

ABLEAUCTIONS COM INC
Form PRER14A
May 10, 2004

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No ____)

[X]

Filed by the Registrant

[]

Filed by a Party other than the Registrant

Check the appropriate box:

[X]

Preliminary Proxy Statement

[]

Confidential, for Use of the Commission only (as permitted by Rule 14a-6(e)(2))

[]

Definitive Proxy Statement

[]

Definitive Additional Materials

[]

Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

ABLEAUCTIONS.COM INC.

Name of the Registrant as Specified in its Charter

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check appropriate box):

[X]

No fee required.

[]

Fee computed on table below per Exchange Act Rules 14a-6(1) and 0-11.

(1)

Title of each class of securities to which transaction applies:

Not Applicable

(2)

Aggregate number of securities to which transaction applies:

Not Applicable

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): Not Applicable

(4)

Proposed maximum aggregate value of transaction:

Not Applicable

(5)

Total fee paid:

Not Applicable

[]

Fee paid previously with preliminary materials

[]

Check box if any part of the fee is offset as provided by the Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and date of its filing.

Amount Previously Paid: Not Applicable

Form, Schedule or Registration Statement No.: Not Applicable

Filing Party: Not Applicable

Date Filed: Not Applicable

ABLEAUCTIONS.COM, INC.

1963 Lougheed Highway

Coquitlam, British Columbia V3K 3T8

604-521-3369 Fax: 604-521-4911

May 15, 2004

Dear Stockholders:

You are cordially invited to attend the annual meeting of stockholders of Ableauctions.com, Inc. (the Company) to be held at 11:00 a.m. (PST) on Tuesday, July 6, 2004, at 1000 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8.

In addition to the items set forth in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement, we will report on current activities and will provide you with an opportunity to discuss matters of interest to you as a stockholder.

We sincerely hope that you will be able to attend our Annual Meeting. However, whether or not you plan to attend, please sign, date, and promptly return the enclosed proxy by mail, or fax it to us to ensure that your shares are represented.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in Ableauctions.com, Inc.

Very truly yours,

/s/ Abdul Ladha

ABDUL LADHA

PRESIDENT AND CHIEF EXECUTIVE OFFICER

ABLEAUCTIONS.COM, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

July 6, 2004

To our Stockholders:

The Annual Meeting of Stockholders of Ableauctions.com, Inc. will be held at 11:00 a.m. (PST) on Tuesday, July 6, 2004, at 1000 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8 for the following purposes:

1.

To elect four directors, each to a one-year term;

2.

To ratify the selection of Cinnamon Jang Willoughby, Chartered Accountants, as the independent auditor for Ableauctions.com, Inc.;

3.

To amend the Company's Certificate of Incorporation to increase the authorized shares of common stock from 62,500,000 to 100,000,000;

4.

To approve the Ableauctions.com, Inc. 2002 Consultant Stock Plan; and

5.

To transact any other business that may properly come before the meeting.

Only stockholders of record at the close of business on April 27, 2004 are entitled to notice of, and to vote at, the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Abdul Ladha

Abdul Ladha

President and CEO

IMPORTANT

Whether or not you plan to attend the meeting, please sign, date, and return promptly the enclosed proxy, either in the enclosed envelope, which requires no postage if mailed in the United States, or by faxing it to us at (604) 521-4911. **Promptly signing, dating, and returning the proxy will save the Company the additional expense of further solicitation.**

ABLEAUCTIONS.COM, INC.

1963 Lougheed Highway

Coquitlam, British Columbia, Canada

V3K 3T8

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Ableauctions.com, Inc. to be voted at our 2004 Annual Meeting of Stockholders to be held at 11:00 a.m. (PST) on Tuesday July 6, 2004. Stockholders who sign proxies may revoke them at any time before their exercise by delivering a written revocation to our Secretary, by submission of a proxy with a later date, or by voting in person at the meeting. A written revocation may be delivered by facsimile at (604) 521-4911. These proxy materials are being mailed to our stockholders on or about May 27, 2004. All monetary information included in this Proxy Statement is stated in U.S. dollars.

