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

and

In the Matter of
Scorpion Performance, Inc.
Megan White

Order

(Pursuant to Sections 134, 135.1, 135.3 and 135.6 of the Act)

WHEREAS Scorpion Performance, Inc. (Scorpion) and the Director of the Securities Division (the Director) of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) have entered into a settlement agreement dated January 14, 2014 (the Settlement Agreement), the original of which is attached hereto as Appendix 'A',

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

1. pursuant to clause 134(1)(a) of the Act, any and all exemptions under Saskatchewan securities laws do not apply to Scorpion save and except upon the receipt of prior written approval by the Director;

2. pursuant to clause 134(1)(f) of the Act, Scorpion shall comply with sections 27 and 58 of the Act; and

3. pursuant to section 135.1 of the Act, Scorpion shall pay an administrative penalty of $10,000 to the Authority.

AND WHEREAS, pursuant to section 135.3 of the Act, proceedings may be disposed of by an agreement approved by the Authority;

AND WHEREAS the Authority has approved the Settlement Agreement;

AND WHEREAS Scorpion has waived its right to a hearing in this matter as well as its right to any appeal with respect to this matter, and has consented to the issuance of this Order;

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

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. pursuant to clause 134(1)(a) of the Act, any and all exemptions under Saskatchewan securities laws do not apply to Scorpion save and except upon the receipt of prior written approval by the Director;

2. pursuant to clause 134(1)(f) of the Act, Scorpion shall comply with sections 27 and 58 of the Act; and

3. pursuant to section 135.1 of the Act, Scorpion shall pay an administrative penalty of $10,000 to the Authority.

DATED at REGINA on OCTOBER 11., 2017.

[redacted]

Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority of Saskatchewan

FCAA
Financial and
Consumer
Affairs Authority

Suite 601
1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2

In the Matter of

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

and

In the Matter of

Scorpion Performance, Inc.
Megan White
(the Respondents)

Settlement Agreement

WHEREAS the Director of the Securities Division (the Director) of Financial and Consumer Affair Authority of Saskatchewan (the Authority) filed a Statement of Allegations of Staff of the Authority, dated March 28, 2013 (the Statement of Allegations), with the Authority, in which it was alleged that Scorpion Performance, Inc. (Scorpion) and Megan White (White) engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

AND WHEREAS Scorpion and the Director each desire to dispose of the allegations against Scorpion, as contained in the Statement of Allegations, by way of agreement, as permitted by section 135.3 of the Act;

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

Admissions by Scorpion

1. The following facts, which were alleged by staff of the Authority in the Statement of Allegations, are hereby admitted by Scorpion:

    (a) Scorpion was incorporated in Florida, United States on December 17, 1999. The principal place of business of Scorpion is 5817 NW 44th Avenue Ocala, Florida

34482, United States. Scorpion, through its sales representatives, held itself out as a manufacturer of automotive products and related components;

(b) White is a sales representative in Scorpion's investor relations department. She communicated with an investor in Saskatchewan using the following email address: investorrelations@scorpionperformance.com;

(c) From November 2004 to October 2011, Scorpion, through its sales representatives, traded its securities to 8 Saskatchewan residents, particulars of which include the following:

(i) From April 2005 to March 2010, a Saskatchewan resident (Investor A) invested a total of $47,500 in common stock, unit offerings and preferred stock of Scorpion;

(ii) From November 2004 to June 2009, a Saskatchewan resident (Investor B) invested a total of $11,000 in common stock, unit offerings and preferred stock of Scorpion;

(iii) From March 2005 to October 2011, a Saskatchewan resident (Investor C) invested a total of $76,100 in common stock and preferred stock of Scorpion;

(iv) From February 2005 to March 2006, a Saskatchewan resident (Investor D) invested a total of $15,000 in common stock and unit offerings of Scorpion;

(v) From March 2005 to April 2005, a Saskatchewan resident (Investor E) invested a total of $16,000 in common stock of Scorpion;

(vi) From February 2005 to March 2010, two Saskatchewan residents (Investor F and Investor G) indirectly, through a Saskatchewan business corporation, invested a total of $190,000 in common stock, unit offerings and preferred stock of Scorpion;

(vii) On November 27, 2006 a Saskatchewan resident (Investor H), indirectly, through a Saskatchewan business corporation, invested a total of $3,000 in common stock of Scorpion; and

(viii) On April 21, 2009 a Saskatchewan resident (Investor I) invested total of $7,500 in common stock of Scorpion;

(d) From 2004 to 2011, Scorpion, through its sales representatives, and with the intention of effecting trades in its securities, made the following representations to investors:

(i) that Scorpion's securities will be listed on an exchange;

(ii) that a public listing of Scorpion's securities will become immediately effective if Scorpion can maintain a share price of $5.00; and

(iii) that Scorpion anticipates approval from the United States Securities and Exchange Commission for a public offering of its stocks in the near future.

