



British Columbia
Securities Commission

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BCSC panel fines and permanently bans two B.C. residents and two B.C. companies for fraud and illegally distributing securities

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Vancouver – A British Columbia Securities Commission panel [has fined and permanently banned](#) two B.C. residents and two B.C. companies for fraud, illegal distribution of securities, and breaching the terms of a cease trade order (CTO).

In March 2014, a commission panel found that Theodore Ralph Everett, Robert H. Duke, Micron Systems Inc., and Independent Academies Canada (IAC) distributed securities to 126 investors for proceeds of \$5.1 million without filing a prospectus, perpetrated a fraud by distributing securities to 55 investors for proceeds of \$1.45 million, and traded securities in violation of a cease trade order.

In its decision, the panel found that Everett and Duke sold securities when they knew that the property they told investors would be developed with their money was in foreclosure. In fact, they raised some funds after the court had ordered the sale of the property.

In its sanctions decision, the panel noted that Everett's and Duke's "deceitful conduct was directly responsible for the harm done to the IAC and Micron investors," and that they also "enriched themselves at investors' expense."

The panel ordered that Everett and Duke be permanently banned from trading in securities, purchasing securities or exchange contracts, and from becoming or acting as a director or officer of any issuer or registrant. They are also permanently prohibited from becoming or acting as a registrant or promoter, from engaging in investor relations activities, and from acting in a management or consultative capacity in connection with the securities market.

The panel also ordered the respondents to pay to the commission the \$5,433,189 obtained as a result of their misconduct. Furthermore, Everett and Duke are jointly and severally liable to pay an administrative penalty of \$7 million. IAC and Micron have been permanently cease traded.

Leonard George Ralph was named as a respondent in the original notice of hearing issued in January 2013. He settled with the Executive Director in October 2013.

You may view the sanctions decision on our website www.bsc.bc.ca by typing Independent Academies Canada, Micron Systems Inc., Theodore Ralph Everett, Robert H. Duke, or 2014 BCSECCOM 260 in the search box. To view the Executive Director's settlement agreement with Leonard Ralph, please type 2013 BCSECCOM 414 in the search box. Information regarding disciplinary proceedings can be found in the Enforcement section of the BCSC website.

Please visit the Canadian Securities Administrators' Disciplined Persons List for information relating to persons disciplined by provincial securities regulators, the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association (MFDA).

About the British Columbia Securities Commission (www.bsc.bc.ca)

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the Securities Act. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

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