

**In The Matter of
*The Securities Act, 1988, S.S. 1988, C. S-42.2***

and

**In the Matter of
Alan Cruickshank**

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 May 14, 2010 (the Notice of Hearing) against Alan Cruickshank (Cruickshank) in which it was alleged that Cruickshank 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 alleged in the Notice of Hearing is to commence on September 7, 2010.
3. This Settlement Agreement has been reached between Cruickshank and the Director to dispose of the matters set out in the Notice of Hearing.
4. Cruickshank 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 Cruickshank until it is signed by them and approved by the Commission except with the consent of the Director and Cruickshank or as required by law.
6. Cruickshank and the Director agree that paragraph 25 of this Settlement Agreement represents an undertaking by Cruickshank to the Director under section 55.15 of the Act.

Facts

7. Cruickshank is a resident of Saskatoon, Saskatchewan.
8. Cruickshank worked in the investment industry in Saskatchewan during the period from November 1, 1989 to July 31, 2009. He was registered as a salesperson and trading officer under the Act in the employ of Wood Gundy Inc., Scotia McLeod Inc., Sanderson Securities Inc., Funds Direct Canada Inc. and Union Securities Ltd. During some of this time he also acted as branch manager, assistant branch manager and was the vice president, capital markets at Union Securities Ltd.
9. Cruickshank is not currently registered under the Act.
10. From February 2008 to September 2009, Cruickshank was registered as a limited market dealer in Ontario with Equity Securities Inc.
11. StorageVault Canada Inc. (Storage) is a reporting issuer in Saskatchewan whose shares trade on the TSX Venture Exchange (TSX Venture).
12. During January 2009 Cruickshank and Odarka Cruickshank, Cruickshank's spouse, (his Spouse or the Spouse) made trades in shares of Storage (the Shares) on the TSX Venture using the following accounts:
 - (a) two tax free savings accounts at Union Securities Ltd. – one in Cruickshank's name and one in the Spouse's name (TFS Accounts). Tax free savings accounts were created by the government of Canada on January 1, 2009 as general purpose accounts for Canadians to earn tax-free investment income;
 - (b) two registered retirement savings accounts at Union Securities Ltd. – one in Cruickshank's name and one in the Spouse's name (RRSP Accounts);
 - (c) a discount brokerage account at TD Securities Inc. in Cruickshank's name (TDSI Account); and
 - (d) two discount brokerage accounts at RBC Capital Markets – one in Cruickshank's name and one in the Spouse's name (RBC Accounts).
13. Cruickshank was appointed trading authority for all his Spouse's accounts.
14. On January 2, 2009 Cruickshank, on behalf of himself and his Spouse placed the following orders:
 - (a) at 11:55:14 – buy order of 100,000 Shares at a purchase price of \$0.05 per Share in his Spouse's TFS Account (Jan 2 Buy Order 1);
 - (b) at 11:54:18 – buy order of 100,000 Shares at a purchase price of \$0.05 per Share in his TFS Account (Jan 2 Buy Order 2); and

- (c) at 12:02:26 – sell order of 200,000 Shares at a selling price of \$0.05 per Share in the his TDSI Account (Jan 2 Sell Order 1).
15. On January 2, 2009 the following trades in the Shares took place:
- (a) At 12:03:12 – 100,000 Shares of Jan 2 Sell Order 1 traded with Jan 2 Buy Order 2 at \$0.05 per Share; and
- (b) At 12:03:12 - 100,000 Shares of Jan 2 Sell Order 1 traded with Jan 2 Buy Order 1 at \$.05 per Share.
16. On January 7, 2009 Cruickshank placed the following orders:
- (a) At 9:38:48 - a sell order of 100,000 Shares at \$0.20 per Share from the his TFS Account (Jan 7 Sell Order 1);
- (b) At 9:39:32 - a sell order of 100,000 Shares at \$0.20 per Share from his Spouse's TFS Account (Jan 7 Sell Order 2);
- (c) At 9:43:56 - a buy order of 5,000 Shares at \$0.10 per Share to his RBC Account (Jan 7 Buy Order A);
- (d) At 9:48:55 - A buy order of 100,000 Shares at \$0.20 per Share to his Spouse's RRSP Account (Jan 7 Buy Order 1); and
- (e) At 9:49:28 - A buy order of 100,000 Shares at \$0.20 per Share to his RRSP Account (Jan 7 Buy Order 2).
17. On January 7, 2009 the following trades in the Shares took place:
- (a) At 9:46:56 the Jan 7 Buy Order A was executed in full when it traded with an independent seller at \$0.10;
- (b) At 9:48:55 the Jan 7 Buy Order 1 traded with Jan 7 Sell Order 1 whereby 100,000 Shares traded at \$0.20; and
- (c) At 9:49:28 the Jan 7 Buy Order 2 traded with Jan 7 Sell Order 2 whereby 100,000 Shares traded at \$0.20.
18. On January 30, 2009 Cruickshank transferred the proceeds from his TFS Account to a new TFS Account at RBC. The total amount transferred, net of transfer out fees, was \$19,690.64.
19. On January 30, 2009 Cruickshank, on behalf of his Spouse, transferred the proceeds from her TFS Account to a new TFS Account at RBC. The total amount transferred, net of transfer out fees, was \$19,690.64.