A copy of our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003 is being mailed concurrently herewith to all stockholders of record at the close of business on April 27, 2004. The Annual Report does not constitute a part of the proxy solicitation material for the Annual Meeting.

VOTING SECURITIES

Only stockholders of record at the close of business on April 27, 2004 are entitled to vote at the Annual Meeting. The total number of shares of common stock that were issued, outstanding and entitled to be voted on the record date was 55,426,065 shares. Each share of common stock is entitled to one vote on all matters to be acted upon at the Annual Meeting. The holders of one third of the outstanding shares (18,475,355 shares) shall constitute a quorum, which is necessary for the transaction of business at the Annual Meeting. In accordance with applicable law, the election of directors shall be by a plurality of the votes cast, while the approval of all other proposals shall be by a majority of the votes cast. Shares which abstain from voting as to these matters, and shares held in street name by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares as to these matters (broker non-votes), will not be counted as votes in favor of such matters. For purposes of determining whether the affirmative vote of a majority of the shares present at the meeting and entitled to vote on a proposal has been obtained, abstentions and broker non-votes will be included in the number of shares present and entitled to vote.

SOLICITATION

We will bear the cost of solicitation of proxies, including expenses in connection with preparing and mailing this Proxy Statement. Copies of solicitation materials will be furnished to brokerage houses, nominees, fiduciaries and custodians to forward to beneficial owners of common stock held in their names. We will reimburse brokerage firms and other persons representing beneficial owners of stock for their reasonable expenses in forwarding solicitation materials to the owners. In addition to original solicitation of proxies by mail, our directors, officers and other employees may, without additional compensation, solicit proxies by telephone, facsimile and personal interviews.

DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS

We will only deliver one Proxy Statement to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. We will promptly deliver a separate copy of this Proxy Statement to a stockholder at a shared address to which a single copy of the document was delivered upon oral or written request to:

Ableauctions.com, Inc.

Attn: Corporate Secretary

1963 Lougheed Highway,

Coquitlam, British Columbia, Canada, V3K 3T8

Telephone No.: (604) 521-3369

Stockholders may also address future requests for separate delivery of Proxy Statements and/or annual reports by contacting us at the address listed above.

PROPOSAL 1:

ELECTION OF DIRECTORS

Four directors are to be elected to our Board of Directors at the Annual Meeting. Each director will hold office for a term of one-year or until his successor is elected and qualified. The Board of Directors has nominated Abdul Ladha, Barrett Sleeman, Dr. David Vogt, and Michael Boyling to serve as directors. All of the nominees currently serve on our Board of Directors.

Unless a stockholder indicates otherwise, each signed proxy will be voted for the election of these nominees.

Management expects that each of the nominees will be available for election, but if any of them is not a candidate at the time the election occurs, it is intended that the proxies will be voted for the election of another nominee to be designated by the Board of Directors to fill any vacancy.

Nominees for Election

Abdul Ladha, Age 42

Abdul Ladha has been a director and our President, and Chief Executive Officer since August 24, 1999. In January 2004 he also began serving as our Chief Financial Officer. In addition, Mr. Ladha is President of our wholly owned subsidiaries. Mr. Ladha holds an honors degree in Electrical Engineering and Mathematics from the University of British Columbia. In 1985, he founded Dexton Enterprises Inc., a subsidiary of Dexton Technologies Corporation, which was a company engaged in developing and providing web-based business solutions to small to mid-size retail and business-to-business customers, marketing and selling personal computer hardware and network systems to corporate and retail customers, and computer training and after-sales upgrade and support services. Mr. Ladha was President, Chief Executive Officer, and a director of Dexton Technologies Corporation from December 1994 to July 2001. In 1997, Dexton Technologies Corporation acquired all of the issued and outstanding shares of Able Auctions (1991) Ltd., which it subsequently sold to Ableauctions.com, Inc. on August 24, 1999.

Mr. Ladha is the Executive Director of CITA – The Canadian Institute for Technological Advancement, a non-profit organization dedicated to developing Canada's technological entrepreneurs sponsored by the University of British Columbia, Simon Fraser University, the World Trade Centre, Ernst & Young, and some 60 corporations and institutions.

