



**In the Matter of
*The Securities Act, 1988, S.S. 1988, c. S-42.2***

And

**In the Matter of
Edgeworth Mortgage Investment Corporation**

Settlement Agreement

Introduction

1. Staff of the Saskatchewan Financial Services Commission (the Commission) investigated the conduct and activity of Edgeworth Mortgage Investment Corporation (Edgeworth) to determine whether the activities of Edgeworth were contrary to the public interest or in contravention of *The Securities Act, 1988 S.S. 1988, c. S-42-2* (the Act).
2. This Settlement Agreement has been reached between Edgeworth and the Director, Securities Division, Saskatchewan Financial Services Commission (the Director) to resolve Edgeworth's contraventions of Saskatchewan securities laws.
3. Paragraphs 10, 11, 12 and 13 of this Settlement Agreement represent an undertaking to the Director under section 55.15 of the Act.

Statement of Facts

For the purposes of this Settlement Agreement, Edgeworth agrees with the following facts:

4. Edgeworth prepared and filed Form 45-106F1 *Report of Exempt Distribution* (Form 45-106F1) reports with the Commission to report exempt distributions, as required by section 6.1 of National Instrument 45-106 *Prospectus and Registration Exemption* (NI 45-106);
5. A Form 45-106F1 dated November 6, 2009 reported distributions of units on November 6, 2009 (the November 6, 2009 Form 45-106F1) to five residents of Saskatchewan in reliance upon the exemption in section 2.9(4) of NI 45-106. The November 6, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
6. Upon further clarification by Edgeworth, it was confirmed that commissions totaling approximately \$8,645.00 were paid to Comeau Financial Inc. (Comeau) and CDS Consulting

(CDS) for the distributions to five Saskatchewan residents shown on the November 6, 2009 Form 45-106F1;

7. Subsection 2.9(6) of NI 45-106 states that no commissions or finder's fees may be paid to any person, other than a registered dealer, in connection with a trade to a purchaser in Saskatchewan under subsections 2.9(2) or 2.9(4) of NI 45-106;
8. Comeau and CDS are not a registered dealers in Saskatchewan; and
9. Edgeworth contravened Saskatchewan securities laws when it paid commissions to Comeau and CDS.

Edgeworth's Undertaking and Agreement

10. Edgeworth agrees that all of the facts set out in paragraphs 1 to 9 above are true and that there are no material facts related to these matters that are not set out in paragraphs 1 to 9 above.
11. Edgeworth agrees to pay to the Commission an administrative penalty of \$8,645.00 equal to the sum of the commissions paid contrary to the provisions of subsection 2.9(6) of NI 45-106 upon execution of this Settlement Agreement.
12. Edgeworth agrees to waive any right to a hearing or appeal with respect to this matter; and
13. Edgeworth agrees to dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act.

Staff Commitment

14. Staff shall not initiate any further proceedings against Edgeworth under Saskatchewan securities law in respect of any conduct of Edgeworth in relation to the facts set out in this Settlement Agreement.

Disclosure of Settlement Agreement

15. The terms of this Settlement Agreement shall be treated as confidential by all parties until signed by all parties except with the consent of both Edgeworth and the Director or as required by law.
16. Any obligations of confidentiality shall terminate upon execution of this Settlement Agreement.

Execution of Settlement Agreement

- 17. This Settlement Agreement may be signed in one or more counterparts, which together shall constitute a binding agreement.
- 18. A facsimile copy of any signature shall be effective as an original signature.

Dated February 16, 2010.

Edgeworth Mortgage Investment Corporation

Per: “C. Vaughan Minor”

(C.S.)

C. Vaughan Minor, Chief Financial Office
Print name and title of person signing

Dated February 18, 2010

“Patti Pacholek”
Witness

“Barbara Shourounis”
Barbara L. Shourounis
Director, Securities Division
Saskatchewan Financial Services Commission