

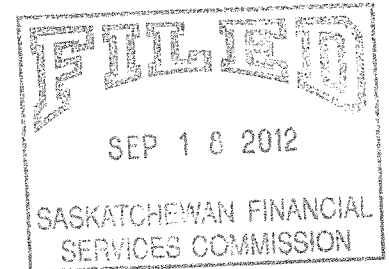


In the Matter of
The Securities Act, 1988, S.S. 1988, C. S-42.2

and

In the Matter of

H.H. Fast Investments Ltd.
Eldred Fast
Beverly Letkeman
Cindylee Sanson



**STATEMENT OF ALLEGATIONS
OF STAFF OF THE SASKATCHEWAN FINANCIAL SERVICES COMMISSION**

To: H.H. Fast Investments Ltd.
Eldred Lorne Fast
Beverly Letkeman
Cindylee Sanson

Staff of the Saskatchewan Financial Services Commission (Staff of SFSC) make the following allegations:

The Parties

1. H.H. Fast Investments Ltd. (H.H. Fast) is a company incorporated and registered with the Corporations Branch of Saskatchewan on January 23, 1993.
 - (a) H.H. Fast has its registered office in Waldheim, Saskatchewan;
 - (b) The nature of the business carried on by H.H. Fast is described as an investment and holding company.
2. Eldred Lorne Fast (Eldred Fast):
 - (a) is a resident of Waldheim, Saskatchewan;
 - (b) is the President and a Director of H.H. Fast; and,

- (c) is the operating mind behind H.H. Fast.
3. Beverly Letkeman (Letkeman):
- (a) is a resident of Osler, Saskatchewan; and,
- (b) is the Treasurer and a Director of H.H. Fast.
4. Cindylee Sanson (Sanson):
- (a) is a resident of Saskatoon, Saskatchewan; and,
- (b) is the Secretary and a Director of H.H. Fast.
5. H.H. Fast, Eldred Fast, Letkeman and Sanson are collectively referred to as the Respondents.

Contravention of sections 27 and 58 of the *The Securities Act, 1988* (the Act)

6. Between April 1997 and July 17, 2007, the Respondents traded the securities of H. H. Fast to Saskatchewan residents, particulars of which include, but are not limited to, the following:
- (a) [REDACTED] of Saskatchewan purchased H.H. Fast securities in April 1997 for a total of \$25,000;
- (b) [REDACTED] of Saskatchewan purchased H.H. Fast securities in January 2001 for a total of \$50,000;
- (c) [REDACTED] of Saskatchewan purchased H.H. Fast securities in February 2006 for a total of \$50,000;
- (d) [REDACTED] of Saskatchewan purchased H.H. Fast securities in March 2006, August 2006 and December 2006 for a total of \$135,000;
- (e) [REDACTED] of Saskatchewan purchased H.H. Fast securities in April 2006 and June 2006 for a total of \$400,000;
- (f) [REDACTED] of Saskatchewan purchased H.H. Fast securities in August 2006 for a total of \$10,000;
- (g) [REDACTED] of Saskatchewan purchased H.H. Fast securities in December 2006 for a total of \$50,000;
- (h) [REDACTED] of Saskatchewan purchased H.H. Fast securities in January 2007 for a total of \$135,000;
- (i) [REDACTED] of Saskatchewan purchased H.H. Fast securities in March 2007 for a total of \$10,000;
- (j) [REDACTED] of Saskatchewan purchased H.H. Fast securities in March

2007 for a total of \$10,000;

- (k) [REDACTED] of Saskatchewan purchased H.H. Fast securities in April 2007 for a total of \$10,000; and,
- (l) [REDACTED] of Saskatchewan purchased H.H. Fast securities in August 2007 for a total of \$200,000.