Barrett E.G. Sleeman, Age 63

Barrett Sleeman, a director since August 1999, is a professional engineer. He has also been a director of Crystal Graphite Corporation, a graphite property development company, from February 1999 to February 2004, and the Chief Executive Officer of Helena Resources from October 2001 to the present. From April 1997 to September 2001, he was a director of Dexton Technologies Corporation, a technology company. From May 1988 to May 2000, he was a director and the President of Omicron Technologies Inc., whose focus is the acquisition, research and development, and marketing of leading edge technologies for the aerospace, telecommunications, defense, and consumer electronics industries, as well as Internet-based business concepts. Mr. Sleeman also served as a director of Java Group Inc., an oil and gas company, from November 1997 to March 2000. Mr. Sleeman was also President (October 1996 to October 1997) and a director (August 1996 to October 1997) of White Hawk Ventures Inc., and President (August

1995 to April 1997) and a director (March 1995 to January 1998) of International Bravo Resources Inc., both mining exploration companies.

Dr. David Vogt, Age 47

Dr. David Vogt, a director since April 2000, is a scientist and knowledge engineer. An astronomer by training, he was Director of Observatories at the University of British Columbia in Canada from 1980 to 1992 before becoming Director of Science at Science World, Western Canada's largest public science center. With the development in 1993 of a virtual science center to support educational outreach, Dr. Vogt shifted his focus to explore the creation of knowledge using new media technologies. Dr. Vogt is a founding executive of Brainium.com, an innovative online educational publishing company. Brainium.com pioneers new media learning products for the kindergarten to Grade 12 market. The award winning Science Brainium, located at www.brainium.com, is an online intermediate science resource currently reaching 7,000 schools internationally. Dr. Vogt has been Vice President Business Development of Brainium Technologies Inc. since 1996.

Dr. Vogt combined undergraduate degrees in Physics and Astronomy and English Literature, earned in 1977 and 1978 from the University of British Columbia, into an interdisciplinary Ph.D. in information science and archaeoastronomy earned from Simon Fraser University in 1990. Dr. Vogt was also founding director of the British Columbia Shad Valley Program, Chairman of the CBC's Advisory Committee on Science and Technology, and a founding member of the SchoolNet National Advisory Board.

Dr. Vogt's professional associations include membership on the Software and Information Industry Association Content Board and sub-committee on Distance Learning, a technology planning committee for Ronald McDonald Houses International, the Education Committee for the Vancouver Foundation, the British Columbia government's Information Technology Advisory Board, and the Board for Science World.

Michael Boyling, Age 47

Mr. Boyling, a director since February 2001, is the President of Boyling, Feltham, Rogers & Associates Inc. (BFR), which is an insurance and financial services company based in Vancouver, British Columbia with offices in Edmonton, Alberta, Calgary, Alberta and Winnipeg, Manitoba. BFR's business focuses on providing insurance and financial services to high net worth individuals and medium sized companies. Through his three-year tenure as director and President, BFR has grown from annual revenue of CDN\$500,000 to annual revenue in excess of CDN\$5,000,000.

Mr. Boyling served with the Canadian Military (Army) from the age of 17 to the age of 38. Since his retirement from military service, he has been self-employed in the financial industry.

Mr. Boyling also owns West Coast Global Equity/Ventures Inc., an international consulting company whose main focus is international financing and investing. He has worked as a consultant and broker with a foreign government and international construction companies arranging equity and debt financing.

Prior to starting his own businesses, Mr. Boyling was employed in the insurance and financial services industry with two international insurance companies where he occupied the positions of Regional and International Sales Manager.

The Board of Directors recommends a vote FOR each of the nominees as a director.

PROPOSAL 2:

RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

The Board of Directors requests that stockholders ratify its selection of Cinnamon Jang Willoughby, Chartered Accountants, as our independent auditor for the 2004 fiscal year. If the stockholders do not ratify the selection of Cinnamon Jang Willoughby, the Audit Committee of the Board of Directors will select another firm of chartered accountants. Representatives of Cinnamon Jang Willoughby will be present at the meeting, and will be provided an opportunity to make a statement and to respond to appropriate questions.

