



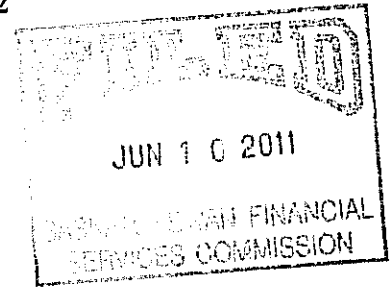
In the Matter of

The Securities Act, 1988, S.S. 1988, C. S-42.2

and

**In the Matter of
Ronald Jerry Fast**

Settlement Agreement



Introduction

1. The Director of the Securities Division (the Director) of Saskatchewan Financial Services Commission (the Commission) issued a Notice of Hearing dated December 7, 2010 (the Notice of Hearing) against Ronald Jerry Fast (the Respondent) in which it was alleged that the Respondent engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act).
2. A hearing of the matters set out in the Notice of Hearing is scheduled to commence on June 13, 2011.
3. This Settlement Agreement has been reached between the Respondent and the Director to dispose of the matters set out in the Notice of Hearing.
4. The Respondent and the Director acknowledge that this Settlement Agreement is subject to the approval of the Commission and, if approved by the Commission, it will be published on the Commission's website.
5. The terms of this Settlement Agreement shall be treated as confidential by the Director and the Respondent until it is signed by them and approved by the Commission and may not be disclosed to any person except with the consent of the Director and the Respondent or as required by law.
6. The Respondent and the Director agree that paragraph 33 of this Settlement Agreement represents undertakings by the Respondent to the Director under section 55.15 of the Act.

The Respondent

7. Fast resides in Saskatoon, Saskatchewan. Beginning in 1986 he was the sole officer and director and was the directing mind of Marathon Leasing Corporation (Marathon).
8. Marathon was incorporated in Saskatchewan on July 21, 1980.
9. Marathon's head office was in Saskatoon, Saskatchewan.
10. Marathon's stated business was leasing.
11. Marathon filed a proposal under the *Bankruptcy and Insolvency Act* (Canada) on August 27, 2008. When the proposal was rejected by Marathon's creditors, Marathon was deemed to be assigned into bankruptcy on October 9, 2008.
12. Marathon was struck from the corporate registry in December 2009.

The Investigation and settlement

13. In January 2006 Commission staff received information that Marathon was selling promissory notes to investors and began an investigation into the matter (the Investigation).
14. During the course of the Investigation Marathon and Fast admitted that from October 1995 to May 2006 Marathon and Fast had raised \$11 million by selling promissory notes to investors in Canada and the United States.
15. Fast and Marathon further admitted that when raising \$11 million as outlined in paragraph 14 above they failed to comply with the prospectus and registration requirements of the Act.
16. Fast, Marathon and the Director of the Commission's Securities Division entered into a settlement agreement dated August 20, 2008 (the Settlement Agreement) to resolve Marathon's and Fast's contravention of the prospectus and registration requirements of the Act whereby Marathon and Fast agreed to not trade in securities except in compliance with the Act, to pay an administrative penalty of \$5,000 and to pay costs of \$500.

False and misleading statements – contravention of section 55.13

17. During the course of the Investigation Fast represented to Commission investigators, through lawyers for himself and Marathon, that Marathon was a viable company, particulars of which are as follows:
 - (a) In a letter dated May 24, 2006, the lawyer for Marathon stated to a Commission investigator: "As you are aware, the corporation is very

much a successful going concern and it would be to everyone's benefit that it be disrupted as minimally as possible"; and

- (b) In June 2008 a Commission investigator spoke to the new solicitor for Marathon. She told him that because Marathon was an ongoing viable business, the Commission did not wish to "shut them down". The new solicitor for Marathon did not dispute the investigator's comments thereby permitting her to believe that Marathon was in fact a viable business.
- 18. During the Investigation to the date of the Settlement Agreement, Marathon was operating at substantial losses.
- 19. In the proposal filed under the *Bankruptcy and Insolvency Act*, Marathon declared total liabilities of \$16.7 million and assets of \$3.5 million leaving a deficiency of \$13.3 million.
- 20. By representing to Commission investigators that Marathon was a viable company during the Investigation and negotiations for the Settlement Agreement and failing to disclose that Marathon was operating at substantial losses Fast contravened clauses 55.13(1)(a) and 55.13(1)(b) of the Act.

Withholding information required for an investigation – contravention of subsection 135.7(1)

- 21. In failing to disclose to Commission investigators during the Investigation from 2006 to the date of the Settlement Agreement that Marathon was insolvent, Fast withheld information reasonably required for an investigation pursuant to the Act, contrary to subsection 135.7(1) of the Act.

