

**Citation: 2013 BCSECCOM 414**

**Settlement Agreement**

**Leonard George Ralph, also known as Len Ralph**

***Securities Act, RSBC 1996, c. 418***

- ¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Leonard George Ralph, also known as Len Ralph, agree as follows:

**Agreed Statement of Facts**

**Background**

1. Leonard George Ralph, also known as Len Ralph (Ralph), is a resident of Nanoose Bay, British Columbia (BC).
2. Ralph is a director and officer of Independent Academies Canada Inc. (IAC) and its parent company, Micron Systems Inc. (Micron). Both IAC and Micron were incorporated in BC with a registered and records office in Victoria.
3. Ralph has never been registered under the Act.
4. Since 2002, IAC attempted to develop a business concept combining a sports training facility, a high school and university education program, a wellness community, and residential units into one complex (the Development).
5. In 2006, IAC acquired property in Comox, BC, known as Sage Hills (the Property), with a view to building their Development.

***Misconduct***

***Illegal Distribution***

6. Between August 2002 and July 2011, IAC distributed securities to finance the Development to at least 150 investors for proceeds of \$7.3 million.
7. In respect of at least 122 investors who invested approximately \$5.96 million, IAC filed 36 Exempt Distribution reports purporting to rely primarily on the Family, Friends and Business Associates (FFBA) exemptions from the prospectus requirements of the Act of which only \$1.94 million from 15 investors actually qualified for an exemption.
8. Ralph introduced seven investors to IAC for a total of \$223,183, all of which fell under the FFBA exemptions.

9. Of the total capital raised, IAC illegally distributed \$5.36 million of IAC securities to 135 investors.
10. It was represented to Ralph by the other directors of IAC that all 135 investors fell under the FFBA exemptions.
11. Ralph failed in his responsibilities as a director and authorized, permitted or acquiesced in IAC's illegal distribution of \$5.36 million of IAC securities, thereby contravening section 61 of the Act.
12. Ralph invested approximately \$200,000 of his own, and his family's funds in IAC, and lost his entire investment.

***Public Interest***

13. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

***Undertaking(s)***

14. Ralph undertakes to pay \$40,000 to the British Columbia Securities Commission in respect of settlement of this matter which sum is due and payable immediately without further demand.

**Order**

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

1. Ralph cease trading in, and be prohibited from purchasing all securities, under section 161(1)(b)(ii) of the Act, except that he may trade and purchase securities and exchange contracts through a registrant in one non-registered and one TFSA account if he first provides a copy of the Order to the registrant;
2. Ralph resigns any position he holds as, and is prohibited from becoming or acting as, a director or officer of any issuer or registrant, under section 161(1)(d)(i) and (ii);
3. Ralph is prohibited from acting in a management or consultative capacity with activities in the securities market, under section 161(1)(d)(iv); and that
4. Ralph is prohibited from engaging in investor relations activities, under section 161(1)(d)(v) of the Act;

for a period of 10 years.

**Consent to Regulatory Orders**

¶ 3 Ralph consents to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph 2 above.

**Waiver**

¶ 4 Ralph 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 September 26, 2013

¶ 7 Leonard Ralph  
Leonard George Ralph

Jillian Crystal )  
Witness Signature )  
Jillian Crystal )  
Witness Name (please print) )  
3623 Dolphin Drive )  
Nanoose Bay, BC, V9P 9H2 )  
Address )  
Retired )  
Occupation )

¶ 8 October 1, 2013

Paul C. Bourque

¶ 9 Paul C. Bourque, Q.C.  
Executive Director