



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

and

In the Matter of
Landbankers International MX, S.A. De C.V
Kelly Friesen
Sonja McAdam

Settlement Agreement

Introduction

1. The Director of the Securities Division (the Director) of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) filed a Statement of Allegations of the Staff of the Authority dated April 25, 2012 with the Authority (the Allegations) against Landbankers International MX, S.A De C.V (Landbankers), Kelly Friesen (Friesen), and Sonja McAdam (McAdam) (collectively the Respondents) in which it was alleged that the Respondents engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act). The Allegations have not been amended to date.
2. This Settlement Agreement has been reached between Friesen, McAdam and the Director to dispose of the allegations against Friesen and McAdam.
3. Friesen and McAdam acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, it will be published on the Authority's website.
4. The terms of this Settlement Agreement shall be treated as confidential by Friesen, McAdam and the Director until it is signed by them and approved by the Authority and may not be disclosed to any person except with the consent of Friesen, McAdam and the Director or as required by law.
5. Friesen, McAdam and the Director agree that paragraph 17 of this Settlement Agreement represents undertakings by Friesen and McAdam to the Director. Friesen and McAdam agree to comply with the undertakings herein.
6. Friesen is a former resident of Warman, Saskatchewan but now resides in Puerto Vallarta, Mexico. Friesen was Landbankers' agent and sold Landbankers securities to Saskatchewan residents and others.

7. McAdam is a former resident of Christopher Lake, Saskatchewan but now resides in Calgary, Alberta. McAdam worked with Friesen to sell Landbankers securities to Saskatchewan residents.
8. Between March 2004 and December 2007, Friesen sold Landbankers securities to Saskatchewan residents. Between November 2007 and December 2007, McAdam assisted Friesen with the disposition of Landbankers securities to Saskatchewan residents.
9. In carrying out the activities outlined in paragraph 8 above, Friesen and McAdam engaged in the business of trading and advising in securities in Saskatchewan.
10. Friesen and McAdam have never been registered to trade or advise in securities in Saskatchewan, and they therefore contravened the registration requirements in section 27 of the Act.
11. Friesen made the following statements when trading Landbankers securities:
 - (a) In a presentation recorded on DVD and given to several investors Friesen represented that Landbankers expected to go public in 2008 and that the value of Landbankers securities will “go up and up”;
 - (b) In an e-mail sent in October 2007 to many investors Friesen represented that Landbankers securities are currently selling for 5 pesos each but that they will trade at \$24.70 per share the minute that Landbankers goes public and is listed on the Mexican Bolsa.
12. In making the statements set out in paragraph 11 above, Friesen represented to investors, with the intention of effecting a trade in Landbankers securities, that the securities would be listed on an exchange and have a certain future value, and he there contravened the provisions of section 44 of the Act.
13. On November 26, 2007 the Director issued an order pursuant to section 134 of the Act that the exemptions in Saskatchewan securities laws do not apply to Friesen or Landbankers and that Friesen and Landbankers cease trading in all securities and exchange contracts up to and including December 11, 2007 (the November 26, 2007 Order).
14. On December 11, 2008 the Director extended the November 26, 2007 Order until the Director is provided with satisfactory information.
15. In December 2007 Friesen traded Landbankers securities to investors in Saskatchewan thereby contravening the November 26, 2007 Order and section 55.14 of the Act.
16. Friesen earned commission from sale of securities to residents of Saskatchewan but McAdam earned no commission or any compensation. .

Undertakings by Friesen and McAdam

17. Friesen and McAdam hereby undertake, agree and consent, effective the date of execution of this Settlement Agreement:
- (a) That all of the facts set out in paragraphs 1-16 above are true;
 - (b) That there are no material facts related to these matters that are not set out in paragraphs 1-16 above;
 - (c) To waive their right to the hearing in this matter or to any other hearing and/or appeal with respect to this matter;
 - (d) To dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act;
 - (e) To the issuance of an order by the Authority in substantially the form attached hereto as Appendix 'A' ordering as follows:
 - (i) The exemptions under Saskatchewan securities laws do not apply to Friesen and McAdam;
 - (ii) Friesen and McAdam cease acquiring securities for residents of Saskatchewan;
 - (iii) Friesen and McAdam cease trading in securities and exchange contracts with residents of Saskatchewan;
 - (iv) Friesen and McAdam cease advising residents of Saskatchewan with respect to securities or exchange contracts;
 - (v) Friesen and McAdam resign any position they hold as a director or officer of an issuer, registrant or investment fund manager;
 - (vi) Friesen and McAdam be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;
 - (vii) Friesen and McAdam will not be employed by an issuer, registrant or investment fund manager in a capacity that entitles them to trade in securities in Saskatchewan;
 - (viii) Friesen and McAdam be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter;
 - (ix) Friesen pay an administrative penalty of \$50,000 to FCAA; and
 - (x) McAdam pay an administrative penalty of \$4,500 to FCAA;

