

**In the Matter of
*The Securities Act, 1988***

and

**In the Matter of
Relative Resources Ltd.,
Dwight Campbell, and
Sean Kirkpatrick**

Order

(Pursuant to Section 135.1 of *The Securities Act, 1988* (the Act))

WHEREAS Relative Resources Ltd. (RRL) and the Director of the Securities Division (the Director) of Financial and Consumer Affairs Authority of Saskatchewan (the Authority) have entered into a settlement agreement dated September 16, 2015 (the Settlement Agreement), the original of which is attached hereto as Appendix "A";

AND WHEREAS an application has been received by the Authority from staff of the Authority for an order that:

1. pursuant to clause 134(1)(f)(i) of the Act, RRL shall comply with Saskatchewan securities laws; and
2. pursuant to clause 83(1)(c) of the Act, any trade in securities that were issued by RRL, granting working interests in any lands specified in Schedule I, hereto, is hereby deemed to be a "distribution" for the purposes of Saskatchewan securities laws.

AND WHEREAS, pursuant to section 135.3 of the Act, proceedings may be disposed by an agreement approved by the Authority, without the necessity of a hearing;

AND WHEREAS the Authority has approved the Settlement Agreement;

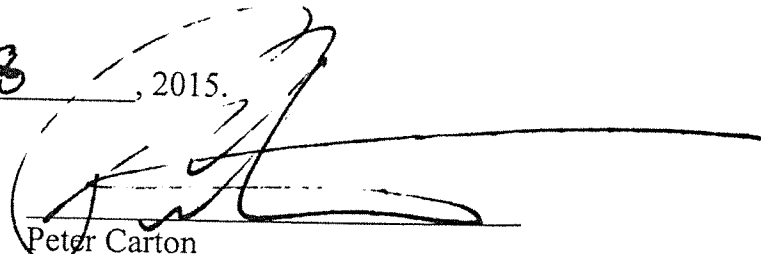
AND WHEREAS RRL has waived its right to a hearing in this matter as well as its right to any appeal with respect to this matter, and has consented to the issuance of this Order;

AND WHEREAS the Authority is of the opinion that it is in the public interest to make this Order;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. pursuant to clause 134(1)(f)(i) of the Act, RRL shall comply with Saskatchewan securities laws; and
2. pursuant to clause 83(1)(c) of the Act, any trade in securities that were issued by RRL, granting working interests in any lands specified in Schedule I, hereto, is hereby deemed to be a "distribution" for the purposes of Saskatchewan securities laws.

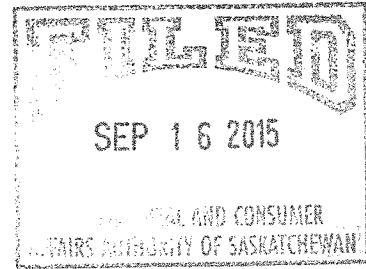
DATED at Regina, Saskatchewan on SEPT 18, 2015.



Peter Carton
Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority
of Saskatchewan

SCHEDULE I

1. 5-17-9-28W1
2. 2-18-9-28W1
3. 3-17-9-28W1
4. 8-31-7-29W1
5. 2-16-9-28W1
6. 6-7-9-28W1
7. 2A-18-9-28W1
8. 3-7-9-28W1
9. 4-7-9-28W1
10. 5-7-9-28W1



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SETTLEMENT AGREEMENT

WHEREAS the Director of the Securities Division (the Director) of Financial and Consumer Affairs Authority of Saskatchewan (the Authority) issued a Statement of Allegations of Staff of the Authority, dated May 1, 2014 (the Statement of Allegations), with the Authority, in which it was alleged that Sean Kirkpatrick (Kirkpatrick), Dwight Campbell (Campbell) and Relative Resources Ltd. (RRL) engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

AND WHEREAS Kirkpatrick, Campbell and the Director have disposed of the allegations against Kirkpatrick and Campbell, as contained in the Statement of Allegations, by way of agreement approved by the Authority (the Directors' Agreement), as permitted by section 135.3 of the Act;

AND WHEREAS RRL and the Director desire to dispose of the allegations against RRL, as contained in the Statement of Allegations, by way of agreement, as permitted by section 135.3 of the Act;

AND WHEREAS RRL and the Director acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, will be published on the Authority's website;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, RRL and the Director hereby agree as follows:

1. The following facts were admitted by Kirkpatrick and Campbell in the Directors' Agreement, and are accepted by RRL as true:
 - a) Kirkpatrick is an individual, resident in [REDACTED]
 - b) Campbell is an individual, resident in [REDACTED]

- c) At all material times, Kirkpatrick and Campbell were officers and directors of, and acted as agents for, RRL, a business corporation incorporated pursuant to the laws of the Province of Manitoba,

First Investors

- d) From in or around August 2008 to in or around September 2009, Kirkpatrick and Campbell traded in securities in Saskatchewan, the details of which include, but are not limited to, the following:

