



**Saskatchewan
Financial Services
Commission
Securities Division**

**IN THE MATTER OF
*THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2***

AND

IN THE MATTER OF

**SNOWCASTLE ESTATES LTD.
MYRON BENEDICT DEROW**

WHEREAS Snowcastle Estates Ltd and Myron Benedict Derow (Derow) and the Director (the Director) of the Securities Division of the Saskatchewan Financial Services Commission (the “Commission”) have entered into a settlement agreement (the Settlement Agreement) dated December 15, 2010 that is attached as Appendix A;

AND WHEREAS in the Settlement Agreement Derow consented to the issuance of an order pursuant to sections 134, 135.1 and 161 of *The Securities Act, 1988, SS 1988, c. S-42.2* (the “Act”) on the following terms:

- a. that the exemptions in Saskatchewan securities laws do not apply to him for the rest of his life;
- b. that he cease trading in all securities and exchange contracts anywhere in Canada for the rest of his life, except for his own account through a registrant who is aware of this settlement agreement;
- c. that he cease advising respecting securities and exchange contracts for the rest of his life;
- d. that he resign any position that he holds as a director or officer of an issuer, registrant or investment fund manager;
- e. that he be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- f. that he not be employed by any registrant or investment fund manager;

- g. that he pay an administrative penalty in the amount of \$15,000;
- h. that he pay the costs of the investigation into this matter by the staff of the Commission in the amount of \$5,000;
- i. that he be prohibited from becoming or acting as a registrant, investment fund manager or a promoter;

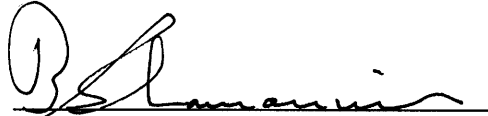
AND WHEREAS Myron Benedict Derow has waived any right to a hearing or appeal and has consented to the issuance of this Order;

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

THE DIRECTOR HEREBY ORDERS pursuant to sections 134, 135.1 and 161 of the Act :

- a. that the exemptions in Saskatchewan securities laws do not apply to Derow for the rest of his life;
- b. that Derow cease trading in all securities and exchange contracts anywhere in Canada for the rest of his life, except for his own account through a registrant who is aware of this settlement agreement;
- c. that Derow cease advising respecting securities and exchange contracts for the rest of his life;
- d. that Derow resign any position that he holds as a director or officer of an issuer, registrant or investment fund manager;
- e. that Derow be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- f. that Derow not be employed by any registrant or investment fund manager;
- g. that Derow pay an administrative penalty in the amount of \$15,000;
- h. that Derow pay the costs of the investigation into this matter by the staff of the Commission in the amount of \$5,000;
- i. that Derow be prohibited from becoming or acting as a registrant, investment fund manager or a promoter;

DATED at Regina, Saskatchewan, on December 15, 2010.

A handwritten signature in black ink, appearing to read "B. L. ...", written over a horizontal line.

Director, Securities Division
Saskatchewan Financial Services Commission

APPENDIX A

Saskatchewan



**Saskatchewan
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**IN THE MATTER OF
*THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2***

AND

IN THE MATTER OF

**SNOWCASTLE ESTATES LTD.
MYRON BENEDICT DEROW**

**SETTLEMENT AGREEMENT
(Section 135.3)**

The following agreement (Agreement) has been reached between SnowCastle Estates Ltd. (SnowCastle) and Myron Benedict Derow (Derow) collectively the (Respondents) and the Director of the Securities Division (Director), of the Saskatchewan Financial Services Commission formerly known as the Saskatchewan Securities Commission (the Commission).

FACTS

The Respondent(s) acknowledges and agrees as follows:

- 1 Pursuant to various actions executed between February, 1996 and January, 1998, Derow became subject to an order issued by the Commission, pursuant to section 134 of *The Securities Act, 1988* (the Act) that he cease trading in any and all securities. The cease trade order was first issued on February 11, 1997 and is still in force.
- 2 On January 7, 1998, Justice G. A. T. Maurice of the Court of Queen's Bench, for the Province of Saskatchewan issued an Order that required that Derow and companies under his control must comply with the orders issued by the Commission.

- 3 SnowCastle was incorporated under the laws of Saskatchewan on October 17, 2007 as a real estate development company;
- 4 In its promotional material, SnowCastle held itself out to be a land developer of residential lots in the heart of Candle Lake Provincial Park;
- 5 Between October 17, 2007 and May 20, 2008, the following were the sole officers and directors of Snow Castle:
 - a Gwendolyn Anne Fedorowich of Mississauga, Ontario was President, she is the sister of Derow; and
 - b Clarence Derow of Canora, Saskatchewan was the Director of SnowCastle. Clarence Derow is the father of Derow;
- 6 Derow was the directing mind, spokesperson and salesman for SnowCastle;
- 7 Between July 2007 and April 2008 SnowCastle and Derow offered to sell shares of SnowCastle to several Saskatchewan residents.
- 8 Between July 2007 and April 2008 SnowCastle and Derow sold shares of SnowCastle to the Saskatchewan residents listed in Appendix "A".
- 9 Derow contravened the Commission's order referred to in paragraph 1 above by selling shares of SnowCastle.
- 10 Between July 2007 to the present SnowCastle and Derow were not registered under the Act;
- 11 The Director had not issued a receipt for a prospectus for the shares of SnowCastle;
- 12 The selling of SnowCastle shares by Derow appeared to be a contravention of the registration and prospectus requirements in sections 27 and 58 of the Act, the MBD/Derow Extending Order and the Court of Queen's Bench Order;
- 13 On May 2, 2008, the Director issued a Temporary Cease Trade Order (SnowCastle/Derow Temporary Order) that:
 - a pursuant to subsection 134(3) and clause 134 (1)(a) of the Act, the exemptions in Saskatchewan securities laws do not apply to SnowCastle and Derow, up to and including May 16, 2008;

