

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

AND

IN THE MATTER OF

F.S.I. FINANCIAL SYSTEMS INC.
JON PARE

AGREEMENT AND UNDERTAKING

The following agreement and undertaking (the "Agreement") has been reached between Jon Pare ("Pare") and the Director (the "Director") of the Saskatchewan Securities Commission (the "Commission").

FACTS

As a basis for the issuance of an order by the Commission (the "Order") substantially in the form as set out in Schedule "A" to this Agreement, Pare acknowledges and agrees as follows:

1. During the year of 1999 he traded in the securities of F.S.I. Financial Systems Inc. ("FSI") with United States residents;
2. FSI is a company incorporated under *The Business Corporations Act* of Saskatchewan and as of July 8, 1999 occupied offices at 118 Main Street, Canora, Saskatchewan;
3. During the year of 1999, neither Pare, FSI nor any of their representatives were registered to trade in securities under *The Securities Act, 1988*, (the "Act");
4. During the year of 1999 no receipt for a prospectus to trade in the securities of FSI was received;
5. During the year of 1999 the requirements of any statutory exemptions under the Act were not met to allow him to trade in the securities of the FSI without complying with the registration and prospectus requirements of the Act;
6. During the year 1999 Pare traded in the securities of FSI in contravention of the registration requirements of section 27 of the Act and the prospectus requirements of section 58 of the Act;

PARE'S UNDERTAKING

Pare agrees, undertakes and consents, effective the date of the execution of this Agreement, as follows:

1. To dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act ;
2. To waive his right to a hearing or an appeal with respect to this matter;
3. To cease trading for ten years from the date of the Order in any and all securities and exchange contracts in Saskatchewan or with any resident of Saskatchewan personally or by any other means including, but not limited to, by means of any company, limited partnership, association, joint venture or other entity of which he is a director, officer, promoter or control person as defined by the Act;
4. That the exemptions contained in the following provisions of the Act do not apply to him for ten years from the date of the Order:
 - a. Sections 38, 39, 39.1, 81, 82 and 102 of the Act;
 - b. *The Securities Regulations*, R.R.S., c. S-42.2, Reg 1 (the "Regulations") providing for exemptions from Sections 27, 58, 71 or 104 to 109 of the Act;
 - c. Any decision providing for exemptions from any provision of the Act or Regulations;unless upon prior written application to the Director of the Commission, the Director exempts Pare from the application of this paragraph;
5. To resign any position that he holds as a director or officer of an issuer or registrant;
6. Not to act as a director or officer of any issuer or registrant;
7. Not to be employed by any issuer or registrant whose primary business is the trading of securities;

DIRECTOR'S AGREEMENT

The Director hereby agrees that this Agreement is the only sanction the Director will seek to have the Commission impose upon Pare pursuant to the Act with respect to the matters set out in this

Agreement, provided however 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 of Pare.

IN WITNESS WHEREOF Pare has executed this Agreement this "19" day of "October" , 2000

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
)
Chiato Miyashita)

"Jon Pare"
Jon Pare

IN WITNESS WHEREOF the Director has executed this Agreement this "3rd" day of "November" , 2000

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
)
"Vic Pankratz ")

"Barbara L. Shourounis"
Barbara L. Shourounis
Director