Director's Agreement

18. Based on the above facts and undertakings, the Director hereby agrees that the sanctions, penalties and costs set out in subparagraph (e) (i-x) above are the only sanctions the Director will seek to have the Authority impose upon Friesen and McAdam with respect to the matters set out in the Allegations, provided that nothing shall prohibit the Director from considering and dealing with any new matter not set out in the Allegations or any new complaint brought to the Director's attention against Friesen and McAdam.

Execution of Settlement Agreement

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

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

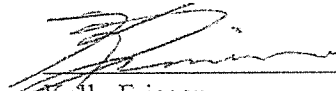
IN WITNESS WHEREOF

Friesen has executed this Agreement on this 7th day of March, 2013

SIGNED in the presence of:)


_____)

Bogar Hernández Cruz

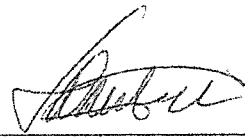

_____)
Kelly Friesen

McAdam has executed this Agreement on this 7th day of March, 2013

SIGNED in the presence of:)



_____)

Bogar Hernández Cruz.

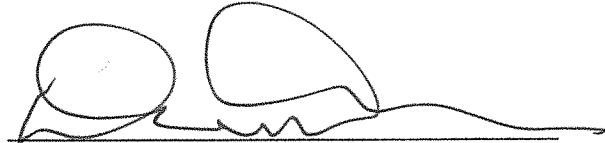

_____)
Sonja McAdam

The Director has executed this Agreement on this 12 day of March, 2013

SIGNED in the presence of:)


_____)

Sonne Udemgba
Deputy Director, Legal
Securities Division


_____)
Dean Murrison
Director
Securities Division

APPENDIX A

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

and

**In the Matter of
Landbankers International MX, S.A. De C.V
Kelly Friesen
Sonja McAdam**

Order

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

WHEREAS Kelly Friesen (Friesen), Sonja McAdam (McAdam) 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 , 2013 (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 (the Order) pursuant to section 134 of *The Securities Act, 1988, SS 1988, c. S-42.2 (the Act)* that:

1. The exemptions under Saskatchewan securities laws do not apply to Friesen and McAdam;
2. Friesen and McAdam cease acquiring securities for residents of Saskatchewan;
3. Friesen and McAdam cease trading in securities and exchange contracts with residents of Saskatchewan;
4. Friesen and McAdam cease advising residents of Saskatchewan with respect to securities or exchange contracts;
5. Friesen and McAdam resign any position they hold as a director or officer of an issuer, registrant or investment fund manager;

6. Friesen and McAdam be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager;
7. Friesen and McAdam will not be employed by an issuer, registrant or investment fund manager in a capacity that entitles them to trade in securities in Saskatchewan;
8. Friesen and McAdam be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter;
9. Friesen pay an administrative penalty of \$50,000 to FCAA; and
10. McAdam pay an administrative penalty of \$4,500 to FCAA

AND WHEREAS proceedings may be disposed of by the Authority by agreement without a hearing pursuant to section 135.3 of the Act;

AND WHEREAS the Authority has approved the Settlement Agreement;

AND WHEREAS Friesen and McAdam have waived any right to a hearing or appeal and have 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;

THE AUTHORITY HEREBY ORDERS pursuant to section 134 of the Act that:

1. The exemptions under Saskatchewan securities laws do not apply to Friesen and McAdam;
2. Friesen and McAdam cease acquiring securities for residents of Saskatchewan;
3. Friesen and McAdam cease trading in securities and exchange contracts with residents of Saskatchewan;
4. Friesen and McAdam cease advising residents of Saskatchewan with respect to securities or exchange contracts;
5. Friesen and McAdam resign any position they hold as a director or officer of an issuer, registrant or investment fund manager;
6. Friesen and McAdam be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager; or not be employed by an issuer, registrant or investment fund manager in a capacity that entitles them to trade in securities in Saskatchewan;
7. Friesen and McAdam be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter;

8. Friesen pay an administrative penalty of \$50,000 to FCAA; and
9. McAdam pay an administrative penalty of \$4,500 to FCAA.

DATED at Regina, Saskatchewan on _____, 2013

Gordon D. Hamilton
Hearing Panel Chairman