From in or around August 2008 to in or around September 2009, with Campbell's knowledge and consent, Kirkpatrick caused RRL to enter into Joint Venture Agreements (the First Agreements) with approximately 6 persons or companies resident in Saskatchewan (collectively, the First Investors). In exchange for certain working interests in various specified lands, the First Investors paid RRL a total sum of \$575,000,

- e) On or about March 30, 2011, RRL filed a Form 45-106F1 *Report of Exempt Distribution* (RRL's Filing). With Campbell's knowledge and consent, Kirkpatrick certified, on RRL's behalf, that the statements made in RRL's Filing were true,
- f) RRL's Filing stated that the above-mentioned trades engaged in with the First Investors were exempt from the registration and prospectus requirements under the Act, pursuant to exemptions contained in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106),
- g) Notwithstanding the fact that each of the First Investors signed certificates representing they met the requirements of the exemptions claimed in RRL's Filing, none of the First Investors met the requirements of the exemptions claimed in RRL's Filing,
- h) No other exemptions from the registration or prospectus requirements in relation to the trades with the First Investors were claimed in RRL's Filing, and no other report pursuant to section 6.1 of NI 45-106 claiming any exemption for the trades with the First Investors was filed by any of the Respondents,
- i) The First Agreements were securities that had not previously been issued, and as such, when Kirkpatrick and Campbell traded in these securities with the First Investors, they made distributions,
- j) No preliminary prospectus relating to the distributions of the First Agreements was filed, and no receipts were issued for the same. No prospectus relating to the distributions of the First Agreements was filed and no receipts were issued for the same. Therefore, Kirkpatrick and Campbell contravened subsection 58(1) of the Act,
- k) Neither Kirkpatrick nor Campbell has ever been registered as a "dealer", pursuant

to the Act. As such, when Kirkpatrick and Campbell traded in securities in Saskatchewan with the First Investors, as set out in clause (d), above, they did so while not registered to do so, contrary to clause 27(1)(a) of the Act, as was applicable at the relevant time,

Later Investors

- l) From in or around 2010 to in or around 2012, Kirkpatrick and Campbell traded in securities in Saskatchewan, the details of which include, but are not limited to, the following:

From in or around 2010 to in or around 2012, with Campbell's knowledge and consent, Kirkpatrick caused RRL to enter into Joint Venture Agreements (the Later Agreements) with approximately fifteen persons or companies (three of whom were also in the First Investors group [Namely, Investor 1, Investor 2 and Investor 3], and twelve of whom, [including Investor 10, Investor 11, Investor 13, Investor 17 and Investor 18] were not included in the First Investors group) (collectively, the Later Investors). In exchange for certain working interests in various specified lands, the Later Investors paid RRL a total sum of \$762,500;

- m) RRL's Filing stated that the above-mentioned trades engaged in with Investor 1, Investor 10 and Investor 11 were exempt from the prospectus requirement under the Act, pursuant to the accredited investor exemption contained in section 2.3 of NI 45-106,
- n) Notwithstanding the fact that each of Investor 1, Investor 10 and Investor 11 signed certificates representing they met the requirements of the exemptions claimed in RRL's Filing, none of Investor 1, Investor 10 or Investor 11 met the requirements of the exemptions claimed in RRL's Filing,
- o) RRL's Filing admitted that there was no exemption available for the trade engaged in with Investor 13. RRL later returned Investor 13's funds,
- p) The trades engaged in with Investor 2, Investor 3, Investor 17 and Investor 18, referred to above, are not included in RRL's Filing,
- q) No other exemptions from the prospectus requirement in relation to the trades with Investor 1, Investor 10, Investor 11, Investor 13, Investor 17 or Investor 18 were claimed in RRL's Filing, and no other report pursuant to section 6.1 of NI 45-106 claiming any exemption for the trades with these investors was filed by any of the Respondents,
- r) The Later Agreements were securities that had not previously been issued, and as such, when Kirkpatrick and Campbell traded in these securities with the Later Investors, they made distributions,
- s) No preliminary prospectus relating to the distributions of the Later Agreements was filed, and no receipts were issued for the same. No prospectus relating to the

distributions of the Later Agreements was filed and no receipts were issued for the same. Therefore, Kirkpatrick and Campbell contravened subsection 58(1) of the Act,

