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EURO TRADE FORFAITING INC
Form DEF 14A
October 29, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No. ____)

Filed by the Registrant [x]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 [x] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

EURO TRADE & FORFAITING, INC.
(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check appropriate box):

- [x] No fee required
 [] Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

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- 2) Aggregate number of securities to which transaction applies:
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- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

EURO TRADE & FORFAITING, INC.
Suite 1620 - 400 Burrard Street
Vancouver, British Columbia, Canada V6C 3A6

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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To the Shareholders of
Euro Trade & Forfaiting, Inc.:

The 2001 Annual Meeting of Shareholders of Euro Trade & Forfaiting, Inc., a Utah corporation (the "Corporation"), will be held at 8:00 a.m. (Pacific Standard Time) on December 18, 2001 at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada for the following purposes:

1. To elect four directors of the Corporation; and
2. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on October 26, 2001 as the record date for the determination of Shareholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

/s/ James Carter

James Carter
Secretary

Vancouver, British Columbia
October 26, 2001

SHAREHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN THE PROXY USING THE ENCLOSED ENVELOPE. INSTRUCTIONS FOR THE PROPER EXECUTION OF PROXIES ARE SET FORTH IN THE PROXY STATEMENT.

EURO TRADE & FORFAITING, INC.

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Euro Trade & Forfaiting, Inc. (the "Corporation") for use at the 2001 Annual Meeting of Shareholders (the "Annual Meeting") to be held at 8:00 a.m. (Pacific Standard Time) on December 18, 2001 at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, Canada, and any adjournments thereof.

The Annual Meeting may be postponed or adjourned from time to time without any notice other than announcement at the meeting, and any and all business for which notice is hereby given may be transacted at any such postponed or adjourned meeting.

A shareholder who delivers an executed proxy pursuant to this solicitation may revoke it at any time before it is exercised by: (1) executing and delivering a later dated proxy card to the Secretary of the Corporation prior to the Annual Meeting; (2) delivering written notice of revocation of the proxy to the Secretary of the Corporation prior to the Annual Meeting; or (3) attending and voting in person at the Annual Meeting. Attendance at the Annual Meeting, in and of itself, will not constitute a revocation of a proxy.

Proxies will be voted as specified by the shareholder or shareholders granting the proxy. Unless contrary instructions are specified, if the enclosed proxy is executed and returned (and not revoked) prior to the Annual Meeting, the shares of common stock, par value \$0.001 per share (the "Common Shares"), of the Corporation represented thereby will be voted for the election of the four

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directors nominated by the Board of Directors and in accordance with the best judgement of the named proxies on the matters properly brought before the Annual Meeting. A majority of the outstanding Common Shares entitled to vote at the Annual Meeting, represented in person or by proxy, constitute a quorum. Cumulative voting in the election of directors is not permitted.

This Proxy Statement and the enclosed proxy card will be first mailed on or about October 29, 2001 to the Corporation's shareholders of record on October 26, 2001 (the "Record Date").

Proxies will be solicited primarily by mail and may also be solicited personally and by telephone by directors and officers of the Corporation, without additional remuneration therefor. The Corporation may also reimburse banks, brokers, custodians, nominees and fiduciaries for their reasonable charges and expenses in forwarding proxies and proxy materials to the beneficial owners of the Corporation's Common Shares. All costs associated with soliciting proxies will be borne by the Corporation. The Corporation does not presently intend to employ any other party to assist in the solicitation process. Proxies should be signed and returned to the Secretary of the Corporation, c/o Suite 1620 - 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6, using the enclosed envelope.

At the close of business on October 26, 2001, there were 22,240,724 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on each of the matters properly presented at the Annual Meeting.

PROPOSAL 1 ELECTION OF DIRECTORS

The business of the Corporation is managed under the direction of the Corporation's Board of Directors. At the Annual Meeting four directors will be elected to serve until the annual meeting for the fiscal year 2002. The nominees for election as directors are Michael J. Smith, James Carter, Slobodan Andjic and Simon Law, all of whom presently serve as directors. Each of the proposed nominees for director has indicated that he is willing and able to serve as a director following the Annual Meeting. If any of the nominees is unable or unwilling to serve, the accompanying proxy may be voted for the election of such other person as will be designated by the Board of Directors. Proxies received by the Corporation on which no designation is made will be voted FOR the nominee.

DIRECTORS

The following table sets forth information regarding each nominee for election as a director.

