OCT 27 2014
FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN

In the Matter of
The Securities Act, 1988

and

In the Matter of
Paradigm Portfolio Management Corporation,
Kyle Kozuska
Jerome Meckelborg, also known as Jerry Meckelborg, and
Mark Meckelborg

Notice of Application to Amend Statement of Allegations

To: Paradigm Portfolio Management Corporation
Kyle Kozuska
Jerome Meckelborg, also known as Jerry Meckelborg
Mark Meckelborg

TAKE NOTICE that a Panel of Financial and Consumers Affairs Authority of Saskatchewan (the Panel) will hear an Application filed by Staff of the Authority via teleconference on Thursday, October 28, 2014 at 9:00 (CST).

The teleconference number is: [redacted]

Pass code: [redacted]

Application:

Staff of the Financial and Consumer Affairs Authority of Saskatchewan (Staff of the Authority) will ask the Panel for leave to amend the Statement of Allegations file by Staff of the Authority, dated November 28, 2013, as noted on the Amended Statement of Allegations of Staff of Financial and Consumer Affairs Authority of Saskatchewan, dated October 27, 2014.

Grounds:

Staff of the Authority brings the application to amend the style of cause on the following grounds:

1. The proposed amendments are necessary to determine the issues in dispute.

2. The proposed amendments will not cause any actual prejudice to any party.

FURTHER TAKE NOTICE that you are entitled to be represented by legal counsel on the return date;

FURTHER TAKE NOTICE that you may call witnesses and submit such evidence relevant to the Application;

FURTHER TAKE NOTICE that the following documents are attached to this Notice of Application:

1. Amended Statement of Allegations of Staff of Financial and Consumer Affairs Authority of Saskatchewan, dated October 27, 2014.

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the hearing of the Applications will proceed in your absence and the Panel may make or give any decision or order as though you were present.

DATED at Regina, Saskatchewan on October 27, 2014.

Dean Murrison
Director,
Securities Division

Note: Saskatchewan Policy Statement 12-602 *Procedure on Hearings and Reviews* (SP 12-602) sets out information on the procedures for this hearing. SP 12-602 can be found on the Authority's website at www.fcaa.gov.sk.ca.

OCT 27 2014

FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN

In the Matter of
The Securities Act, 1988

and

In the Matter of
Paradigm Portfolio Management Corporation,
Kyle Kozuska
Jerome Meckelborg, also known as Jerry Meckelborg, and
Mark Meckelborg

AMENDED STATEMENT OF ALLEGATIONS OF STAFF OF THE FINANCIAL AND CONSUMER AFFAIRS AUTHORITY OF SASKATCHEWAN

To: **Paradigm Portfolio Management Corporation**
Kyle Kozuska
Jerome Meckelborg, also known as Jerry Meckelborg
Mark Meckelborg
(collectively, the Respondents)

Staff of the Financial and Consumer Affairs Authority of Saskatchewan (Staff of the FCAA) make the following allegations:

The Respondents

1. The Respondent, Paradigm Portfolio Management Corporation (PPMC), is a business corporation incorporated pursuant to the laws of the province of Saskatchewan. PPMC is a firm registered in Saskatchewan under the portfolio manager category.

2. The Respondent, Kyle Kozuska (Kyle), is a resident of Saskatoon, Saskatchewan. Kyle is registered in Saskatchewan with PPMC as an advising representative under the portfolio manager category. Kyle is also the sole director and a shareholder of PPMC. From on or about February 16, 2010, Kyle has been registered in Saskatchewan as PPMC's Ultimate Designate Person (UDP) and Chief Compliance Officer (CCO).

3. The Respondent, Jerome Meckelborg, also known as Jerry Meckelborg (Jerry), is a resident of Saskatoon, Saskatchewan. Jerry is registered in Saskatchewan with Meckelborg Financial Group Ltd. (MFG) as an advising representative under the

portfolio manager category and as a dealing representative under the exempt market dealer category.

4. The Respondent, Mark Meckelborg (Mark), is a resident of Saskatoon, Saskatchewan. Mark is registered in Saskatchewan with MFG as an associate advising representative under the portfolio manager category and as a dealing representative under the exempt market dealer category.

5. From in or around September 2009 to in or around November 2010 (the relevant time), Jerry and Mark were employed by PPMC. During the relevant time, Jerry was registered in Saskatchewan with PPMC as an associate advising representative under the portfolio manager category and Mark was involved in business development for PPMC, but was not registered as a "dealer" or an "adviser", pursuant to *The Securities Act.*

6. At all material times, Kyle, Mark and Jerry acted as agents for PPMC.

Contraventions of subsection 44(3) of *The Securities Act, 1988* (the Act)

7. During the relevant time ~~the Respondents~~PPMC, through Jerry and Mark, with the intention of effecting trades in shares of China Infrastructure Construction Company (China Infrastructure), provided informational documents to clients of PPMC. Some of the informational documents included the following representations:

   (a) "[China Infrastructure] shall complete an uplisting of the common shares of the Issuer on NASDAQ, NYSE Amex or any other exchange acceptable to the Purchasers within 12 months of Closing…"; and

   (b) "[China Infrastructure] shall complete an uplisting of its common stock on the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select or any successor market thereto (collectively, "Nasdaq"), NYSE Amex or any successor market thereto (together with nasdaq [sic] and NYSE Amex, each a "National Stock Exchange") at the earliest possible date but not later than the date which is eight months after the Closing Date or the closing of a registered underwritten public offering of the common stock."

