

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

and

**In the Matter of
Watford HRCP, LLLP,
Henry Whitfield Bert Stuckless, and
Marco-Abel Nordio**

Order

(Pursuant to Sections 134, 135.1 and 135.3 of *The Securities Act, 1988* (the Act))

WHEREAS Watford HRCP, LLLP (Watford), Marco-Abel Nordio (Nordio) 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 August 21, 2015 (the Settlement Agreement), the original of which is attached hereto as Appendix "A";

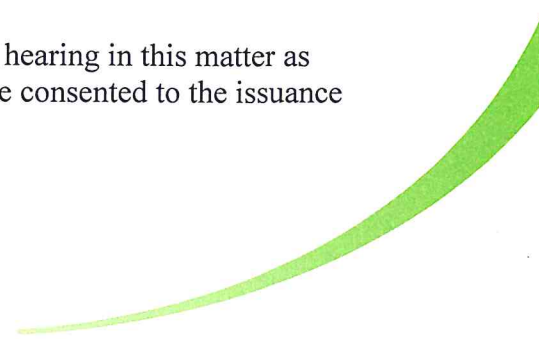
AND WHEREAS an application has been received by the Authority from staff of the Authority for an order that:

1. Pursuant to clause 134(1)(f)(i) of the Act, Watford and Nordio must comply with Saskatchewan securities laws;
2. Pursuant to section 135.1 of the Act, Watford shall pay an administrative penalty to the Authority, in the amount of \$2,500; and
3. Pursuant to section 135.1 of the Act, Nordio shall pay an administrative penalty to the Authority, in the amount of \$2,500.

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 Watford and Nordio have waived their rights to a hearing in this matter as well as their rights to any appeal with respect to this matter, and have 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;

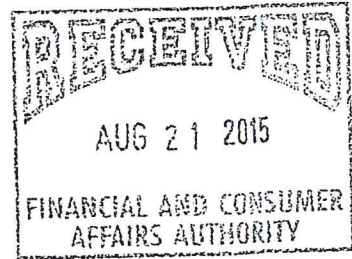
NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to clause 134(1)(f)(i) of the Act, Watford and Nordio must comply with Saskatchewan securities laws;
2. Pursuant to section 135.1 of the Act, Watford shall pay an administrative penalty to the Authority, in the amount of \$2,500; and
3. Pursuant to section 135.1 of the Act, Nordio shall pay an administrative penalty to the Authority, in the amount of \$2,500.

DATED at Regina, Saskatchewan on September 29, 2015.



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



In the Matter of
The Securities Act, 1988

and

In the Matter of
Watford HRCP, LLLP,
Henry Whitfield Bert Stuckless, and
Marco-Abel Nordio

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 February 21, 2014 (the Statement of Allegations), with the Authority, in which it was alleged that Watford HRCP, LLLP, (Watford), Marco-Abel Nordio (Nordio) and another engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

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

AND WHEREAS Watford, Nordio 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, Watford, Nordio and the Director hereby agree as follows:

1. The following facts are hereby admitted by Watford and Nordio:
 - (a) Watford is a limited liability limited partnership registered with the Secretary of State, North Dakota, United States of America (U.S.A.), with a principal executive office located at 206 Main St. #501, Arnegard, ND 58835, U.S.A. Watford's stated business is the development of real estate;
 - (b) At all material times, Watford had two partners; a general partner and a limited

partner. Watford's limited partner, at all material times, was Nordio. Watford's general partner, at all material times, was Studio Residences, Inc. (Studio), a corporation formed pursuant to the laws of the State of Florida, U.S.A., and registered to carry on business as a developer of real estate in the State of North Dakota, U.S.A. At all material times, Nordio was a director and officer of Studio;

