

IN THE MATTER OF THE REAL ESTATE ACT
R.S.B.C. 1996 C. 397 AS AMENDED

-AND-

IN THE MATTER OF NORMAN GAUKEL

AND

619399 B.C. LTD.

TEMPORARY CEASE SELLING ORDER

- AND -

NOTICE OF HEARING (SECTION 74)

WHEREAS it appears to the Superintendent of Real Estate (the "Superintendent") that:

619399 B.C. Ltd. is a British Columbia company registered under the *Company Act*. Norman Gaukel and Steven J. Barbieri were the directors of the 619399 BC. Ltd. at all relevant times and remain the directors of 619399 B.C. Ltd. Collectively they are referred to as the "Developers".

2. Norman Gaukel is a resident of British Columbia. His address listed on a BC Company search is 12473 - 71A Avenue, Surrey, British Columbia, V3W 0T9
3. Section 61(8) of the *Real Estate Act* (the "Act") requires the filing of a prospectus prior to the sale or the offering for sale of subdivided land.
4. Section 66(1) of the Act allows the Superintendent to permit a person to submit a disclosure statement instead of a prospectus, and section 66(2) of the Act deems a disclosure statement to be a prospectus.

5. Section 66(3) of the Act provides that a disclosure statement must contain full, true and plain disclosure relating to the subdivided land that is to be offered for sale or lease.
6. Sections 61(1) and (2) of the Act prohibit a developer from selling subdivided land unless the subdivision plan has been filed or approved by the municipality.
7. The Developers operate a website with the following address:
<http://www.resortswestbc.com/>.
8. The website describes a proposed ski development called "Resorts West BC", which consists of an 18th and 19th century style European village with two castles a West Coast Rainforest theme village, building lots, homes, town houses, condominiums, and quarter share hotel suites (the "Development").
9. The website lists price ranges for the lots, homes, town houses, and condominiums.
10. The location of the Development is described on the website as an area in Bridal Falls, British Columbia, which is a few minutes drive from exit 135 on the Trans-Canada Highway.

The contact address listed on the website is 12473 - 71A Avenue, Surrey, British Columbia, V3W 0T9.

12. In April 2003, in response to viewing the website, the Superintendent's office contacted Mr. Gaukel, who provided verbal assurance that the Developers were not selling or offering for sale lots in the Development and that the website was for market testing purposes only.

In July 2003, the Superintendent received information that the Developers entered into contracts of purchase and sale with 18 purchasers for the purchase of lots in phase 1 of the Development.

14. The Superintendent received copies of the contracts. They range in dates from January 2002 to April 2003 and do not specify which lots the purchasers are buying. In addition, the contracts indicate that deposits were paid by purchasers in amounts which range from \$10,000 to \$180,000, and that they were paid in trust to the Developers.
15. On August 14, 2003, the Superintendent's office wrote to Mr. Gaukel's lawyer to explain the requirements of sections 61(1)(2) and (8) of the Act.

16. The Developers have not filed a prospectus or a disclosure statement with the Superintendent for the offering of lots in the Development.
17. The Superintendent's office has determined that a subdivision plan has not been filed and that the City of Chilliwack has not approved any subdivision plan for the Development.
18. On August 14, 2003, the Superintendent asked Mr, Gaukel's lawyer to provide confirmation that the Developers will cease offering lots in the Development for sale until the provisions of Part 2 of the *Real Estate Act* have been complied with
19. The Superintendent's office did not receive written confirmation from the Developers or Mr. Gaukel's lawyer that the Developers would cease offering the lots for sale. However, Mr. Gaukel attended at the office of the Superintendent on August 27, 2003, and verbally assured the Superintendent's staff that no selling or offering for sale would occur until a prospectus or a disclosure statement for the Development was filed.
20. On February 10, 2004, the Superintendent received an inquiry from a potential purchaser who was contemplating purchasing a lot from the Developer in the Development. The potential purchaser provided the Superintendent with a blank copy of purchaser contract which is dated February 5, 2004.
21. The Developers are continuing to operate their website
22. It appears to the Superintendent that the Developers are continuing to offer lots in the Development for sale, despite the Developer's confirmation that selling had ceased, and despite the Developers being advised that selling or offering for sale could not commence or continue until a prospectus or a disclosure statement was filed with the Superintendent and the subdivision plan was either filed or approved by the City of Chilliwack, as required under the *Real Estate Act*.

AND WHEREAS the Superintendent in considering that the length of time to hold a hearing under Section 74(2) of the Act could be prejudicial to the public interest;

NOW THEREFORE the Superintendent, considering that it would be in the public interest to do so, orders that the Developers, and every person who on their behalf sells or leases, or offers to sell or lease lots, strata lots, or other interests in the Development to cease selling, leasing, or offering for sale or lease the same for a period of 15 days from the date of this Order;

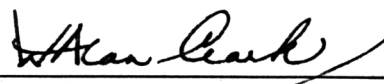
AND TAKE NOTICE that a hearing will be held at 1900 – 1050 West Pender Street, Vancouver, British Columbia on March 9, 2004, at 10:00 A.M., to allow the Developer an opportunity to be heard before the Superintendent determines whether it is in the public interest:

- to make a permanent Order under Section 74 of the Act; and
2. to make any other Order as may be appropriate in the circumstances;

AND TAKE NOTICE that the Developer may be represented by counsel at the hearing and make representations and lead evidence. The Developer is requested to advise of its intention to attend the hearing by writing to the Superintendent at 1900 – 1050 West Pender Street, Vancouver, British Columbia V6E 3S7, at least five days before the date of the hearing;

AND TAKE NOTICE that determinations may be made in the matter if the Defendants or their counsel do not appear at the hearing.

Dated at the
City of Vancouver,
Province of British Columbia,
This 27TH day of February, 2004.



W. Alan Clark
Superintendent of Real Estate
Province of British Columbia

TO: Norman Gaukel
12473 – 71A Avenue
Surrey, B.C. V3W 0T9

619399 B.C. Ltd.
220 – 7565 – 132nd Street
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