20. Cruickshank on behalf of himself and his Spouse created a benefit for themselves moving money from their RRSP Accounts to their TFS Accounts as follows:
 - (a) Cruickshank and his Spouse each contributed \$5000 to their TFS Accounts;
 - (b) By effecting the orders and trades on January 2, 2009 set out in paragraphs 14 and 15:
 - (i) Cruickshank sold 100,000 Shares at a purchase price of \$0.05 per Share to his TFS Account from his TDSI account at a total cost of \$5,090 including commissions; and
 - (ii) Cruickshank sold 100,000 Shares at a purchase price of \$0.05 per Share in her TFS Account to his Spouse's TDSI account at a total cost of \$5,090 including commissions;
 - (c) By effecting the orders and trades on January 7 outlined in paragraphs 16 and 17:
 - (i) Cruickshank sold 100,000 Shares at \$0.20 from his TFS Account to his Spouse's RRSP account. The proceeds from this sale, net of commissions amounted to \$19,885; and
 - (ii) Cruickshank, on behalf of his Spouse, sold 100,000 Shares at \$.020 from her TFS account to his RRSP account. The proceeds from this sale, net of commissions were \$19,885;
21. By placing the orders set out in clauses 14(b) and (c) Cruickshank effected a wash-trade trade in the Shares as set out in clause 15(a) when he sold 100,000 Shares from his TDSI Account to his TFS Account resulting in no change in beneficial or economic ownership.
22. Cruickshank effected two pre-arranged trades set out in paragraph 15 when he entered the buy orders set out in clauses 14 (a) and (b), because he did so with the knowledge that he would be entering the sell order outlined in clause 14(c) of substantially the same size, at substantially the same time and at substantially the same price.
23. Cruickshank effected two pre-arranged trades set out in clauses 17(b) and (c) when he entered the sell orders set out in clauses 16(a) and (b), because he did so with the knowledge that he would be entering the buy orders outlined in clauses 16 (d) and (e) of substantially the same size, at substantially the same time and at substantially the same price.
24. In effecting the wash trade outlined in paragraph 21 and the pre-arranged trades outlined in paragraphs 22 and 23, Cruickshank engaged in a course of action relating to the Shares that he knew or reasonably ought to have known resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for the Shares contrary to section 55.1 of the Act.

Cruikshank's Undertaking

25. Cruikshank hereby undertakes, agrees and consents, effective the date of execution of this Settlement Agreement:
- (a) To waive his right to a hearing in this matter scheduled to be held on September 7, 2010 or to any other hearing and/or appeal with respect to this matter;
 - (b) To dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act;
 - (c) To the issuance of an order by the Commission in substantially the form attached hereto as Appendix A ordering:
 - (i) Pursuant to section 134(1)(d) of the Act that Cruickshank cease trading in securities or exchange contracts for a period of six months;
 - (ii) Pursuant to section 134(1)(d.1) of the Act that Cruickshank cease acquiring securities or exchange contracts for a period of six months;
 - (iii) Pursuant to section 134(1)(h.1) of the Act that Cruickshank be prohibited from becoming a registrant under the Act until the later of 6 months after the date this Settlement Agreement is approved by the Commission or the date that Cruickshank has successfully completed the Canadian Securities Course Exam, Conduct and Practices Handbook Exam and Partners, Directors and Senior Officers Exam;
 - (iv) Pursuant to section 135.1 of the Act that Cruickshank pay an administrative penalty of \$30,000; and
 - (v) Pursuant to section 161 of the Act that Cruickshank pay costs of \$5,000; and
 - (d) To pay the administrative penalty and costs mentioned in subclauses (c) (iv) and (v) above to the Commission immediately upon approval of this Settlement Agreement by the Commission.