The Board of Directors recommends a vote FOR the selection of Cinnamon Jang Willoughby, Chartered Accounts, as the Company's independent auditor for the 2004 fiscal year.

Our Appointment of Cinnamon Jang Willoughby, Chartered Accountants as Auditor

On May 18, 2003, Morgan & Company, Chartered Accountants (the Former Auditor) were asked to resign as our independent auditor. None of the Former Auditor's reports for the year ended December 31, 2002 or thereafter contained an adverse opinion or disclaimer of opinion, however the report was modified as to the Company's ability to continue as a going concern. We engaged Cinnamon Jang Willoughby, Chartered Accountants as our independent auditor on May 18, 2003. Our decision to change our auditor was approved by our Board of Directors.

During our fiscal year ended December 31, 2002 and through May 18, 2003, there were no disagreements with the Former Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of the Former Auditor would have caused it to make reference thereto in its report on the financial statements for such year.

On February 12, 2002, Shikaze Ralston Tam Kurozumi, Chartered Accountants (SRTK) resigned as our independent auditor. None of SRTK s reports for the year ended December 31, 2000 or thereafter contained an adverse opinion or disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope, or accounting principle. We engaged Morgan & Company, Chartered Accountants as our independent auditor on February 12, 2002.

During our fiscal year ended December 31, 2001 and through February 12, 2002, there were no disagreements with SRTK on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of SRTK would have caused it to make reference thereto in its report on the financial statements for such year. Our decision to change auditor was approved by our Board of Directors.

Audit Fees

The following table sets forth fees billed to the Company by Cinnamon Jang Willoughby, Chartered Accountants during the fiscal year ended December 31, 2003 and Morgan & Company, Chartered Accountants during the fiscal year ended December 31, 2002 for: (i) services rendered for the audit of the Company s annual financial statements and the review of its quarterly financial statements, (ii) services that were reasonably related to the performance of the audit or review of the Company s financial statements and that are not reported as Audit Fees, (iii) services rendered in connection with tax compliance, tax advice and tax planning, and (iv) all other fees for services rendered. There were no fees paid for services rendered that were not audit or review or attest services.

December 31, 2003

December 31, 2002

(i)

Audit Fees

\$ 26,555

\$ 35,307

(ii)

Audit Related Fees

\$ 7,587

\$ 11,768

(iii)

Tax Fees

\$ 0

\$ 0

(iv)

All Other Fees

\$ 0

\$ 0

PROPOSAL 3:

TO AMEND THE COMPANY S CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED SHARES OF COMMON STOCK FROM 62,500,000 TO 100,000,000.

On April 23, 2004, the Board of Directors unanimously adopted and approved an amendment to our Articles of Incorporation to increase the number of authorized shares of common stock from 62,500,000 to 100,000,000 shares.

We refer to the approved amendment in this discussion as the Authorized Shares Amendment. A copy of the Authorized Shares Amendment is attached to this Proxy Statement as Attachment 1. Currently, of the 62,500,000 shares of common stock authorized, 55,426,065 shares are issued and outstanding as of the record date.

The Authorized Shares Amendment will be implemented by filing Articles of Amendment (the Amendment) with the Secretary of State of Florida. Once we file the Amendment, we will have 44,573,935 shares of authorized but unissued common stock available for issuance.

Reason for Amendment

The unissued shares of common stock will be available for issuance from time to time as may be deemed advisable or required for various purposes, including the issuance of shares in connection with an acquisition or financing transaction and the issuance of shares in connection with stock splits or stock dividends, as well as for other corporate purposes.

The Authorized Shares Amendment was not adopted as a result of management's knowledge of any specific effort to accumulate our securities or to obtain control of us by means of a merger, tender offer, solicitation in opposition to management or otherwise. As of the date of this Proxy Statement, our Articles of Incorporation and bylaws contain no provisions having an anti-takeover effect, the adoption of the Authorized Shares Amendment is not part of a plan by management to adopt a series of such amendments, and management does not intend to propose other anti-takeover measures.

