

**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 the corporate entity which was formerly known as SHEC Energy Corporation has undergone a name change, and is now CSPultralitesolar Inc.;

AND WHEREAS CSPultralitesolar Inc. and the Director of the Securities Division (the Director) of the Authority have entered into a settlement agreement dated August 27, 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, CSPultralitesolar Inc. (formerly SHEC Energy Corporation) shall pay its portion of the costs of or relating to the hearing in this matter in the amount of \$9,650.04; and
2. Payment of the above-noted sum shall be made by way of twelve monthly instalment payments in the amount of \$804.17, payable on the first of each month, commencing on September 1, 2019.

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 CSP has waived its 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, CSPultralitesolar Inc. (formerly SHEC Energy Corporation) shall pay costs of or relating to the hearing in this matter in the amount of \$9,650.04; and
2. Payment of the above-noted sum may be made by way of twelve monthly payments in the amount of \$804.17 on the first of each month, commencing on September 1, 2019.

DATED at Regina, Saskatchewan on Monday, September 23, 2019.



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

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SETTLEMENT AGREEMENT

WHEREAS the Director of the Securities Division (the Director) of Financial and Consumer Affairs 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 corporate respondent, SHEC Energy Corporation (as it was then known) 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, SHEC Energy Corporation admitted to some, but not all, of the allegations against it, 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 SHEC Energy Corporation which were not admitted in the Agreed Statement of Facts, and also the issue of sanctions against SHEC Energy Corporation:

AND WHEREAS the Hearing Panel issued a decision dated November 21, 2017 (the Decision), in which it found that SHEC Energy Corporation 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 the corporate respondent which was formerly known as SHEC Energy Corporation has undergone a name change, and is now known and addressed as CSPultralitesolar Inc. (CSP):

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

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

1. CSP confirms that it 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. CSP and the Director agree that the amount of the above stated costs that is attributable to CSP is \$9,650.04.
3. CSP 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, CSPultralitesolar Inc. (formerly SHEC Energy Corporation) shall pay its portion of the costs of or relating to the hearing in this matter in the amount of \$9,650.04; and
 - (b) Payment of the above-noted sum shall be made by way of twelve monthly instalment payments in the amount of \$804.17, payable on the first of each month, commencing on September 1, 2019.
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 CSP 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 CSP.
5. The terms of this Settlement Agreement shall be treated as confidential by CSP 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. CSP hereby affirms that it has read and understood the terms of this Settlement Agreement, and is signing it voluntarily.
7. CSP hereby waives its 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. CSP hereby acknowledges that it has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that it has obtained such independent legal advice and is satisfied with the same, prior to executing this Settlement Agreement.
- 12. This Settlement Agreement, and any referenced appendices hereto constitutes the entire agreement between CSP and the Director in connection with the issue of costs of or relating to the hearing in this matter.

IN WITNESS WHEREOF

CSPultralitesolar Inc. has executed this Settlement Agreement at Worman, SK, this 19 day of August, 2019.

SIGNED in the presence of:)
Elesha Dyck)
Elesha Dyck)
Name: _____)

Per: Travis Dyck
Name: _____
Title: President, Director

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 27 day of August, 2019.

SIGNED in the presence of:)
_____)
_____)
_____)
Name: Dallas Smith

[Signature]

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