



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5, AS AMENDED**

**- and -**

**IN THE MATTER OF  
BIGFOOT RECREATION & SKI AREA LTD. and  
RONALD STEPHEN MCHAFFIE**

**STATEMENT OF ALLEGATIONS  
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) allege:

**I. OVERVIEW**

1. Ronald Stephen McHaffie (“McHaffie”) and Bigfoot Recreation & Ski Area Ltd. (“Bigfoot”) (collectively, the “Respondents”) are subject to an order made by the British Columbia Securities Commission (“BCSC”) dated June 3, 2014 (the “BCSC Order”) that imposes sanctions, conditions, restrictions or requirements upon them.
2. In its findings on liability dated June 3, 2014 (the “Findings”), a panel of the BCSC (the “BCSC Panel”) found that the Respondents engaged in an illegal distribution of securities. The BCSC Panel further found that McHaffie perpetrated a fraud.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the BCSC Order, pursuant to paragraph 4 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).

4. The conduct for which the Respondents were sanctioned took place between August 2007 to January 2012 (the “Material Time”).
5. Bigfoot was incorporated in British Columbia in 2003, purportedly for the development of a recreation and ski area near Jones Lake, British Columbia. Bigfoot has never filed a prospectus in British Columbia and has never been registered under the British Columbia *Securities Act*, R.S.B.C. 1996, c. 418 (the “BC Act”).
6. During the Material Time, McHaffie was a resident of British Columbia and a director of Bigfoot. McHaffie has never been registered under the BC Act.
7. During the Material Time, McHaffie and Bigfoot raised approximately \$642,960 from 30 investors through the sale of Bigfoot shares. No prospectus exemptions were available to Bigfoot for the distributions of shares to 27 of the investors, who invested a total of \$621,960. McHaffie made false representations to investors, including that their monies would be used for development of the resort, and that the list of Bigfoot shares on the Toronto Stock Exchange was imminent.

## **II. THE BCSC PROCEEDINGS**

### **The BCSC Findings**

8. In its Findings, the BCSC Panel found the following:
  - a. the Respondents engaged in an illegal distribution of securities without the availability of any exemptions, contrary to section 61(1) of the BC Act;
  - b. as a director of Bigfoot, McHaffie authorized, permitted and acquiesced in Bigfoot’s contravention of section 61, thereby contravening section 168.2 of the BC Act; and
  - c. McHaffie perpetrated a fraud, contrary to section 57(b) of the BC Act.

**The BCSC Order**

9. The BCSC Order imposed the following sanctions, conditions, restrictions or requirements:
- a. upon McHaffie:
    - i. pursuant to section 161(1)(b) of the BC Act, that McHaffie cease trading permanently, and is permanently prohibited from purchasing, securities or exchange contracts;
    - ii. pursuant to sections 161(1)(d)(i) and (ii) of the BC Act, that McHaffie resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
    - iii. pursuant to section 161(1)(d)(iii) of the BC Act, that McHaffie is permanently prohibited from becoming or acting as a registrant or promoter;
    - iv. pursuant to section 161(1)(d)(iv) of the BC Act, that McHaffie is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
    - v. pursuant to section 161(1)(d)(v) of the BC Act, that McHaffie is permanently prohibited from engaging in investor relations activities;
    - vi. pursuant to section 161(1)(g) of the BC Act, that McHaffie pay to the BCSC the funds he obtained as a result of his contraventions of the BC Act, which the BCSC Panel found to be not less than \$642,960; and

vii. pursuant to section 162 of the BC Act, that McHaffie pay to the BCSC an administrative penalty of \$2 million;

b. upon Bigfoot:

- i. pursuant to section 161(1)(b) of the BC Act, that all persons cease trading permanently, and are prohibited permanently from purchasing, any securities of Bigfoot;
- ii. pursuant to section 161(1)(b) of the BC Act, that Bigfoot permanently cease trading in, and be permanently prohibited from purchasing, any securities or exchange contracts;
- iii. pursuant to section 161(1)(d)(iii) of the BC Act, that Bigfoot is prohibited permanently from becoming or acting as a registrant, or promoter;
- iv. pursuant to section 161(1)(d)(iv) of the BC Act, that Bigfoot is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
- v. pursuant to section 161(1)(d)(v) of the BC Act, that Bigfoot is prohibited permanently from engaging in investor relations activities;
- vi. pursuant to section 161(1)(g) of the BC Act, that Bigfoot pay to the BCSC the funds it obtained as a result of its contraventions of the BC Act, which the BCSC Panel found to be not less than \$621,960; and
- vii. that the amounts paid under paragraphs 9(a)(vi) and 9(b)(vi) shall not exceed, in the aggregate, the amount obtained by the Respondents' respective contraventions of the BC Act.

**III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION**

10. The Respondents are subject to an order of the BCSC imposing sanctions, conditions, restrictions or requirements upon them.
11. Pursuant to paragraph 4 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
12. Staff allege that it is in the public interest to make an order against the Respondents.
13. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
14. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

**DATED** at Toronto, this 22<sup>nd</sup> day of September, 2014.