Failure to comply with undertaking – contravention of section 55.15

- 22. In February 2006 a Commission investigator wrote to Fast:
 - (a) requesting a list of the Saskatchewan investors in Marathon and the amounts that they invested; and
 - (b) stating that all promotion and trading of securities in or by Marathon must cease until the requirements of the Act had been met.
- 23. By letter dated February 24, 2006, the solicitor for the Respondents requested more time to provide the information requested and stated "I can advise that, at this time, should any new investors approach our client, they will be declined".
- 24. Fast and Marathon gave a written undertaking to the Commission dated August 24, 2007 that stated as follows:

"The Corporation, its directors, employees, agents, and/or assignees understand and agree that they shall not seek any new investment from non-

financial institutional sources, until further arrangements are made with the Financial Services Commission. . .”

25. Nudawn Enterprises Ltd. (Nudawn) was incorporated in Saskatchewan on July 9, 2004 as 101059276 Saskatchewan Ltd. and changed its name to Nudawn Enterprises Ltd. on April 6, 2006.
26. Nudawn’s registered head office is in Saskatoon, Saskatchewan.
27. Nudawn’s stated business is to purchase real estate for rental purposes.
28. Fast became a director of Nudawn in March 14, 2006, and he was the directing mind of the company.
29. From May 2006 to August 2008 Fast traded in securities of Nudawn to approximately 12 investors in Saskatchewan, British Columbia and Ontario and raised a total of approximately \$985,000.
30. From June 2006 to November 2007 Nudawn made transfers of money to Marathon totaling \$450,000.
31. Fast and Marathon failed to comply with the undertakings to the Commission not to trade in Marathon securities as set out in paragraphs 23 and 24 above by selling Nudawn securities to investors who wanted to purchase the promissory notes of Marathon and in turn transferring money to Marathon.
32. By failing to comply with undertakings to the Commission, Fast and Marathon contravened section 55.15 of the Act.

Undertakings by the Respondent

33. The Respondent hereby undertakes, agrees and consents, effective the date of execution of this Settlement Agreement:
 - (a) That all of the facts set out at paragraphs 1-32 above are true;
 - (b) That there are no material facts related to these matters that are not set out in paragraphs 1-32 above;
 - (c) To waive his right to a hearing in this matter scheduled to commence on June 13, 2011 or to any other hearing and/or appeal with respect to this matter;
 - (d) To dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act; and
 - (e) To the issuance of an order by the Commission in substantially the form attached hereto as Appendix “A” ordering as follows:

- (i) The exemptions under Saskatchewan securities laws pursuant to clause 134(1)(a) of the Act do not apply to the Respondent;
- (ii) The Respondent cease trading in any securities or exchange contracts pursuant to clause 134(1)(d) of the Act;
- (iii) The Respondent cease acquiring securities or exchange contracts pursuant to clause 134(1)(d.1) of the Act;
- (iv) The Respondent cease advising with respect to securities or exchange contracts pursuant to clause 134(1)(e) of the Act;
- (v) The Respondent resign any position that he holds as a director or officer of an issuer, registrant or investment fund manager pursuant to clause 134(1)(h) of the Act;
- (vi) The Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager pursuant to clause 134(1)(h) of the Act ;
- (vii) The Respondent not be employed by an issuer, registrant or investment fund manager pursuant to clause 134(1)(h) of the Act;
- (viii) The Respondent pay an administrative penalty of \$50,000 pursuant to section 135.1 of the Act; and
- (ix) The Respondent pay costs of \$10,000 relating to the investigation pursuant to section 161 of the Act.

Director's Agreement

34. The Director hereby agrees that things set out in subparagraph 33(e) above are the only sanctions the Director will seek to have the Commission impose upon the Respondent with respect to the matters set out in this Settlement Agreement, provided that nothing herein shall prohibit the Director from considering and dealing with any matter not set out in this Settlement Agreement or any new complaint brought to the Director's attention against the Respondent.

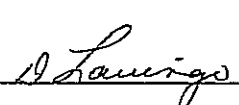
Execution of Settlement Agreement

35. This Settlement Agreement may be signed in one or more counterparts and together shall constitute a binding agreement.
36. A facsimile copy of any signature shall be effective as an original signature.

IN WITNESS WHEREOF

Fast has executed this Agreement on this 8th day of June, 2011


SIGNED in the presence of:


)
)
)
)


 Ronald Jerry Fast

The Director has executed this Agreement on this 10th day of June, 2011.