Effect of the Proposal/Advantages and Disadvantages

The Authorized Shares Amendment will permit our Board of Directors to issue shares of common stock in connection with various transactions, such as an acquisition or a financing transaction. If the Authorized Shares Amendment is not approved, the Board would be required to either call a special stockholders' meeting or wait for the regularly scheduled annual meeting of stockholders in order to obtain approval for each proposed issuance. This would impede the ability of the Board of Directors to act quickly and would greatly increase the costs of doing business.

On the other hand, the availability of additional authorized and unissued shares of common stock could make any attempt to gain control of Ableauctions or the Board more difficult, costly or time consuming and the availability of additional authorized and unissued shares might make it more difficult to remove management. Although the Board currently has no intention of doing so, shares of common stock could be issued by the Board to dilute the percentage of common stock owned by a significant stockholder and increase the cost of, or the number of, voting shares necessary to acquire control of the Board or to meet the voting requirements imposed by Florida law with respect to a merger or other business combination involving Ableauctions.

Limitations on the Adoption of the Authorized Shares Amendment

Under the rules of the American Stock Exchange, we are not permitted to create a new class of security that votes at a higher rate than an existing class of securities or take any other action that has the effect of restricting or reducing the voting rights of an existing class of securities. The additional shares of common stock would not restrict or reduce the voting rights of an existing class of securities.

Section 607.1003 of the Florida Business Corporation Act

Section 607.1003 of the Florida Business Corporation Act permits the amendment of a corporation's articles of incorporation to allow for an increase or decrease of the aggregate number of authorized shares of a class so long as it is approved by the holders of at least a majority of the votes entitled to be cast on the amendment by any voting group with respect to which the amendment would create dissenters' rights.

Effective Date

The Authorized Shares Amendment will become effective upon the filing of the Amendment with the Florida Secretary of State. If this proposal is approved, we intend to file the Authorized Shares Amendment immediately following the Annual Meeting of Stockholders.

The Board of Directors recommends a vote FOR the increase in the authorized number of shares of common stock.

PROPOSAL 4:

APPROVAL OF THE ABLEAUCTIONS.COM, INC 2002 CONSULTANT STOCK PLAN

The following discussion is qualified in its entirety by the terms and provisions of the Ableauctions.com, Inc. 2002 Consultant Stock Plan (the Consultant Plan). A copy of the Consultant Plan is attached to this Proxy Statement as Attachment 2.

Our Board of Directors approved the Consultant Plan on October 11, 2002. The purpose of the Consultant Plan is to help us obtain the services of consultants by providing them with an opportunity to become owners of our common stock. We use consultants for a variety of different projects, particularly in the areas of technology development and implementation and business expansion. Using consultants helps us keep our overhead down, while compensating them with our securities helps us to conserve our cash. None of our employees, including our officers and directors, receive awards from the Consultant Plan. The number of consultants that could potentially receive awards from the Consultant Plan is unlimited.

The term of the Consultant Plan is 10 years. Pursuant to the Consultant Plan, eligible persons may receive awards of non-qualified options or common stock.

The Consultant Plan may be administered by the Company's Board of Directors or by a committee made up of two or more non-employee directors. Currently the Consultant Plan is administered by the Board of Directors. In administering the Consultant Plan, the Board of Directors may construe and interpret the Consultant Plan, define terms, prescribe, amend and rescind rules related to the Consultant Plan, determine who receives awards, and decide the timing of grants, the number of shares included in any grant, the exercise price, the duration of an option and any vesting conditions. The Board of Directors may amend the Consultant Plan only with the approval of our shareholders.

We had originally reserved 16,000,000 shares of our common stock for grants to be made under the Consultant Plan, and to date total awards of 15,920,000 shares have been made. Of that amount, 2,450,000 are currently outstanding (all other awards have been exercised, lapsed or terminated). On April 22, 2004 our Board of Directors approved an increase in the number of shares to be reserved to 25,000,000 shares. Assuming that the Consultant Plan is approved by the shareholders as requested (with an increase in the number of shares available for awards from 16,000,000 shares to 25,000,000 shares), there will be 9,080,000 shares available for future awards.