Untrue Statements

- t) In certifying the statements in RRL's Filing as true on behalf of RRL, Kirkpatrick provided information in a record required to be filed pursuant to the Act or the regulations that, in a material respect and at the time and in light of the circumstances, were false and misleading, contrary to clause 55.13(1)(c) of the Act, and
 - u) In consenting to the filing of RRL's Filing and the certification of its truth by Kirkpatrick, Campbell provided information in a record required to be filed pursuant to the Act or the regulations that, in a material respect and at the time and in light of the circumstances, were false and misleading, contrary to clause 55.13(1)(c) of the Act.
2. The following facts are admitted by RRL:
- a) As a result of the activities of Kirkpatrick and Campbell, outlined in paragraph 1, above, Kirkpatrick and Campbell caused RRL to contravene subsections 58(1) and 55.13(c) of the Act, and
 - b) RRL has never been registered as a "dealer", pursuant to the Act. As such, when Kirkpatrick and Campbell caused it to trade in securities in Saskatchewan with the First Investors, as set out in paragraph 1, above, it did so while not registered to do so, contrary to clause 27(1)(a) of the Act, as was applicable at the relevant time.
3. RRL represents to the Director that:
- a) Neither Kirkpatrick nor Campbell retain any control over RRL,
 - b) Since the activities outlined in paragraph 1, the majority of RRL's shares were bought by an Alberta Corporation, Paradise Petroleums Ltd. (Paradise),
 - c) When Paradise bought RRL, it was unaware of the breaches of the Act, as outlined in paragraphs 1 and 2,
 - d) Paradise has made efforts to continue operating the wells on the lands and continue paying the joint interest holders in accordance with their Joint Venture Agreements: however, some of the wells are no longer profitable,
 - e) Paradise made offers to most of the First Investors and Later Investors to buy their joint venture interests out. The offers were based upon independent evaluations from a third party evaluator. Most of the offers were significantly lower than the price the investors had paid for their working interests, and most investors did not accept the offers,

- f) Paradise made no offers to the investors on two of the wells. These wells are very poor wells, and Paradise has no interest in buying them out. They remain operational, and
 - g) Paradise did buy out four of the investors, two of whom had already bought out two others. As a result, six of the investors referred to in paragraph 1 have no interest left in RRL.
4. RRL hereby waives its right to a hearing in these matters as well as its right to any appeal with respect to these matters, except for any hearing (or subsequent appeal) seeking an order for financial compensation pursuant section 135.6 of the Act.
 5. RRL hereby agrees that to RRL's knowledge, all of the facts set out in paragraphs 1, 2 and 3, above, are true, and that to RRL's knowledge there are no material facts relating to these matters that are not set out in said paragraphs.
 6. RRL and the Director hereby consent to the issuance of an order by the Authority, in substantially the form attached hereto as Appendix "A", ordering that:
 - a) pursuant to clause 134(1)(f)(i) of the Act, RRL shall comply with Saskatchewan securities laws; and
 - b) pursuant to clause 83(1)(c) of the Act, any trade in securities that were issued by RRL, granting working interests in any lands specified in Schedule I, hereto, is hereby deemed to be a "distribution" for the purposes of Saskatchewan securities laws.
 7. Based upon the facts contained herein, the Director hereby agrees that the sanctions set out in paragraph 6, above, are the only sanctions the Director will seek to have the Authority impose upon RRL with respect to the matters set out in paragraphs 1 and 2 herein and the Statement of Allegations, provided that nothing shall prohibit the Director from considering or dealing with any matter not set out herein, or any new complaint brought to the Director's attention against RRL.
 8. Nothing in this Settlement Agreement shall prohibit any claimant from applying for financial compensation, pursuant to section 135.6 of the Act, nor shall it prohibit the Director from requesting that the Authority make an order that a claimant be paid compensation for financial loss.
 9. The terms of this Settlement Agreement shall be treated as confidential by RRL and the Director until approved by the Authority, and may not be disclosed to any person except with the consent of RRL and the Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.
 10. RRL hereby affirms that it has read and understood the terms of this Settlement Agreement, and is signing it voluntarily.
 11. RRL is aware that this Settlement Agreement may form the basis for parallel orders in

other jurisdictions in Canada, and that the securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to RRL. RRL understands that it should contact the securities regulator of any jurisdiction in which it may intend to engage in any securities related activities, prior to undertaking such activities.

- 12. This Settlement Agreement may be signed in one or more counterparts and shall together constitute a binding agreement.
- 13. A facsimile copy of any signature shall be as effective as an original signature.
- 14. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.
- 15. RRL hereby acknowledges that it has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:
 - a) it has obtained such independent legal advice and is satisfied with the same, prior to executing this Settlement Agreement, or
 - b) it has willingly chosen not to obtain such advice prior to executing this Settlement Agreement.
- 16. This Settlement Agreement, and any referenced appendices or amendments hereto constitutes the entire agreement between RRL and the Director in connection with the matters set out in paragraphs 1 and 2 herein.

IN WITNESS WHEREOF

Relative Resources Ltd. has executed this Settlement Agreement at *Calgary, Alberta*, this *15* day of *September*, 2015.

SIGNED in the presence of:)
)
Reid Henuset)

Name:

RELATIVE RESOURCES LTD.


Wayne Henuset

Per: *Wayne Henuset*
Title: *President*

In signing this Settlement Agreement, I certify that I have the authority to bind the Company.


The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 16 day of September, 2015.

SIGNED in the presence of:



Name: Dallas Smith

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Dean Murrison
Director,
Securities Division
Financial and Consumer Affairs Authority
of Saskatchewan

Appendix "A"

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DATED at Regina, Saskatchewan on _____, 2015.

Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority
of Saskatchewan

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