

2009 BCSECCOM 569

Settlement Agreement

Ryan Anthony Gibson

Securities Act, RSBC 1996, c. 418

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Ryan Anthony Gibson (Gibson) agree as follows:

Agreed Statement of Facts

Background

1. Rocky Mountain Gold Mining, Inc. (Rocky Mountain) was a Delaware, USA company. It was not registered to do business in British Columbia or Canada. It had a registered address in Wilmington, Delaware, and an office in Vancouver, British Columbia.
2. Gibson, in 2006 and 2007, was resident of Vancouver, British Columbia. From July 20, 2006 he was the sole officer and director of Rocky Mountain.
3. Neither Rocky Mountain nor Gibson was registered to trade securities under the Act.

Illegal Trading and Distribution of Securities

4. On August 10, 2006, Rocky Mountain entered into an agreement with a British Columbia company to acquire mineral rights for real property in British Columbia (Property Agreement). Gibson executed the Property Agreement on behalf of Rocky Mountain.
5. Rocky Mountain sought to raise funds to fulfill its obligations under the Property Agreement by entering into a stock option purchase agreement with a Panamanian company.
6. On August 14, 2006, Rocky Mountain and the Panamanian company entered into an agreement entitled Regulation S Stock Purchase Agreement granting the Panamanian company options to purchase shares in Rocky Mountain. Gibson, on behalf of Rocky Mountain, accepted that the Panamanian company could exercise its options by way of promissory note.
7. The Panamanian company then:
 - (a) resold Rocky Mountain shares to residents of the United Kingdom (UK Investors); and

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- (b) issued share certificates to the UK Investors (initially and incorrectly in the name of a company called Rocky Mountain Gold Mining of Vancouver, Canada).
- 8. 166 UK Investors purchased approximately 3.1 million shares of Rocky Mountain for a total of approximately \$2.4 million dollars.
- 9. Gibson, on behalf of Rocky Mountain:
 - (a) maintained a website, hosted in British Columbia, for investors to review;
 - (b) when contacted by telephone or e-mail by 13 of the UK Investors (in all but one or possibly two instances after the UK Investors already had purchased), responded to their inquiries either by telephone or e-mail; and
 - (c) in one or two instances forwarded the names and numbers of UK Investors who contacted him to Rocky Mountain's lawyer who was Gibson's main contact with the Panamanian company.
- 10. The series of transactions including:
 - (a) the sale of Rocky Mountain securities from Rocky Mountain to the Panamanian company; and
 - (b) the subsequent resale of the securities of Rocky Mountain from the Panamanian company to the UK Investors,constituted a distribution of securities under the Act by Rocky Mountain.
- 11. Although some of the acts described above were directed by others outside British Columbia and not by Gibson, Gibson admits that:
 - (a) Rocky Mountain traded and distributed securities of Rocky Mountain contrary to sections 34 and 61 of the Act; and
 - (b) by engaging in the conduct outlined in paragraphs 6 and 9 above, Gibson authorized, permitted or acquiesced in the trade and distribution of securities of Rocky Mountain contrary to s. 168.2 of the Act.

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12. Nothing herein constitutes an admission of the breach of the laws of any other jurisdiction.

Public Interest

13. Gibson acted contrary to the public interest in British Columbia by engaging in the conduct set out above.

Inability to Pay

14. Gibson is unemployed and covers his living expenses with borrowed money. Gibson has provided the Executive Director with sufficient proof that his liabilities exceed his assets.

15. There is no reasonable prospect of Gibson paying a fine of \$50,000 that would otherwise be assessed in the public interest for the misconduct described in this Settlement Agreement. However, Gibson undertakes to pay \$10,000 in settlement of this matter.

Order

¶ 2 The Executive Director will issue an order (the Order) that:

1. under section 161(1)(a) of the Act, Gibson comply fully with the Act, the Securities Rules, and any applicable regulations; and

until seven years from the date of the Order:

2. under section 161(1)(b) of the Act, Gibson cease trading, and is prohibited from purchasing, securities or exchange contracts except that Gibson 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;

3. under section 161(1)(d)(i) and (ii) of the Act, Gibson resign any position he may hold as a director or officer of an issuer, registrant or investment fund manager and be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

4. under section 161(1)(d)(iii) of the Act, Gibson be prohibited from acting as a registrant, investment fund manager, or promoter;

5. under section 161(1)(d)(iv) of the Act, Gibson be prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

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6. under section 161(1)(d)(v) of the Act, Gibson be prohibited from engaging in investor relations activities.

Consent to Reciprocal Orders

¶ 3 Nothing in this agreement constitutes attornment by Gibson to any other jurisdiction or assent to any other order, except 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 Gibson 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.

Counterpart

¶ 5 This Settlement Agreement may be executed in counterpart or by facsimile execution and all such counterparts of executed copies or faxed copies shall be read or construed together as if they formed one originally executed document.

¶ 6 October 7 2009

¶ 7 Ryan Gibson
Ryan Anthony Gibson

Gillian Morgan)
Witness Signature)
Gillian Morgan)
Witness Name (please print))
700 – 375 Water Street)
Vancouver, BC)
Address)
Legal Secretary)
Occupation)

¶ 8 October 7, 2009

Brenda Leong

¶ 9 Benda M. Leong
Executive Director