Due to the volatility of the stock market, and the risk inherent in taking securities rather than cash as compensation, the Consultant Plan allows the Board to fix the price of the stock or the exercise price of the option at any price so long as it is not lower than 85% of the fair market value of our common stock. The Board of Directors sets the term of each option, but no option may have a term that exceeds 10 years. The Board of Directors may set vesting or performance conditions in conjunction with an award of stock or an option grant. The option exercise price may be paid in cash or, if reserved in the award agreement, by transferring to us shares of our common stock, by relinquishing the right to acquire our common stock or by giving us a full recourse promissory note. To date, no award agreements has reserved any method for payment of the exercise price other than cash.

As of April 27, 2004, there were 80,000 shares of stock available to be granted from the Consultant Plan. The fair market value of the shares was \$0.83 per share or \$66,400. If the plan is approved by the shareholders, there will be 9,080,000 shares available for grant with a fair market value on April 27, 2004 of \$7,536,400.

A recipient will not recognize any taxable income at the time an option is granted from the Consultant Plan. However, upon exercise of the option, the recipient will include in income as compensation an amount equal to the difference between the fair market value of the shares on the date of exercise and the recipient's exercise price. The included amount will be treated as ordinary income by the recipient and may be subject to withholding. Upon resale of the shares by the recipient, any subsequent appreciation or depreciation in the value of the shares will be treated as capital gain or loss.

There is no tax consequence to us as a result of either the grant or the vesting of stock options granted from the Consultant Plan.

BOARD AND COMMITTEE MEETINGS

During 2003, the Board of Directors held 30 telephone meetings and all directors were present at each such meeting. During 2003, the Board of Directors also acted by written consent in lieu of holding meetings.

COMPENSATION OF THE BOARD OF DIRECTORS

Our directors did not receive any cash compensation for their services during the last fiscal year. In his capacity as an officer, Mr. Ladha received an option to purchase 1,000,000 shares of our common stock (see the section titled, Executive Compensation) while Dr. Vogt and Messrs. Sleeman and Boyling each received an option to purchase 200,000 shares for their services as directors. The options were granted at an exercise price of \$0.08 per share, the fair market value on the date of grant.

Each director is eligible to participate in the 1999 Plan and in the Ableauctions.com, Inc. 2002 Stock Option Plan for Directors (the Directors Plan). Grants of options from both the 1999 Plan and the Directors Plan are discretionary and are subject to the approval of the Board of Directors.

COMMUNICATIONS WITH MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors has not established a formal process for stockholders to send communications to its members. Any stockholder may send a communication to any member of the Board of Directors, in care of our address or in care of the address shown in the table of beneficial ownership set forth on page 9. If a communication is sent to our address, we will forward any such communication to the Board member. If the stockholder would like the communication to be confidential, it should be so marked.

ATTENDANCE OF BOARD MEMBERS AT ANNUAL STOCKHOLDERS MEETING

Each of the members of the Board of Directors will be required to attend the Annual Meeting of our stockholders. All members of the Board of Directors attended the previous Annual Meeting.

REPORT ON COMMITTEES

The Board of Directors has one standing committee, which is the Audit Committee. Information regarding the functions of the Audit Committee, its present membership and the number of meetings held by the Audit Committee during the 2003 fiscal year is described below.

Audit Committee. The Audit Committee is responsible for recommending to the Board of Directors the selection of independent public accountants to audit our books and records annually, to discuss with the independent auditors and

internal auditors the scope and results of any audit, to review and approve any nonaudit services performed by our independent auditing firm, and to review certain related party transactions. The members of the Audit Committee are Messrs Barrett Sleeman, David Vogt and Michael Boyling. The Audit Committee met four times in the year 2003.