- (c) Nordio, is a resident of [REDACTED], British Columbia;
- (d) At all material times, Nordio acted as agent in Saskatchewan for Watford;
- (e) The Respondent, Henry Whitfield Bert Stuckless (Stuckless) is a resident of [REDACTED] Saskatchewan;
- (f) Stuckless is Nordio's father-in-law;
- (g) In or around 2013, Watford and Nordio engaged in the business of trading in securities of Watford and of a company called Hunter's Run LLC (Hunter's Run) in Saskatchewan;
- (h) To the best of Nordio's knowledge, Hunter's Run did not have any involvement in the trading or advising activities of the Watford and Nordio in Saskatchewan;
- (i) The particulars of Watford and Nordio's trading activities include the following:
 - i. In or around August 2013, Nordio participated in conducting meetings at a restaurant in Regina, Saskatchewan. The purpose of these meetings was to provide potential investors with information on Hunter's Run, to assist them in their decisions whether to invest in securities of Hunter's Run,
 - ii. At the meetings, Nordio showed attendees a PowerPoint presentation, outlining Hunter's Run's business, appraisals of the project, as well as project projections,
 - iii. In attendance at the meetings were members of Stuckless' family, as well as friends and acquaintances of Stuckless. Stuckless had invited all of the attendees to the meetings,
 - iv. As a result of the information received, in part, from Nordio, in and around August 2013, Investor 1 invested a total of \$62,500 USD in securities of Watford. Investor 1 invested in two installments; one of \$50,000 USD and one of \$12,500 USD,
 - v. In exchange for transferring \$50,000 USD to an account held by Watford, Investor 1 was issued a "Secured Promissory Note" (Note 1), which secured Investor 1 "a 0.08% participation in Hunter's Run LLC currently held by Watford HRCP, LLLP" as well as a "0.426% ownership of Watford HRCP, LLLP as a Limited Partner thru a subsidiary Canadian Limited Partnership currently under formation". This was a reference to

an entity that was to be set up by Stuckless, though it does not appear that this entity was ever created. Note 1 was signed by Nordio,

- vi. In exchange for transferring an additional \$12,500 USD to an account held by Watford, and in replacement for Note 1, Investor 1 was issued a "Secured Promissory Note" (Note 2), which increased his participation in Hunter's Run to 0.10% and his ownership of Watford to 0.5325%. Note 2 was also signed by Nordio,
 - vii. Note 1 and Note 2 constituted evidence of an interest in the capital, assets, property, profits or earnings of Hunter's Run and also a share of Watford,
 - viii. As a result of the information received, in part, from Nordio, on or about August 13, 2013, Investor 2 opened an account with a company called FIRMA Foreign Exchange, and transferred \$200,000 USD to this account, for the purposes of eventually investing these funds indirectly in securities of Hunter's Run, and
 - ix. On or about August 16, 2013, FCAA issued a Temporary Cease Trade Order against Nordio, Stuckless and Hunter's Run (the CTO). As a result of the CTO, Investor 2 decided against investing, and never purchased any securities in Watford or Hunter's Run;
 - (j) In carrying out the acts indicated in subparagraph (i), above, Watford and Nordio engaged in the business of trading in securities in Saskatchewan;
 - (k) Neither Watford nor Nordio has ever been registered as a "dealer" pursuant to the Act, and therefore, each of Watford and Nordio contravened clause 27(2)(a) of the Act;
 - (l) The trades by Watford related to securities that had not previously been issued, and as such, related to distributions under the Act;
 - (m) No preliminary prospectus relating to the distribution of the securities in Watford was filed, and no receipts were issued for the same. No prospectus relating to the distribution of the securities in Watford was filed and no receipts were issued for the same. Therefore, Watford contravened subsection 58(1) of the Act;
 - (n) Watford did not file any reports pursuant to section 6.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) claiming any of the exemptions in NI 45-106; and
 - (o) There were no exemptions available for the trading activities engaged in by Watford and Nordio.
2. Watford and Nordio hereby represent that Investor 1's investment in securities of Watford has been reversed, and Investor 1 has been repaid his full investment amount of \$62,500 USD.

