



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

-AND-

IN THE MATTER OF LADYSMITH HILLTOP HOLDINGS LTD.

TEMPORARY CEASE SELLING ORDER, AND  
NOTICE OF HEARING (SECTION 74)

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

1. Ladysmith Hilltop Holdings Ltd. (the "Developer") is a British Columbia company registered under the *Company Act*.
2. Mel Hewko, Conrad Lang, Murray Sanderson, Kathy Stalker, and Sandy Vanderplas were the directors of the Developer at all relevant times and remain the directors of the Developer.
3. Section 61(8) of the *Real Estate Act* (the "Act") requires the filing of a prospectus prior to the marketing of subdivided land for sale or for lease with a term exceeding three years.
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. Section 72 of the Act requires a developer to immediately file an amendment to a disclosure statement if a change occurs in any of the matters set out in the disclosure statement that would have the effect of rendering any statement in the disclosure statement false or misleading, or that brings into being a fact or proposal which should have been disclosed if the fact or proposal had existed at the time of filing the disclosure statement.
7. The Developer filed a restated disclosure statement (the "Restated Disclosure Statement") on July 2, 1997, and filed amendments thereto on October 3, 1997, August 31 1998, December 15, 1999, November 21, 2001, April 9, 2002, and June 26, 2003, with the Superintendent for a residential development of 72 strata lots to be constructed on land currently described as:

Strata Lots 1 to 30, Block 1477, District Lot 96, Oyster District,  
Strata Plan VIS3242; and Remainder Lot 1, Block 1477, District Lot 96,  
Oyster District, Plan VIP57507  
(the "Development").
8. On December 12, 2003, the Superintendent received information that there were leaking buildings at the Development as identified in an engineering report.
9. On December 16, 2003, the Superintendent's office wrote to the Developer's lawyers to explain that the Restated Disclosure Statement should be further amended to disclose leaking buildings at the Development, which were identified in an engineering report, and disclose the necessary repair work and repair costs. The Developer was asked to advise the Superintendent by December 30, 2003, that all marketing of the Development had ceased and would not resume until after an amendment to the Restated Disclosure Statement had been filed.
10. On January 7, 2004, a reminder letter was sent to the Developer's lawyers requesting a response to the Superintendent's cease marketing request.
11. On January 8, 2004, the Developer confirmed to the Superintendent in writing that all marketing of the Development had ceased and would not resume until after an amendment to the Restated Disclosure Statement had been filed.
12. On February 5, 2004, the Superintendent's office received information that the Developer was still marketing the Development.
13. The Superintendent's office obtained MLS listing information dated February 2, 2004, which stated that the Developer was offering its unit 29 at the Development for sale through its real estate agent Re/Max Ocean Pointe Realty (Ldy). Additionally, a member of the Superintendent's office visited the Development on February 16, 2004.

He observed a Re/Max Ocean Pointe Realty (Ldy) "Sold" sign at unit 29, and a Re/Max Ocean Pointe Realty (Ldy) "For Sale" sign at proposed unit 31.

14. Land Title Office records indicate that the Developer is the registered owner of unit 29. Proposed unit 31 appears to be part of phase 9 of the Development, which has not yet been registered at the Land Title Office.
15. The Superintendent's office has received no amendment to the Restated Disclosure Statement to disclose leaking buildings at the Development and the necessary repair work and repair costs.
16. It appears to the Superintendent that the Developer and the Developer's real estate agent are continuing to market the Development, despite the Developer's confirmation that marketing had ceased, and despite the Developer being advised that its Restated Disclosure Statement did not provide the disclosure 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 Developer, and every person who on its behalf sells or leases, or offers to sell or lease, strata lots in the Development to which the Restated Disclosure Statement relates to cease selling, leasing, or offering for sale or lease the same for a period of 15 days from the date of this Order;

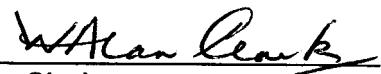
**AND TAKE NOTICE** that a hearing will be held at 1900 – 1050 West Pender Street, Vancouver, British Columbia on March 1, 2004, at 10:00 A.M., to allow the Developer an opportunity to be heard before the Superintendent determines whether it is in the public interest:

- 1 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 16TH day of February, 2004.



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

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