



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

**And**

**In the Matter of  
**Fisgard Capital Corporation****

**Settlement Agreement**

**Introduction**

1. Staff of the Saskatchewan Financial Services Commission (the Commission) investigated the conduct and activity of Fisgard Capital Corporation (Fisgard) to determine whether the activities of Fisgard 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 Fisgard and the Director, Securities Division, Saskatchewan Financial Services Commission (the Director) to resolve Fisgard's contraventions of Saskatchewan securities laws.
3. Paragraphs 19, 20, 21 and 22 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, Fisgard agrees with the following facts:

4. Fisgard 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 May 28, 2009 reported distributions of units on May 20, 2009 (the May 28, 2009 Form 45-106F1) to one resident of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The May 28, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;

6. A Form 45-106F1 dated June 8, 2009 reported distributions of units on May 29, 2009 and June 1 and 3, 2009 (the June 8, 2009 Form 45-106F1) to eight residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The June 8, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
7. A Form 45-106F1 dated June 17, 2009 reported distributions of units on June 9, 2009 (the June 17, 2009 Form 45-106F1) to one resident of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The June 17, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
8. A Form 45-106F1 dated June 29, 2009 reported distributions of units on June 19 and 22, 2009 (the June 29, 2009 Form 45-106F1) to eight residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The June 29, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
9. A Form 45-106F1 dated July 8, 2009 reported distributions of units on July 1 and 2, 2009 (the July 8, 2009 Form 45-106F1) to seven residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The July 8, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
10. A Form 45-106F1 dated July 20, 2009 reported distributions of units on July 10 and 15, 2009 (the July 20, 2009 Form 45-106F1) to two residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The July 20, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
11. A Form 45-106F1 dated August 10, 2009 reported distributions of units on July 31, 2009 (the August 10, 2009 Form 45-106F1) to three residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The August 10, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
12. A Form 45-106F1 dated August 19, 2009 reported distributions of units on August 14, 17 and 18, 2009 (the August 19, 2009 Form 45-106F1) to seven residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The August 19, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
13. A Form 45-106F1 dated September 9, 2009 reported distributions of units on August 31 and September 1, 2009 (the September 9, 2009 Form 45-106F1) to seven residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The September 9, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;
14. A Form 45-106F1 dated September 21, 2009 reported distributions of units on September 10 and 15, 2009 (the September 21, 2009 Form 45-106F1) to two residents of Saskatchewan in reliance upon the exemption in section 2.9 of NI 45-106. The September 21, 2009 Form 45-106F1 also listed that commissions and/or finder's fees were paid;

15. Upon further clarification by Fisgard, it was confirmed that commissions totaling approximately \$41,584.95 were paid to Quantum Capital Corp. (Quantum) and Fisgard Asset Management Corporation (Fisgard) for the distributions referred to in paragraphs 4 to 14 above to Saskatchewan residents shown on the November 6, 2009 Form 45-106F1;
16. 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 section 2.9 of NI 45-106;
17. Quantum and FAMC are not a registered dealers in Saskatchewan; and
18. Fisgard contravened Saskatchewan securities laws when it paid commissions to Quantum and FAMC.

### **Fisgard's Undertaking and Agreement**

19. Fisgard agrees that all of the facts set out in paragraphs 1 to 18 above are true and that there are no material facts related to these matters that are not set out in paragraphs 1 to 18 above.
20. Fisgard agrees to pay to the Commission an administrative penalty of \$41,584.95 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.
21. Fisgard agrees to waive any right to a hearing or appeal with respect to this matter.
22. Fisgard agrees to dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act.

### **Staff Commitment**

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

### **Disclosure of Settlement Agreement**

24. 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 Fisgard and the Director or as required by law.
25. Any obligations of confidentiality shall terminate upon execution of this Settlement Agreement.

**Execution of Settlement Agreement**

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

Dated "*March 1*", 2010

Fisgard Capital Corporation

Per: "*R. Dawn Paniz*" \_\_\_\_\_

(C.S.)

CFO, General Manager

Print name and title of person signing

Dated "*March 8*", 2010

"*Dean Murrison*"

Witness

"*Barbara Shourounis*"

Barbara L. Shourounis

Director, Securities Division

Saskatchewan Financial Services Commission