NAME	CURRENT POSITION WITH THE CORPORATION	AGE
Michael J. Smith	President, Chief Executive Officer and Director	53
James Carter	Secretary, Vice President and Director	56
Slobodan Andjic	Director	57

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Simon Law	Director	41
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Michael J. Smith became the President, Chief Executive Officer and a director of the Corporation on February 4, 2000. Mr. Smith is the President, Chief Executive Officer and a director of MFC Bancorp Ltd. ("MFC") and is the Chief Executive Officer, Chief Financial Officer and a director of TriMaine Holdings, Inc. and Drummond Financial Corporation.

James Carter became the Secretary and a director of the Corporation on February 4, 2000. Mr. Carter is currently a Vice President of MFC. He served as President and a director of Pine Resources Corporation ("Pine") from October 1998 to December 1999 and was the President and Chief Executive Officer of Carlin Resources Corp. from 1994 to 1998.

Slobodan Andjic became a director of the Corporation on October 10, 2000. Mr. Andjic has served as Vice President and a director of Swiss Investment Group since 1998. He served as an advisor to the President of Mercur and a director and coordinator of the Mercur group of companies from 1996 to 1998. Mr. Andjic was the Chairman of Yugoexport Athens Company from 1994 to 1996.

Simon Law became a director of the Corporation on November 27, 2000. Mr. Law has been a director of Kelsion Secretarial and Consultants Ltd. in Hong Kong since 1990.

The Board of Directors held no meetings in fiscal 2001 and acted five times through written consent during that period.

COMMITTEES OF THE BOARD

The Board of Directors did not have a nominating or compensation committee in fiscal 2001.

Executive Committee. The Board of Directors created an executive committee on October 10, 2000 to, inter alia, (1) manage a legal action commenced by the Corporation on November 3, 2000 against its former Chief Executive Officer, John Vowell, and others, including John Does (collectively, the "Defendants") alleging, in part, that Mr. Vowell breached his fiduciary duty to the Corporation and, along with the other Defendants, participated in a wide-ranging fraudulent scheme to benefit themselves and their associates at the expense of the Corporation, (2) manage conflicts of interest arising or that may arise out from such legal action and (3) to otherwise manage the affairs of the Corporation during the pendency of such legal action. The members of the executive committee were Michael J. Smith, James Carter and Slobodan Andjic. The executive committee was disbanded in 2001. Reference is made to the Corporation's report on Form 10-K for the year ended June 30, 2001 for further information concerning the legal action commenced by the Corporation.

Audit Committee. The members of the audit committee are James Carter and Simon Law, both of whom are directors of the Corporation. Mr. Carter, as a result of his being an officer of MFC, is not independent of the Corporation. However, the Board carefully considered Mr. Carter's affiliation with MFC as well as his accounting and financial expertise and determined that it is in the best interest of the Corporation and its shareholders that he continue to serve as a member of the Audit Committee. Mr. Law is independent of the Corporation. The function of the audit committee is to meet and review the results of the audit

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of the Corporation's financial statements performed by the Corporation's independent public accountant and to recommend the selection of a new independent public accountant when necessary. The Corporation's Board of Directors has not adopted a written charter for the audit committee. The audit committee met once during fiscal 2001.

COMPENSATION OF DIRECTORS

The Corporation does not compensate its directors for serving as directors, although directors are reimbursed by the Corporation for any expenses they incur in connection with performing their duties as directors.

RECOMMENDATION OF THE BOARD OF DIRECTORS

The Board of Directors recommends that the shareholders vote FOR the nominees listed herein.

OWNERSHIP OF SECURITIES

The following table sets forth certain information regarding the beneficial ownership of the Corporation's Common Shares on the Record Date by: (1) each person known by the Corporation to beneficially own more than 5% of the Corporation's Common Shares; (2) each executive officer and director of the Corporation; and (3) all executive officers and directors of the Corporation as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER (1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
----- Michael J. Smith 59 Charlottenstrasse D-10117, Berlin, Germany	2,302,663 (2)	9.9%
----- James Carter 59 Charlottenstrasse D-10117, Berlin, Germany	-	-
----- Slobodan Andjic UL. II Crnogroskog, Bataljona BB 81000 Podgorica, Montenegro, Yugoslavia	-	-
----- Simon Law Flat C, 2/F, Fu Bon Court 32 Fortress Hill Road Fortress Garden, Hong Kong	-	-
----- Beaumont Capital Ltd.(3)		

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Room 505 5/F East Town Building 41 Lockhart Rd., Wanchai, Hong Kong	15,940,000	64.5%

All executive officers and directors as a group	2,302,663	9.9%
