

**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 Terrence Michael Stott (Stott) and the Director of the Securities Division (the Director) of the Authority have entered into a settlement agreement dated December 9, 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, Stott shall pay costs of or relating to the hearing in this matter in the amount of \$6,000.00;
2. Payment of the above-noted sum shall be made by way of twenty-four monthly instalment payments in the amount of \$250.00, payable on the first of each month, commencing on January 1, 2020; and
3. In the event that Mr. Stott defaults on any of the monthly instalment payments indicated in paragraph 2, above, the full outstanding balance shall immediately be due and payable.

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 Stott 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, Stott shall pay costs of or relating to the hearing in this matter in the amount of \$6,000.00;
2. Payment of the above-noted sum shall be made by way of twenty-four monthly instalment payments in the amount of \$250.00, payable on the first of each month, commencing on January 1, 2020; and
3. In the event that Mr. Stott defaults on any of the monthly instalment payments indicated in paragraph 2, above, the full outstanding balance shall immediately be due and payable.

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
*The Securities Act, 1988***

and

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

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 February 5, 2016 (the Statement of Allegations), with the Authority, in which it was alleged that the respondent, Terrence Michael Stott (Stott) 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 October 10, 2017, Stott specifically admitted that he had contravened clause 27(2)(a) of the Act;

AND WHEREAS a panel of the Authority (the Hearing Panel) held a hearing on November 20, 2017 to consider the matter of sanctions as against Stott;

AND WHEREAS the Hearing Panel issued a decision dated November 20, 2017 (the Stott Decision) in which it held, at paragraph 11, that “[t]he issue of costs of or relating to the hearing shall be determined following a hearing in relation to this issue to be held after the conclusion of the hearing on the merits in relation to allegations against the other respondents in this matter.”;

AND WHEREAS the hearing on the merits in relation to the allegations against the other respondents in this matter was concluded on November 21, 2017, following which the Hearing Panel issued a decision dated November 21, 2017 (the Decision);

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

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

1. Stott 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. Stott and the Director agree that the amount of the above stated costs that is attributable to Stott is \$7,615.72, however, in consideration for his willingness to sign this Settlement Agreement and make voluntary payments, as set out below, and in light of Mr. Stott's current financial situation, [REDACTED] the Director has agreed to accept a sum of \$6,000.00 from Mr. Stott.
3. Stott 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, Stott shall pay costs of or relating to the hearing in this matter in the amount of \$6,000.00;
 - b) Payment of the above-noted sum shall be made by way of twenty-four monthly instalment payments in the amount of \$250.00, payable on the first of each month, commencing on January 1, 2020; and
 - c) In the event that Mr. Stott defaults on any of the monthly instalment payments indicated in paragraph b, above, the full outstanding balance shall immediately be due and payable.
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 Stott 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 Stott.
5. The terms of this Settlement Agreement shall be treated as confidential by Stott 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. Stott hereby affirms that he has read and understood the terms of this Settlement Agreement, and is signing it voluntarily.
7. Stott 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. Stott 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 Stott and the Director in connection with the issue of costs of or relating to the hearing in this matter.

IN WITNESS WHEREOF

Terrence Michael Stott has executed this Settlement Agreement at WEYBURN, SK, this 9 day of DECEMBER, 2019.

SIGNED in the presence of:)

Arlene Wheeler)
Arlene Wheeler)

Name:

Terrence Michael Stott
Terrence Michael Stott

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 9 day of December, 2019.

SIGNED in the presence of:)

Dallas Smith)

Name: Dallas Smith

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

Appendix "A"

**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 Terrence Michael Stott (Stott) and the Director of the Securities Division (the Director) of the Authority have entered into a settlement agreement dated [DATE] (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, Stott shall pay costs of or relating to the hearing in this matter in the amount of \$6,000.00;
2. Payment of the above-noted sum shall be made by way of twenty-four monthly instalment payments in the amount of \$250.00, payable on the first of each month, commencing on January 1, 2020; and
3. In the event that Mr. Stott defaults on any of the monthly instalment payments indicated in paragraph 2, above, the full outstanding balance shall immediately be due and payable.

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 Stott 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, Stott shall pay costs of or relating to the hearing in this matter in the amount of \$6,000.00;
2. Payment of the above-noted sum shall be made by way of twenty-four monthly instalment payments in the amount of \$250.00, payable on the first of each month, commencing on January 1, 2020; and
3. In the event that Mr. Stott defaults on any of the monthly instalment payments indicated in paragraph 2, above, the full outstanding balance shall immediately be due and payable.

DATED at Regina, Saskatchewan on [DATE].

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