The Audit Committee is currently composed of three directors who are independent directors as defined under Rule 121 of the American Stock Exchange. The Audit Committee operates under a written charter adopted by the Board of Directors. We do not believe that any of the members of the Audit Committee would qualify as an Audit Committee Financial Expert as defined by Item 401 of Regulation SB promulgated under the Securities Act of 1933 and the Securities Exchange Act of 1934. However, we are in compliance with section 121 of the Rules of the American Stock Exchange, which requires that at least one member of our Audit Committee is financially sophisticated. We believe that Mr. Michael Boyling, as Chief Executive Officer of Boyling, Feltham, Rogers & Associates Inc., meets the criteria of financial sophistication.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. Management is responsible for our financial statements and the financial reporting process, including the system of internal controls. The independent auditors are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles. In fulfilling its oversight responsibilities, the Audit Committee has reviewed and discussed with management and the independent auditors the audited financial statements that have been included in our Annual Report on Form 10-KSB for the year ended December 31, 2003.

The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended. In addition, the Audit Committee has discussed with the independent auditors the auditors' independence from the Company and its management including the matters in the written disclosures provided to the Audit Committee as required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*.

The Audit Committee recommended to the Board of Directors, and the Board of Directors approved, the inclusion of the audited financial statements in the Annual Report on Form 10-KSB for the 2003 fiscal year for filing with the Securities and Exchange Commission. The Audit Committee has also recommended the selection of our independent auditors for the fiscal year ending December 31, 2004.

Members of the Audit Committee

/s/Barrett Sleeman

/s/Dr. David Vogt

/s/Michael Boyling

NOMINATION OF DIRECTORS

We do not have, nor are we required by the rules of the American Stock Exchange to have, a standing nominating or compensation committee. Our Board of Directors is made up of four members, three of whom are deemed to be independent, as that term is defined in the rules of the American Stock Exchange. Nominees to the Board of Directors were selected and approved by our three independent Board members, Barrett Sleeman, Dr. David Vogt and Michael Boyling.

The Board of Directors, acting as a Nominating Committee, does not have a policy with regard to the consideration of any director candidates recommended by stockholders. The Board of Directors has made no determination as to whether or not such a policy should be adopted. The Board of Directors will consider candidates recommended by stockholders. Stockholders wishing to recommend a candidate for membership on the Board of Directors should submit to us the name of the individual and other pertinent information, including a short biography and contact information, in the manner described below on this Proxy Statement in the section titled "Stockholder Proposals".

Some of the qualifications that may be considered by the Board of Directors in choosing a director are:

- Minimum, relevant employment experience;
- Familiarity with generally accepted accounting principles and the preparation of financial statements;
- Post secondary education or professional license;
-

Previous experience as a Board member of an operating company;

•

The ability to commit the number of hours per year necessary to discharge his or her duty as a member of its Board of Directors.

A candidate for director must agree to abide by our Code of Business Conduct and Ethics.

Our goal is to seek to achieve a balance of knowledge, experience and capability on our Board. To this end, we seek nominees with the highest professional and personal ethics and values, an understanding of our business and industry, diversity of business experience and expertise, a high level of education, broad-based business acumen, and the ability to think strategically. Although we use the criteria listed above as well as other criteria to evaluate potential nominees, we don't have a stated minimum criteria for nominees. The Board does not use different standards to evaluate nominees depending on whether they are proposed by our directors and management or by our stockholders. To date, we have not paid any third parties to assist us in this process.

The Board of Directors has not received a nominee from a stockholder who is not also an officer or director of Ableauctions. Each nominee to our Board of Directors expressed a willingness to serve during the 2004 fiscal year and, based on a review of their qualifications, were deemed to be suitable candidates for nomination.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information, as of April 27, 2004, regarding the beneficial ownership of our common stock by any person known by us to be the beneficial owner of more than 5% of our outstanding common stock, by directors and executive officers, and by all of our directors and executive officers as a group.