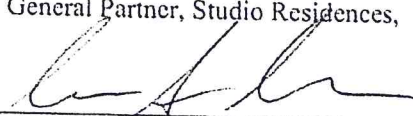
3. Watford and Nordio hereby agree that all of the facts set out in paragraphs 1 and 2, above, are true, and that there are no material facts relating to these matters that are not set out in said paragraphs.
4. Watford and Nordio hereby waive their rights to a hearing in these matters as well as their rights to any appeal with respect to these matters.
5. Watford and Nordio have not previously been sanctioned by the Authority and cooperated with FCAA Staff in its investigation.
6. Watford and Nordio represent that they are working with legal counsel to ensure future compliance with Saskatchewan securities laws.
7. Watford, Nordio 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, Watford and Nordio must comply with Saskatchewan securities laws;
 - (b) Pursuant to section 135.1 of the Act, Watford shall pay an administrative penalty to the Authority, in the amount of \$2,500; and
 - (c) Pursuant to section 135.1 of the Act, Nordio shall pay an administrative penalty to the Authority, in the amount of \$2,500.
8. Based upon the facts contained herein, the Director hereby agrees that the sanctions set out in paragraph 7, above, are the only sanctions the Director will seek to have the Authority impose upon Watford or Nordio with respect to the matters set out in paragraph 1 herein and the Statement of Allegations, provided that nothing shall prohibit the Director from considering or dealing with any matter not set out herein, in the Statement of Allegations or any new complaint brought to the Director's attention against Watford or Nordio.
9. 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. Any order made by the Authority against Watford and/or Nordio in relation to financial compensation for financial loss will be made after a hearing on notice to Watford and/or Nordio.
10. The terms of this Settlement Agreement shall be treated as confidential by Watford, Nordio and the Director, and may not be disclosed to any person except with the consent of Watford, Nordio and the Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.
11. Watford and Nordio hereby affirm that they have read and understood the terms of this Settlement Agreement, and are signing it voluntarily.

- 12. Each of Watford and Nordio are aware that this Settlement Agreement may be considered by any provincial or territorial securities regulatory authority in Canada as grounds for requesting an order containing any or all of the sanctions set out in clauses 7 (a) – (c), above.
- 13. This Settlement Agreement may be signed in one or more counterparts and shall together constitute a binding agreement.
- 14. A facsimile copy of any signature shall be as effective as an original signature.
- 15. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.
- 16. Watford and Nordio hereby acknowledge that they have been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:
 - (a) they have obtained such independent legal advice and are satisfied with the same, prior to executing this Settlement Agreement; or
 - (b) they have willingly chosen not to obtain such advice prior to executing this Settlement Agreement.
- 17. This Settlement Agreement, and any referenced appendices or amendments hereto constitutes the entire agreement between Watford, Nordio and the Director in connection with the allegations set forth in the Statement of Allegations.

IN WITNESS WHEREOF

Watford HRCP, LLLP has executed this Settlement Agreement at Saskatoon, Saskatchewan, this ____ day of _____, 2015.

SIGNED in the presence of:

) Watford HRCP, LLLP
) by its General Partner, Studio Residences,
) Inc.
)
) Per: 

Name: _____

Name: Marco-Abel Nordio
 Title: President of Studio Residences, Inc.

Marco-Abel Nordio, has executed this Settlement Agreement at Saskatoon, Saskatchewan, this _____ day of _____, 2015.

SIGNED in the presence of: _____)

Name: _____)

)
)
)
)

Marco-Abel Nordio

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 21st day of August, 2015.

SIGNED in the presence of: _____)

~~_____~~
Name: Dallas Smith. _____)

Tony Herdick For _____)

)
)
)
)

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

Appendix "A"

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In the Matter of
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AND WHEREAS the Authority has approved the Settlement Agreement;

AND WHEREAS Watford and Nordio have waived their rights to a hearing in this matter as well as their rights to any appeal with respect to this matter, and have consented to the issuance of this Order;

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3. Pursuant to section 135.1 of the Act, Nordio shall pay an administrative penalty to the Authority, in the amount of \$2,500.

DATED at Regina, Saskatchewan on _____, 2015.

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