

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

and

**In the Matter of
SHEC Energy Corporation
James Thomas Beck
and
Terrence Michael Stott**

Order Approving Settlement

WHEREAS, pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* (the FCAA Act), the Chairperson of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) has appointed a panel (the Hearing Panel) to hear this matter;

AND WHEREAS, by virtue of subsection 17(7) of the FCAA Act, a decision or action of the Hearing Panel in relation to this matter is a decision of the Authority;

AND WHEREAS James Thomas Beck (Beck) and the Director of the Securities Division (the Director) of the Authority have entered into a settlement agreement dated December 10, 2019 (the Settlement Agreement), the original of which is attached hereto as Schedule "A";

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

1. Pursuant to section 161 of the Act, Beck shall pay costs of or relating to the hearing in this matter in the amount of \$9,650.04;
2. Payment of the above-noted sum shall be made by way of ninety-seven monthly instalment payments, made up of ninety-six payments in the amount of \$100.00, payable on the first of each month, commencing on January 1, 2020, followed by one final payment in the amount of \$50.04, payable no later than January 1, 2028;
3. In the event that Beck defaults on any of the monthly instalment payments indicated in paragraph 2, above, such missed instalment payment shall be paid no later than the first of the following month, and such a payment will be made in addition to any payment that is due on said date, by virtue of paragraph 2, above;
4. In the event that Beck defaults on any of the monthly instalment payments indicated in paragraph 2, above, and does not make payment of such missed instalment by the first of the following month, as allowed for in paragraph 3, above, then the full outstanding balance shall immediately be due and payable; and

5. At any time during the course of the above-noted payment schedule, Beck is entitled to make any number of lump sum payments towards the principle outstanding. Such lump sum payments shall be applied to the latest remaining monthly instalment payment(s) due, such that the time frame of the payment schedule may be shortened. Such lump sum payments shall be in addition to any payment that is due on any particular date, by virtue of paragraph 2, above, so long as there remains any balance outstanding.

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

AND WHEREAS Beck has waived his right to a hearing on the issue of costs in this matter, and has consented to the issuance of this Order;

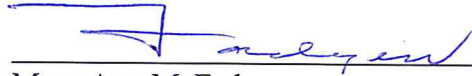
AND WHEREAS the Hearing Panel is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

1. Pursuant to section 161 of the Act, Beck shall pay costs of or relating to the hearing in this matter in the amount of \$9,650.04;
2. Payment of the above-noted sum shall be made by way of ninety-seven monthly instalment payments, made up of ninety-six payments in the amount of \$100.00, payable on the first of each month, commencing on January 1, 2020, followed by one final payment in the amount of \$50.04, payable no later than January 1, 2028;
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of paragraph 2, above, so long as there remains any balance outstanding.

DATED at Regina, Saskatchewan on December 10, 2019.



Mary Ann McFadyen
Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority of
Saskatchewan

Schedule "A"

**In the Matter of
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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) filed a Statement of Allegations of Staff of the Authority, dated February 5, 2016 (the Statement of Allegations), with the Authority, in which it was alleged that the respondent, James Thomas Beck (Beck) engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

AND WHEREAS by an Agreed Statement of Facts dated December 6, 2016, Beck admitted to some, but not all, of the allegations against him, set out in the Statement of Allegations;

AND WHEREAS a panel of the Authority (the Hearing Panel) held a hearing on November 20 - 21, 2017 to consider the allegations against Beck which were not admitted in the Agreed Statement of Facts, and also the issue of sanctions against Beck;

AND WHEREAS the Hearing Panel issued a decision dated November 21, 2017 (the Decision), in which it found that Beck had contravened sections 27 and 58 of the Act, and section 6.1 of National Instrument 45-106 Prospectus Exemptions, as alleged in the Statement of Allegations;

AND WHEREAS, the Hearing Panel stated, at paragraph 11, part 7 of the Decision, "Pursuant to section 161 of the Act, [SHEC Energy Corporation, James Thomas Beck and Terrence Michael Stott] shall pay the costs of or relating to this hearing, as determined either by agreement between [SHEC Energy Corporation, James Thomas Beck and Terrence Michael Stott] and the Staff or by the Panel.";

AND WHEREAS Beck and the Director desire to settle the issue of the amount of costs payable by Beck by way of agreement, as permitted by the Decision and section 135.3 of the Act;

AND WHEREAS Beck 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, Beck and the Director hereby agree as follows:

1. Beck confirms that he has received documents and evidence to support the sum of costs requested by the Director, and accepts that the full sum of the costs of or relating to the


hearings against all respondents in these matters is approximately \$26,916.02.