8. The references to "NASDAQ", "NYSE Amex", "Nasdaq Capital Market", "Nasdaq Global Market" and "Nasdaq Global Select", at the relevant time, were references to names of exchanges.

9. During the relevant time ~~the Respondents~~PPMC, through Jerry and Mark, with the intention of effecting trades in shares of China Infrastructure, also made oral representations to clients of PPMC that these shares would be uplisted on one of the exchanges referred to in paragraph 8, above.

10. During the relevant time ~~the Respondents~~ PPMC, through Jerry and Mark, with the intention of effecting trades in shares of Sino Clean Energy Inc. (Sino Clean), provided informational documents to clients of PPMC. Some of the informational documents included the following representations:

(a) "To prepare for a major stock exchange listing (NASDAQ Capital Market, NYSE, or NYSE Amex Equities), [Sino Clean] will complete a reverse split [...] of its Common Stock within 180 days after the initial Closing Date"; and

(b) "[Sino Clean] Must Uplist to NYSE Amex or Nasdaq from the OTC Bulletin Board within 24 Months of Closing or Pay Penalties to Investors".

11. The references to "NASDAQ Capital Market", "NYSE" "NYSE Amex Equities" and "NYSE Amex" and "Nasdaq", at the relevant time, were references to names of exchanges.

12. During the relevant time ~~the Respondents~~ PPMC, through Jerry and Mark, with the intention of effecting trades in shares of Sino Clean, also made oral representations to clients of PPMC that these shares would be uplisted on one of the exchanges referred to in paragraph 10, above.

13. During the relevant time ~~the Respondents~~ PPMC, through Jerry and Mark, with the intention of effecting trades in shares and debentures of Boyuan Construction Group Inc. (Boyuan), provided an informational document to clients of PPMC. This informational document included a representation that "[a]n application will be made to list the Shares and the Debentures on the TSX Venture Exchange".

14. During the relevant time, ~~the Respondents~~ PPMC, through Jerry and Mark, with the intention of effecting trades in shares and debentures of Boyuan, also made oral representations to clients of PPMC that an application would be made by Boyuan to have these shares and debentures listed on the TSX Venture Exchange.

15. At no time did any of ~~the Respondents~~PPMC, Jerry, Mark or the issuers have the written permission of the Director, Securities Division, FCAA to make representations, written or oral, that any shares of China Infrastructure or Sino Clean or any shares or debentures of Boyuan would be listed on any exchange.

16. In carrying out the activities indicated in paragraphs 7, 9, 10 and 12, above, ~~the Respondents~~PPMC, Jerry and Mark, with the intention of effecting trades in securities, made written and oral representations that the securities would be listed on an exchange, without having the written permission of the Director to do so, thereby contravening clause 44(3)(a) of the Act.

17. In carrying out the activities indicated in paragraphs 13 and 14, above, ~~the Respondents~~PPMC, Jerry and Mark, with the intention of effecting trades in securities, made written and oral representations that an application will be made to list the securities on an exchange, without having the written permission of the Director to do so, thereby contravening clause 44(3)(b) of the Act.

Contraventions of National Instrument 31-103 - *Registration Requirements and Exemptions* (NI 31-103)

~~19.~~18. The contraventions of the Act, as outlined in paragraphs 7-17, above, occurred, in part, while Kyle was registered as PPMC's UDP and CCO;

20.19. From on or about February 16, 2010 through to in or around November 2010, Kyle failed in his duties as UDP by failing to supervise the activities of PPMC as they relate to ensuring compliance with securities legislation by PPMC, and Jerry and Mark, acting on PPMC's behalf, thereby contravening clause 5.1(a) of NI 31-103.

21.20. From on or about February 16, 2010 through to in or around November 2010, Kyle failed in his duties as CCO by failing to monitor and assess compliance by PPMC and Jerry and Mark acting on PPMC's behalf, thereby contravening clause 5.2(b) of NI 31-103.

22.21. Based on the above, Staff of the FCAA ask the hearing panel to consider whether it is in the public interest to make the following orders:

(a) Pursuant to clause 134(1)(h.2) of the Act, the Respondents shall submit to reviews by Staff of the FCAA of their practices and procedures;

(b) Pursuant to clause 134(1)(h.3) of the Act, the Respondents shall make such changes to their practices and procedures as indicated by Staff of FCAA, following the reviews set out in clause (a), above;

(c) Pursuant to clause 134(1)(i) of the Act, the Respondents are reprimanded;

(d) Pursuant to section 135.1 of the Act, the Respondents shall each pay an administrative penalty to FCAA, in the amount of $5,000; and

(e) Pursuant to section 161 of the Act, the Respondents shall pay the costs of or relating to the hearing in this matter.

DATED at Regina, Saskatchewan, this "28" day of November, 2013.

"Dean Murrison"
Dean Murrison
Director, Securities Division

AMENDED at Regina, Saskatchewan, this 27 day of October, 2014.

[redacted]
Dean Murrison
Director,
Securities Division