- b pursuant to subsection 134(3) and clause 134(1)(d) of the Act, SnowCastle and Derow cease trading in all securities up to and including May 16, 2008;
 - c pursuant to subsection 134(3) and clause 134(1)(e) of the Act SnowCastle and Derow cease advising with respect to any securities, trades or exchange contracts, up to and including May 16, 2008.
- 14 On May 16, 2008, the Director ordered that the SnowCastle/Derow Temporary Order be extended pursuant to subsection 134(3) of the Act, until the Director is provided with satisfactory information to enable her to make a further order in the matter;
- 15 SnowCastle is currently an active Saskatchewan corporation on the registry, but is no longer trading in its securities or active in land development or any other business;
- 16 SnowCastle traded its securities to the Saskatchewan residents listed in Appendix A under the exemption in section 2.4 in National Instrument 45-106 *Prospectus and Registration Exemptions* (the Private Issuer Exemption) as follows:
- a SnowCastle satisfies the definition of a private issuer because:
 - i It is not a reporting issuer or an investment fund;
 - ii Its Articles of Incorporation:
 - A restrict the transfer of SnowCastle securities without the approval of a majority of directors and existing shareholders;
 - B limit the number of shareholders of the Corporation to 50, not including persons who are in the employment of the corporation and persons, who were, formerly in the employment of the Corporation. Two or more persons or companies that are joint registered owners of a security are counted as one security holder; and
 - C state the Corporation shall not make a distribution to the public of any of its securities.
 - b Each of the purchasers of SnowCastle shares listed on Appendix A satisfies one of the criteria set out in subsection 2.4(2) of NI 45-106.

RESPONDENTS' AGREEMENT

Derow

1. Derow hereby agrees and consents as follows:
 - j. that all of the facts set out in paragraphs 1 to 16 above are true;
 - k. that there are no material facts related to these matters that are not set out in paragraphs 1 to 16;
 - l. to consent to the Commission issuing an order issued under sections 134, 135.1 and 161 of the Act on the following terms:
 - i. that the exemptions in Saskatchewan securities laws do not apply to him for the rest of his life;
 - ii. that he cease trading in all securities and exchange contracts anywhere in Canada for the rest of his life, except for his own account through a registrant who is aware of this settlement agreement;
 - iii. that he cease advising respecting securities and exchange contracts for the rest of his life;
 - iv. that he resign any position that he holds as a director or officer of an issuer, registrant or investment fund manager;
 - v. that he be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
 - vi. that he not be employed by any registrant or investment fund manager;
 - vii. that he be prohibited from becoming or acting as a registrant, investment fund manager or a promoter;
 - viii. that he pay an administrative penalty in the amount of \$15,000;
 - ix. that he pay the costs of the investigation into this matter by the staff of the Commission in the amount of \$5,000;

2. That he waives any right to a hearing or appeal with respect to this matter; and
3. To dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act.

SnowCastle

1. SnowCastle hereby agrees, as follows:
 - a. that all of the facts set out in paragraphs 1 to 16 above are true;
 - b. that there are no material facts that are not set out in paragraphs 1 to 16;
 - c. to offer in writing to each of the investors listed in Appendix "A" a right of rescission of their purchase of SnowCastle shares;
 - d. to provide to the Director by December 15, 2010:
 - i. a written statement signed by each investor indicating whether the investor accepted or declined the right of rescission; and
 - ii. if the investor accepted the right of rescission, written evidence that SnowCastle has returned the money to the investor;
2. to waive any right to a hearing or appeal with respect to this matter; and
3. to dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act.

DIRECTOR'S AGREEMENT

The Director hereby agrees that this Agreement is the only sanction the Director will seek to impose upon the Respondents pursuant to the Act with respect to the matters set out in this Agreement, provided that nothing herein shall prohibit the Director from considering and dealing with any matter not set out in this Agreement or any new complaint brought to the Director's attention in respect to the Respondents.

IN WITNESS WHEREOF

SnowCastle has executed this Agreement on this 1st day of December, 2010.

SnowCastle Estates Ltd.

(Corporate Seal)

Per: "Derow"
Signing Officer

Derow has executed this Agreement on this 1st day of December, 2010

SIGNED in the presence of:)
)
)
"Richard Gabruch")

"M Derow"
Myron Benedict Derow

The Director has executed this Agreement on this 15th day of December, 2010.

SIGNED in the presence of:)
)
)
"Ken Foster")

"Barbara Shourounis"
Barbara L. Shourounis, Director
Securities Division