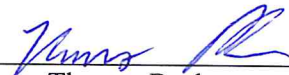
2. Beck and the Director agree that the amount of the above stated costs that is attributable to Beck is \$9,650.04
3. Beck and the Director hereby consent to the issuance of an order by the Authority, in substantially the form attached hereto as Appendix "A", ordering that:
 - a) Pursuant to section 161 of the Act, Beck shall pay costs of or relating to the hearing in this matter in the amount of \$9,650.04;
 - b) Payment of the above-noted sum shall be made by way of ninety-seven monthly instalment payments, made up of ninety-six payments in the amount of \$100.00, payable on the first of each month, commencing on January 1, 2020, followed by one final payment in the amount of \$50.04, payable no later than January 1, 2028;
 - c) In the event that Beck defaults on any of the monthly instalment payments indicated in paragraph b, above, such missed instalment payment shall be paid no later than the first of the following month, and such a payment will be made in addition to any payment that is due on said date, by virtue of paragraph b, above;
 - d) In the event that Beck defaults on any of the monthly instalment payments indicated in paragraph b, above, and does not make payment of such missed instalment by the first of the following month, as allowed for in paragraph c, above, then the full outstanding balance shall immediately be due and payable; and
 - e) At any time during the course of the above-noted payment schedule, Beck is entitled to make any number of lump sum payments towards the principle outstanding. Such lump sum payments shall be applied to the latest remaining monthly instalment payment(s) due, such that the time frame of the payment schedule may be shortened. Such lump sum payments shall be in addition to any payment that is due on any particular date, by virtue of paragraph b, above, so long as there remains any balance outstanding.
4. Based upon the facts and undertakings contained herein, the Director hereby agrees that the costs set out in paragraph 3, above, are the only costs the Director will seek to have the Authority order against Beck with respect to the matters set out in the Statement of Allegations, provided that nothing shall prohibit the Director from considering or dealing with any matter not set out in the Statement of Allegations or any new complaint brought to the Director's attention against Beck.
5. The terms of this Settlement Agreement shall be treated as confidential by Beck and the Director, and may not be disclosed to any person except with the consent of the Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.

- 6. Beck hereby affirms that he has read and understood the terms of this Settlement Agreement, and is signing it voluntarily.
- 7. Beck hereby waives his right to a hearing on the issue of costs in this matter.
- 8. This Settlement Agreement may be signed in one or more counterparts and shall together constitute a binding agreement.
- 9. An electronic or facsimile copy of any signature shall be as effective as an original signature.
- 10. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.
- 11. Beck hereby acknowledges that he has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that he has willfully decided to waive the opportunity to obtain such independent legal advice, prior to executing this Settlement Agreement.
- 12. This Settlement Agreement, and any referenced appendices hereto constitutes the entire agreement between Beck and the Director in connection with the issue of costs of or relating to the hearing in this matter.

IN WITNESS WHEREOF


James Thomas Beck has executed this Settlement Agreement at Regina, Saskatchewan this 10 day of December, 2019.

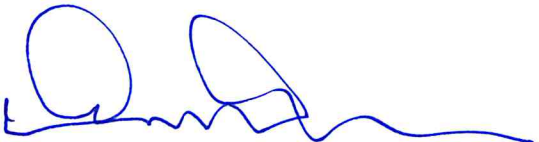
SIGNED in the presence of:)
)

)
)
 Name: Paula Clements



 James Thomas Beck

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 10 day of December, 2019.

SIGNED in the presence of:)
)

)
)
 Name: Dallas Smith



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

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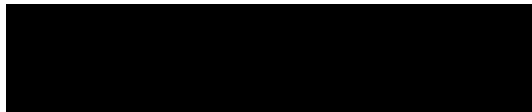
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DATED at Regina, Saskatchewan on December 10, 2019.



Mary Ann McFadyen
Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority of
Saskatchewan