SIGNED in the presence of:


)
)
)
)


 Barbara L. Shourounis, Director
 Securities Division

Appendix A

In the Matter of
The Securities Act, 1988, S.S. 1988, C. S-42.2 (the Act)

and

In the Matter of
Ronald Jerry Fast

Order
(Pursuant to Sections 134, 135.1, 135.3, and 161 of the Act)

WHEREAS Ronald Jerry Fast, (the Respondent and the Director (the Director) of the Securities Division of the Saskatchewan Financial Services Commission (the Commission) have entered into a settlement agreement (the Settlement Agreement) dated _____, 2011, the original of which is attached hereto as Appendix "A";

AND WHEREAS an application has been received by the Commission from the staff of the Commission for an order (the Order:

1. Pursuant to section 134 of *The Securities Act, 1988*, SS 1988, c. S-42.2 (the Act) that:
 - (a) The exemptions under Saskatchewan securities laws do not apply to the Respondent;
 - (b) The Respondent cease trading in any securities or exchange contracts;
 - (c) The Respondent cease acquiring securities or exchange contracts;
 - (d) The Respondent cease advising with respect to securities or exchange contracts;
 - (e) The Respondent resign any position that he holds as a director or officer of an issuer, registrant or investment fund manager;
 - (f) The Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and
 - (g) The Respondent not be employed by an issuer, registrant or investment fund manager;
2. Pursuant to section 135.1 of the Act, the Respondent pay an administrative penalty of \$50,000.

3. Pursuant to section 161 of the Act, the Respondent pay costs of \$10,000 relating to the investigation.

AND WHEREAS proceedings may be disposed of by the Commission by agreement without a hearing pursuant to section 135.3 of the Act;

AND WHEREAS the Commission has approved the Agreement;

AND WHEREAS the Respondent has waived any right to a hearing or appeal and has consented to the issuance of this Order;

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

THE COMMISSION HEREBY ORDERS:

1. Pursuant to section 134 of the Act that:
 - (a) The exemptions under Saskatchewan securities laws do not apply to the Respondent;
 - (b) The Respondent cease trading in any securities or exchange contracts;
 - (c) The Respondent cease acquiring securities or exchange contracts;
 - (d) The Respondent cease advising with respect to securities or exchange contracts;
 - (e) The Respondent resign any position that he holds as a director or officer of an issuer, registrant or investment fund manager;
 - (f) The Respondent be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager; and
 - (g) The Respondent not be employed by an issuer, registrant or investment fund manager;
2. Pursuant to section 135.1 of the Act, the Respondent pay an administrative penalty of \$50,000; and

3. Pursuant to section 161 of the Act, the Respondent pay costs of \$10,000 relating to the investigation.

DATED at Regina, Saskatchewan, on June , 2011

Commissioner
Saskatchewan Financial Services Commission

CANADA)
PROVINCE OF SASKATCHEWAN)
TO WIT:)

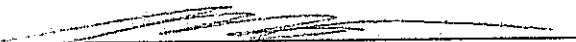
AFFIDAVIT OF EXECUTION

I, DEBBIE LAUINGER, of the City of Saskatoon, in the Province of Saskatchewan, MAKE OATH AND SAY AS FOLLOWS:

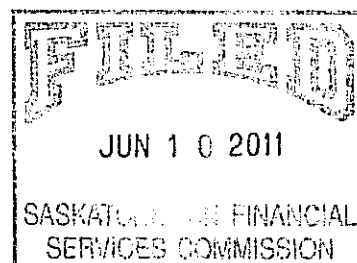
1. THAT I was personally present and did see RONALD JERRY FAST named in the within instrument, who is personally known to me to be the person named herein duly sign and execute the same for the purposes named therein.
2. THAT the same was executed at the City of Saskatoon, in the Province of Saskatchewan, on the 8th day of June, 2011, and that I am the subscribing witness thereto.
3. THAT I know the said RONALD JERRY FAST and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City of)
Saskatoon, in the Province of)
Saskatchewan, this 10th day)
of June, 2011.)


DEBBIE LAUINGER


A Commissioner for Oaths in and
for the Province of Saskatchewan

My commission expires: *Sept 30, 2011*



AFFIDAVIT OF EXECUTION

I, Sonne Udemgba, of the city of Regina, in the province of Saskatchewan:

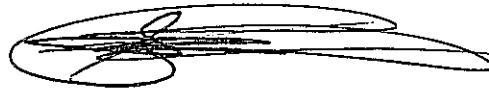
MAKE OATH AND SAY THAT:

1. I was personally present and did see Barbara Shourounis named in the within Settlement Agreement, who is personally known to me to be the person named herein, duly sign and execute the same for the purposes named therein;
2. The same was executed at the city of Regina in the province of Saskatchewan, on the 10th day of June, 2011 and that I am the subscribing witness thereto;
3. I know the said Barbara Shourounis and she is, in my belief, 18 years of age or more.

SWORN before me at the city of Regina)
in the Province of Saskatchewan this 10th day of)
June, 2011.)



A Notary Public in and for the Province of
Saskatchewan
Being a Solicitor



Sonne Udemgba