(e) In carrying out the activities outlined in paragraph 1 (c), above, Scorpion traded in securities in Saskatchewan and engaged in the business of trading in securities in Saskatchewan;

(f) Scorpion has never been registered to trade in securities in Saskatchewan, and Scorpion has therefore contravened clause 27(1)(a) of the Act (as was in force from on or about June 1, 2006 to on or about September 27, 2009) and clause 27(2)(a) of the Act (as is presently in force, since on or about September 28, 2009), as applicable;

(g) In carrying out the activities outlined in paragraph 1 (c), above, Scorpion traded in securities of an issuer that had not previously been issued, and as such, the trades in said securities were distributions, as defined by the Act;

(h) Scorpion did not file a preliminary prospectus or a prospectus relating the distributions of its securities, and the Director has not issued any receipts for the same, and Scorpion has therefore contravened subsection 58(1) of the Act;

(i) At no time did Scorpion have the written permission of the Director to make any representation, written or oral, that its securities would be listed on any exchange, or that an application has been or will be made to list its securities on any exchange, and Scorpion has therefore contravened subsection 44(3) of the Act; and

(j) Scorpion has not filed any 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.

2. Scorpion has co-operated with staff of the Authority in relation to this matter.

3. Scorpion states that it never intended to contravene the provisions of the Act.

Undertakings by Scorpion

4. Scorpion hereby waives its right to a hearing in this matter as well as its right to any appeal with respect to this matter.

5. Scorpion hereby agrees that all of the facts set out in paragraphs 1 – 3 are true, and that there are no material facts relating to this matter that are not set out in said paragraphs.

6. Scorpion hereby undertakes, agrees and consents to not trade in securities in Saskatchewan except in compliance with the Act and all applicable regulations.

7. Scorpion hereby undertakes to offer in writing, to each of its Saskatchewan investors, a right of rescission and provide to the Director:

   (a) by January 31, 2014, a written statement signed by each of its Saskatchewan investors indicating whether the investor accepted or rejected the right of rescission; and

   (b) by April 30, 2014, written evidence that Scorpion has returned all monies to investors who accepted the right of rescission.

Mutual Undertakings

8. Scorpion and the Director agree that paragraphs 4 – 7 of this Settlement Agreement represent undertakings by Scorpion to the Director under section 55.15 of the Act.

9. The terms of this Settlement Agreement shall be treated as confidential by Scorpion and the Director, and may not be disclosed by either party to any person except with the consent of Scorpion and the Director, or as required by law, until such time as it is signed by both parties and approved by the Authority.

10. Scorpion 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:

   (i) pursuant to clause 134(1)(a) of the Act, any and all exemptions under Saskatchewan securities laws do not apply to Scorpion save and except upon the receipt of prior written approval by the Director;

   (ii) pursuant to clause 134(1)(f) of the Act, Scorpion shall comply with sections 27 and 58 of the Act; and

   (iii) pursuant to section 135.1 of the Act, Scorpion shall pay an administrative penalty of $10,000 to the Authority.

Director's Agreement

11. Based upon the facts contained herein, and provided that the undertakings given by Scorpion herein are carried out stated, the Director hereby agrees that the sanctions set out in paragraph 10 are the only sanctions the Director will seek to have the Authority impose upon Scorpion 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 new matter not set out in the Statement of Allegations or any new complaint brought to the Director's attention against Scorpion.

Execution of Settlement Agreement

12. This Settlement Agreement may be signed in one or more counterparts and together shall constitute a binding agreement.

13. A facsimile copy of any signature shall be effective as an original signature.

14. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.

15. Scorpion hereby acknowledges that it has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:

    (a) it has obtained such independent legal advice and is satisfied with the same, prior to executing this Settlement Agreement; or

    (b) it has willingly chosen not to obtain such advice prior to executing this Settlement Agreement.

16. This Settlement Agreement, and any referenced appendices or amendments hereto constitutes the entire agreement between Scorpion and the Director in connection with the allegations set forth in the Statement of Allegations.

IN WITNESS WHEREOF

Scorpion has executed this Settlement Agreement at _____, _____on this 14 day of January, 2014.

SIGNED in the presence of:)
[redacted])
[redacted])
[redacted])

[redacted]
Luke Whalen, President
Scorpion Performance, Inc.

Common Seal

JESSICA WEAVER
MY COMMISSION # DD 981579
EXPIRES: August 13, 2014
Bonded Thru Notary Public Underwriters

The Director has executed this Settlement Agreement at Regina, Saskatchewan, this 14 day of January, 2014.

SIGNED in the presence of:)
)
)
)

SONNE UDEMGBA.

Name: [redacted]

[redacted]

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