



British Columbia Securities Commission

Citation: 2013 BCSECCOM 73

Notice of Hearing

BigFoot Recreation & Ski Area Ltd. and Ronald Stephen McHaffie

Section 161 of the *Securities Act*, RSBC 1996, c. 418

¶ 1 The Commission will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against BigFoot Recreation & Ski Area Ltd. and Ronald Stephen McHaffie (collectively the Respondents) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, (the Act) based on the following facts:

Background

1. BigFoot Recreation & Ski Area Ltd. (BigFoot) was incorporated in British Columbia on September 19, 2003, purportedly to develop a recreation and ski area near Jones Lake in British Columbia.
2. BigFoot has never filed a prospectus under the Act nor made any exempt distribution report filings with the Commission.
3. Ronald Stephen McHaffie (McHaffie) is a resident of British Columbia and a director of BigFoot. He has never been registered under the Act.

Misconduct

Illegal Distribution

4. From August 2007 to January 2012 (the Relevant Period), the Respondents sold shares, raising approximately \$642,960 from 30 investors.
5. No exemptions were available under the Act for 27 of the 30 investors who invested approximately \$621,960.
6. By distributing securities for which a prospectus had not been filed, the Respondents contravened section 61 of the Act.

Liability under s. 168.2

7. McHaffie, as a director of BigFoot, authorized, permitted or acquiesced in the contravention of section 61 of the Act, and therefore contravened the same provision under section 168.2 of the Act.



Fraud

8. To entice investors to invest in BigFoot, McHaffie told investors that:
 - (a) their investment would be used for expenses related to getting BigFoot publicly listed and the BigFoot public listing was imminent; and
 - (b) either the commencement of construction or the completion of BigFoot was imminent.

(collectively the Statements)
9. The Statements were false or misleading because:
 - (a) McHaffie used investor funds to pay for personal expenses, including gas, restaurants, groceries and retail purchases, not for expenditures related to taking BigFoot public; and
 - (b) they were made after the provincial government rejected BigFoot's proposal to build a ski hill in September, 2010.
10. McHaffie continued to raise a total of \$111,070 from investors after BigFoot's proposal was rejected.
11. By engaging in the conduct described in this Notice of Hearing, McHaffie perpetrated a fraud, contrary to section 57(b) of the Act.

Public interest

- ¶ 2 It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

Hearing Process

- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, June 25, 2013, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 4 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@besc.bc.ca.



- ¶ 5 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 6 May 30 , 2013.
- Paul Bourque
- ¶ 7 Paul C. Bourque, Q.C.
Executive Director