

2009 BCSECCOM 522

Settlement Agreement

Dalton Bruce Dupasquier

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Dalton Bruce Dupasquier (Dupasquier) agree as follows:

Agreed Statement of Facts

Background

1. Dupasquier is a resident of White Rock, British Columbia. Dupasquier is 67 years old, and has never been previously sanctioned.
2. From December 1, 2006 to May 2007, Dupasquier was a director, the president, and chief executive officer of New Cantech Ventures Inc. (New Cantech), which was a reporting issuer listed on the TSX Venture Exchange.
3. New Cantech was a mining and exploration company. New Cantech's most significant project was the Lucky Ship Molybdenum Property in northwest British Columbia (the Property).
4. In 2006 and early 2007, New Cantech disclosed information to the public through various media that included resource and economic estimates about the Property (the Disclosure).

Material fact not generally disclosed

5. On March 13, 2007, Commission staff sent a letter to Dupasquier outlining deficiencies in the Disclosure (the Demand Letter). The Demand Letter required that New Cantech issue a clarifying news release stating that as a result of a Commission review, the company was retracting and restating the Disclosure.
6. The Demand Letter was a material fact.
7. New Cantech issued a news release after the close of trading on May 1, 2007 (the News Release). In the News Release, New Cantech retracted all previous economic statements made by management relating to the Property, and announced the release of a new Preliminary Economic Assessment of the Property.

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Trading with undisclosed material information

8. From March 13, 2007 to April 24, 2007, Dupasquier sold 397,500 New Cantech shares that he beneficially owned through personal and corporate accounts. Dupasquier sold his shares at prices between \$1.01 and \$1.21, for total proceeds of \$450,162.
9. On May 1, 2007, New Cantech's shares closed at a price of \$0.93.
10. After the market closed on May 1, 2007, New Cantech issued the News Release.
11. On May 2, 2007, New Cantech's shares closed at \$0.68, a decrease of 27 per cent from the May 1, 2007 closing price.
12. Dupasquier's conduct in the circumstances described above was contrary to the insider trading provisions of section 86(1) of the Act.
13. By selling his shares prior to the News Release, Dupasquier avoided a loss of \$179,862.

Mitigating Factors

14. Dupasquier's conduct was unintentional and not dishonest. He sold his New Cantech shares under an honestly held, but mistaken belief, that the Demand Letter was not material supported by the following facts:
 - (a) Upon receipt of the Demand Letter, Dupasquier provided the letter to New Cantech's corporate counsel, an experienced securities solicitor. Dupasquier discussed the issues raised in the Demand Letter with counsel, and instructed him to work with Commission staff in resolving the issues.
 - (b) Counsel did not advise Dupasquier that the Demand Letter was a material fact, or that Dupasquier should cease trading in New Cantech shares until April 24, 2007. Dupasquier ceased trading in New Cantech shares immediately upon counsel advising him to do so.
 - (c) Dupasquier had been selling his shares in New Cantech on a regular basis for several months prior to receiving the Demand Letter. Dupasquier's selling was based on a plan put in place on the advice of his broker prior to receiving the Demand Letter.
 - (d) Dupasquier never attempted to conceal his trading during the Prohibited Period. He continued to file his insider trading reports on a timely basis.

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Settlement Payment

15. In settlement of this matter, Dupasquier undertakes to pay \$179,862.

Order

- ¶ 2 The Executive Director will issue an order (the Order) that:
1. under section 161(1)(b) of the Act, Dupasquier cease trading, and is prohibited from purchasing, securities or exchange contracts except that:
 - (a) Dupasquier may trade and purchase securities and exchange contracts for his own account through a registrant in one RRSP account if he first gives the registrant a copy of the Order;
 - (b) Dupasquier, or an issuer of which all the securities are owned by him, may acquire securities of issuers, in one cash account with a registrant, in consideration for services rendered (including finder's fees) or for assets he transfers or assigns to the issuer; and
 - (c) Dupasquier may sell any securities that he beneficially owns as of the date of this Order if he gives the Executive Director a list of those securities stating the registered dealers at which each security is held and the details of the relevant account;.until one year from the date of the Order; and
 2. under section 161(1)(d)(ii) of the Act, Dupasquier is prohibited from acting as a director or officer of any issuer, except an issuer of which all the securities are owned by him, for a period of five years from the date of the Order.

Consent to Reciprocal Orders

- ¶ 3 Any securities regulator in Canada may rely on the facts admitted in this agreement solely for the purpose of making a similar Order.

Waiver

- ¶ 4 Dupasquier waives any right he may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

