2007. On October 22, 2002, Mr. Faulkner was granted options to acquire 50,000 shares of common stock at an exercise price of \$0.15 per share, fully vesting on the grant date and with an expiry date of October 21, 2008. Mr. Faulkner, through his direct and indirect holdings and 150,000 vested options, beneficially owns 784,000 shares representing 2.65% of our issued and outstanding common stock.

Of the amount shown for David Caddey, 50% (or 30,000 shares) are owned by Ms. Donna Caddey, Mr. Caddey's wife. Mr. Caddey and his wife each directly own 20,000 exchangeable shares. In addition, 20,000 shares of common stock are jointly owned by David and Donna Caddey. On August 10, 2001, Mr. Caddey was granted options to purchase 50,000 shares of common stock at an exercise price of \$0.22 per share, full vesting on August 10, 2002, and an expiry date of August 9, 2007. On October 22, 2002, Mr. Caddey was granted options to purchase 50,000 shares of common stock at an exercise price of \$0.15 per share, full vesting on grant date, and an expiry date