

Headnote

Section 144 – application for partial revocation of cease trade orders – variation of cease trade orders to permit sales to defunct securities account of investment dealer subject to condition that investment dealer obtains written confirmation from purchasers that they are not and have never been an insider or control person of the issuer in which they hold shares.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. s. 127 and 144.

**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, C. S5, AS AMENDED (the Act)**

AND

**IN THE MATTER OF
TD WATERHOUSE CANADA INC.**

AND

**BRE-X MINERALS LTD., DALECO RESOURCES CORPORATION, INDOCAN
RESOURCES INC., INTERNATIONAL PRECIOUS METALS CORPORATION
AND ROYAL OAK VENTURES INC.
(together, the Issuers)**

**ORDER
(Section 144)**

Background

1. On June 2, 1997, the Manager, Market Operations ordered under subsection 127(8) of the Act that all trading in the securities of Bre-X Minerals Ltd. (Bre-X) cease until the order is revoked by further order of revocation (the Bre-X Order).
2. On May 4, 1999, the Manager, Corporate Finance ordered under subsection 127(8) of the Act that all trading in the securities of Daleco Resources Corporation (Daleco) cease until the order is revoked by further order of revocation (the Daleco Order).
3. On June 18, 1998, the Manager, Market Operations ordered under subsection 127(8) of the Act that all trading in the securities of Indocan Resources Inc.

(Indocan) cease until the order is revoked by further order of revocation (the Indocan Order).

4. On September 21, 1998, the Manager, Market Operations ordered under subsection 127(8) of the Act that all trading in the securities of International Precious Metals Corporation (now Innotelco Inc.) (IPMC) cease until the order is revoked by further order of revocation (the IPMC Order).
5. On March 1, 2000, the Director ordered under subsection 127(8) of the Act that all trading in the securities of Royal Oak Ventures Inc. (currently Royal Oak Mines Inc.) (Royal Oak) cease until the order is revoked by further order of revocation (the Royal Oak Order, together with the Bre-X Order, Daleco Order, Indocan Order and IPMC Order, the Orders). The Royal Oak Order was partially revoked on March 13, 2000 and December 20, 2000.
6. TD Waterhouse Canada Inc. (TD Waterhouse) has applied to the Commission for an order under section 144 of the Act to vary the Orders to permit it to sell securities of Bre-X, Daleco, Indocan, IPMC and Royal Oak on behalf of certain clients of TD Waterhouse to its defunct securities account.

Representations

7. TD Waterhouse has represented to the Commission that:
 - 7.1 TD Waterhouse is a corporation incorporated under the laws of Ontario. The head office of TD Waterhouse is located in Toronto, Ontario.
 - 7.2 TD Waterhouse is registered as a dealer in the category of investment dealer (or equivalent) in each of the provinces and territories of Canada. TD Waterhouse is a member of the Investment Dealers Association of Canada.
 - 7.3 In mid 2004, TD Waterhouse discovered that, during the development of its internal cease trade order database (the CTO database) which was completed in late September 2002, it had inadvertently omitted the Issuers from its list of issuers whose securities were subject to cease trade orders. As a result, seven clients of TD Waterhouse resident in Ontario (the Ontario Purchasers) each purchased shares of one of the Issuers (the Shares) during the period when the Orders were in effect and hold the Shares in their accounts with TD Waterhouse. The Shares were purchased by the Ontario Purchasers through TD Waterhouse and the majority of the Shares were purchased by the Ontario Purchasers entering their orders electronically. TD Waterhouse did not solicit these orders or make recommendations relating to the trades.
 - 7.4 Once TD Waterhouse became aware that its CTO database contained certain inaccuracies, it initiated a detailed review to identify details of the inaccuracies. TD Waterhouse has since taken steps and devoted

significant resources to correct the deficiencies in its CTO database and has established procedures designed to ensure that the information in its CTO database continues to be consistent with the information in the database maintained by the Canadian Securities Administrators (CSA). TD Waterhouse is confident that the information in its CTO database is consistent with the database maintained by the CSA with respect to cease trade orders applicable to issuers.

- 7.5 To the best of the knowledge of TD Waterhouse there is currently no market in Canada for the securities of the Issuers, but the common shares of Daleco, Indocan, IPMC and Royal Oak are quoted in the United States on the Over the Counter Bulletin Board or the Pink Sheets.
- 7.6 The terms of the Orders prohibit the Ontario Purchasers from selling the Shares.

Order

8. The Commission is satisfied that granting this Order would not be prejudicial to the public interest.
9. It is ordered pursuant to section 144 of the Act that the Orders are varied to permit TD Waterhouse to sell the Shares to TD Waterhouse's defunct securities account, provided that prior to executing any such sale, TD Waterhouse obtains written confirmation from the relevant Ontario Purchaser that it is not and has never been an insider or control person of the Issuer in which it holds shares.

DATED June 8, 2006.

"Kelly Gorman"