Director's Agreement

26. The Director hereby agrees that things set out in paragraph 25 above are the only sanctions the Director will seek to have the Commission impose upon Cruickshank 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


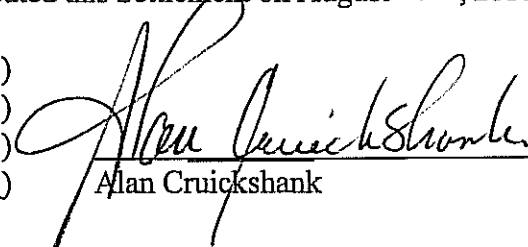
Settlement Agreement or any new complaint brought to the Director's attention in respect of Cruickshank.

Execution of Settlement Agreement

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

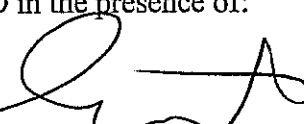

IN WITNESS WHEREOF Cruickshank executed this Settlement on August 24th, 2010.

SIGNED in the presence of:


 _____)
) 
) Alan Cruickshank

IN WITNESS WHEREOF the Director executed this Settlement Agreement on August 20, 2010.

SIGNED in the presence of:


 _____)
) 
) Barbara Shourounis
 Director
 Securities Division

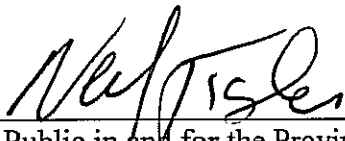
AFFIDAVIT OF EXECUTION

I, William A. Mckel, of Saskatoon, in the Province of Saskatchewan:

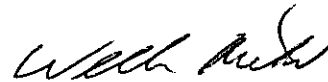
MAKE OATH AND SAY THAT:

1. I was personally present and did see Alan Cruikshank 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 Saskatoon, in the Province of Saskatchewan, on the 24th day of August, 2010 and that I am the subscribing witness thereto;
3. I know the said Alan Cruickshank and he is, in my belief, 18 years of age or more.

SWORN before me at Saskatoon)
in the Province of Saskatchewan this 24th day of)
August, 2010)



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



AFFIDAVIT OF EXECUTION

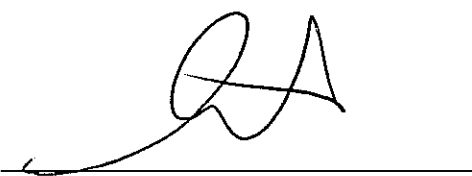
I, ED ROBONIS, of CITY OF REGINA, in the Province of Saskatchewan:

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 CITY OF REGINA, in the Province of Saskatchewan, on the 20th day of AUGUST, 2010 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 CITY OF REGINA)
in the Province of Saskatchewan this 20th day of)
AUGUST, 2010)

Not.
A Commissioner For OATHS
A Notary Public in and for the Province of Saskatchewan
Being a Solicitor. My APPOINTMENT EXPIRES JUNE 30/2013



Appendix A

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

AND

**In the Matter of
Alan Cruickshank**

**Order
(Sections 134, 135.1, 135.3 and 161)**

WHEREAS Alan Cruickshank (Cruickshank) 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 August , 2010, 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) Cruickshank cease trading in any and all securities and exchange contracts for a period of 6 months from the date of the Order;
 - (b) Cruickshank cease acquiring in any and all securities and exchange contracts for a period of 6 months from the date of the Order; and
 - (c) Cruickshank be prohibited from becoming a registrant under the Act until the later of 6 months after the date of this Order or the date Cruickshank has successfully completed the Canadian Securities Course Exam, Conduct and Practices Handbook Exam and Partners, Directors and Senior Officers Exam;
2. Pursuant to section 135.1 of the Act that Cruickshank pay an administrative penalty in the amount of \$30,000; and
3. Pursuant to section 161 of the Act that Cruickshank pay the costs of the investigation into this matter by the staff of the Commission in the amount of \$5,000;

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 Cruickshank 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) Cruickshank cease trading in any and all securities and exchange contracts for a period of 6 months from the date of this Order;
 - (b) Cruickshank cease acquiring in any and all securities and exchange contracts for a period of 6 months from the date of this Order; and
 - (c) Cruickshank is prohibited from becoming a registrant under the Act until the later of either 6 months from the date of this Order or the date that Cruickshank successfully completes the Canadian Securities Course Exam, the Conduct and Practices Handbook Exam and the Partners, Directors and Senior Officers Exam;
2. Pursuant to section 135.1 of the Act that Cruickshank pay an administrative penalty in the amount of \$30,000; and
3. Pursuant to section 161 of the Act that Cruickshank pay the costs of the investigation into this matter by the staff of the Commission in the amount of \$5,000;

DATED at Regina, Saskatchewan, on August , 2010.

Commissioner
Saskatchewan Financial Services Commission