- 7. In carrying out the activities outlined in paragraph 6, the Respondents engaged in the business of trading in securities in Saskatchewan.
- 8. The Respondents have never been registered to trade in securities in Saskatchewan, and they therefore contravened the registration requirements in section 27 of the Act.
- 9. In carrying out the activities outlined in paragraph 6, H.H. Fast made a distribution of its securities in Saskatchewan.
- 10. The Director of the Securities Division of the Saskatchewan Financial Services Commission (the Director) has never issued a receipt for a prospectus for the securities of H.H. Fast, and H.H. Fast therefore contravened the prospectus requirement in section 58 of the Act.
- 11. The Respondents have not filed 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.

Contravention of subsection 55.11 of the Act

- 12. Marathon Leasing Corporation (Marathon Leasing) is a company incorporated under the laws of Saskatchewan on July 21, 1980.
- 13. Ronald Jerry Fast (Ronald Fast) is Eldred Fast's brother and was the sole officer and director of Marathon Leasing.
- 14. Between 1995 and February 2006, Marathon Leasing raised over \$10, 000,000 from Saskatchewan and Canadian residents by issuing promissory notes.
- 15. Between 1995 and February 2006, neither Marathon Leasing nor Ronald Fast was registered to trade in securities in Saskatchewan.
- 16. The Director has never issued a receipt for a prospectus for the securities of Marathon Leasing and Marathon Leasing therefore contravened the prospectus requirement in section 58 of the Act.
- 17. On February 10, 2006, the Staff of SFSC sent a letter to Marathon Leasing directing Marathon Leasing to stop all promotion and/or trading of securities in or by Marathon Leasing in Saskatchewan until the requirements of the Act have been complied with.
- 18. When speaking to investors, Eldred Fast informed investors that H.H. Fast would lend the

money to Marathon Leasing. HH Fast loaned the majority of the money they raised from investors after February 10, 2006 to Marathon Leasing but they failed to inform the investors that Staff of SFSC directed Marathon Leasing to stop all promotion and/or trading of securities in or by Marathon Leasing in Saskatchewan until the requirements of the Act have been complied with.

19. On or about August 27, 2008, Marathon Leasing filed for bankruptcy.
20. On February 6, 2012, the Royal Canadian Mounted Police charged Ronald Fast with criminal fraud over \$5,000, making false financial statements and possessing the proceeds of crime in relation to his involvement with Marathon Leasing.
21. The Respondents knew or reasonably ought to have known that the investments in H.H. Fast were being loaned to Marathon Leasing, that Marathon Leasing was in violation of Saskatchewan securities laws, was not a viable business and that Marathon Leasing needed to bring in new money to pay previous investors and stay in business and that failing to tell investors of these facts misrepresented the risk associated with their investments in H.H. Fast.

Based on the above allegations, Staff of SFSC will ask the Saskatchewan Financial Services Commission (the Commission) to consider whether it is in the public interest to make any of the following orders against the Respondents:

1. pursuant to clause 134(1)(a) of the Act, that the exemptions under Saskatchewan securities laws do not apply to the Respondents;
2. pursuant to clause 134(1)(d) of the Act that the Respondents cease trading in any securities or exchange contracts in Saskatchewan;
3. pursuant to clause 134(1)(d.1) of the Act that the Respondents cease acquiring securities or exchange in Saskatchewan;
4. pursuant to clause 134(1)(h) of the Act, Eldred Fast, Letkeman and Sanson:
 - (a) resign any position they hold as a director or officer of an issuer, registrant or investment fund manager in Saskatchewan;
 - (b) be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager in Saskatchewan; or
 - (c) not be employed by an issuer, registrant or investment fund manager in Saskatchewan in a capacity that entitles them to trade in securities;
5. pursuant to clause 134(1)(h.1) of the Act, Eldred Fast, Letkeman and Sanson be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter in Saskatchewan;

6. pursuant to section 135.6 of the Act that the Respondents pay financial compensation to each person who has suffered a financial loss caused by the Respondents' contravention of or failure to comply with Saskatchewan securities laws;
7. pursuant to section 135.1 of the Act that the Respondents pay an administrative penalty of \$50,000 to the Commission; and
8. pursuant to section 161 of the Act that the Respondents pay the costs of or relating to a hearing into the above allegations.

DATED at Regina, Saskatchewan, on September 17, 2012



Dean Murrison
Director, Securities Division