Name and Address	Amount and Nature of Beneficial Ownership of Common Stock	Percent of Class ⁽¹⁾
The Ladha (1999) Family Trust, +5% stockholder ⁽²⁾ Vallis Building, P.O. Box H.M. 247 Hamilton, HM AX, Bermuda	3,531,875	6.37%

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Abdul Ladha, Director and Executive Officer	1,262,475 ⁽³⁾	2.23%
7797 Jensen Place		
Burnaby, B.C., Canada, V5A 2A7		
Barrett Sleeman, Director	307,200 ⁽⁴⁾	*
P.O. Box 18111		
2225 West 41 st Avenue		
Vancouver, B.C., Canada, V6M 4L3		
Dr. David Vogt, Director	307,200 ⁽⁴⁾	*
3771 West 15 th Avenue		
Vancouver, B.C., Canada, V6R 2Z7		
Michael Boyling	307,200 ⁽⁴⁾	*
95 5900 Ferry Road		
Ladner, B.C.		
V4K 5C3		
All current directors and executive officers as a group	⁽⁶⁾	2.23%
(4 persons)		

*

Represents less than 1%.

(1)

Based on an aggregate of 55,426,065 shares outstanding as of April 27, 2004. Where a named person holds options or warrants to purchase shares of our common stock, the number of shares that may be issued under those options or warrants are added to the figure 55,426,065 to calculate the percentage held by that person.

(2)

Abdul Ladha, President of the Company, is a beneficiary of the Ladha (1999) Family Trust. Hamilton Trust Company Limited is the trustee of the Ladha (1999) Family Trust, and disclaims beneficial ownership of the 3,531,875 shares

held by the Ladha (1999) Family Trust.

(3)

Consists of options exercisable to acquire 1,262,475 shares of common stock.

(4)

Consists of options exercisable to acquire 300,000 shares of common stock.

To our knowledge, none of our directors, officers or affiliates, or any 5% or greater stockholder of our common stock, or any associate or any such directors, officers or affiliates, is a party that is adverse to us in any material legal proceeding.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act requires our directors, executive officers and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership of our common stock with the Securities and Exchange Commission. Directors, executive officers and persons who own more than 10% of our common stock are required by Securities and Exchange Commission regulations to furnish to us copies of all Section 16(a) forms they file.

To our knowledge, based solely upon review of the copies of such reports received or written representations from the reporting persons, we believe that during our 2003 fiscal year our directors, executive officers and persons who own more than 10% of our common stock complied with all Section 16(a) filing requirements with the exception of the following: (i) Abdul Ladha was untimely in filing two Form 4s. Each Form 4 reported the grant of an option. (ii) Barrett Sleeman, David Vogt and Michael Boyling were each untimely in filing three Form 4s. One report disclosed a stock grant. The remaining two reports disclosed option grants. (iii) Nailin Esmail, our Chief Financial Officer during the 2003 fiscal year, was untimely in filing her Form 3 and one Form 4. The Form 4 disclosed an option grant. (iv) During the 2003 fiscal year The Ladha (1999) Family Trust was late in filing Form 4s for sales of our common stock made in May 2003 and June 2003 and for sales of our common stock made in September 2003.

EXECUTIVE COMPENSATION

Summary Compensation Table

The table below shows, for the last three fiscal years, compensation paid or accrued to our chief executive officer and the four most highly paid executive officers serving at fiscal year end whose total compensation exceeded \$100,000. These officers are referred to as the named executive officers. Because the officers were paid in Canadian dollars, we have converted the compensation to US dollars using the conversion ratio of 1 USD = 1.33420 CAD.

Summary Compensation Table

Name and Principal Position	Fiscal Year Ended ⁽¹⁾	Annual Compensation			Long Term Compensation			All Other Compensation ⁽²⁾
		Salary (US\$)	Bonus (US\$)	Other Annual Compensation (US\$)	Awards	Payouts		
					Restricted Shares or Securities under Option/SAR Granted (#)	Restricted Share Units (US\$)	LTIP Payouts (US\$)	
ABDUL LADHA ⁽³⁾ President and CEO	2003	71,054	Nil	Nil	1,000,000(8)	Nil	Nil	Nil
	2002	144,309	Nil	Nil	500,000(8)	Nil	Nil	Nil
	2001	Nil	Nil	154,949	Nil	Nil	Nil	Nil
JEREMY DODD ⁽⁴⁾ Secretary-Treasurer and Chief Operating Officer	2002							
	2001							