In the Matter of
The Securities Act, 1988

and

In the Matter of
Paradigm Portfolio Management Corporation,
Kyle Kozuska, and
Ryan John Smith

Order

(Pursuant to Sections 134, 135.1, and 135.3 of *The Securities Act, 1988* (the Act))

WHEREAS Paradigm Portfolio Management Corporation (PPMC), Kyle Kozuska (Kyle), Ryan John Smith (Ryan) and the Director of the Securities Division (the Director) of Financial and Consumer Affair Authority of Saskatchewan (the Authority) have entered into a settlement agreement dated February 12, 2015 (the Settlement Agreement), the original of which is attached hereto as Appendix "A";

AND WHEREAS an application has been received by the Authority from staff of the Authority for an order that:

1. Pursuant to clause 134(1)(h)(iii) of the Act, Kyle shall not be employed as a CCO or UDP of any issuer for a period of two years from the date of this Order;

2. Pursuant to clause 134(1)(h.1) of the Act, each of Kyle and Ryan are prohibited from becoming or acting as a registrant entitled to advise on securities unless his registration is subject to supervision, as directed by the Director, for a period of two years from the date upon which he first becomes so registered;

3. Pursuant to section 135.1 of the Act, PPMC and Kyle shall jointly pay an administrative penalty of $4,250 to FCAA; and

4. Pursuant to section 135.1 of the Act, Ryan shall pay an administrative penalty of $3,250 to FCAA.

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

AND WHEREAS the Authority has approved the Settlement Agreement;

AND WHEREAS PPMC, Kyle and Ryan have waived their rights to hearings in this matter as well as their rights to any appeals with respect to this matter, 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;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Pursuant to clause 134(1)(h)(iii) of the Act, Kyle shall not be employed as a CCO or UDP of any issuer for a period of two years from the date of this Order;

2. Pursuant to clause 134(1)(h.1) of the Act, each of Kyle and Ryan are prohibited from becoming or acting as a registrant entitled to advise on securities unless his registration is subject to supervision, as directed by the Director, for a period of two years from the date upon which he first becomes so registered;

3. Pursuant to section 135.1 of the Act, PPMC and Kyle shall jointly pay an administrative penalty of $4,250 to FCAA; and

4. Pursuant to section 135.1 of the Act, Ryan shall pay an administrative penalty of $3,250 to FCAA.

DATED at Regina, Saskatchewan on February 25, 2015.

[redacted]

Mary Ann McFadyen
Chairperson of the Hearing Panel
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, and
Ryan John Smith

SETTLEMENT AGREEMENT

WHEREAS the Director of the Securities Division (the Director) of Financial and Consumer Affair Authority of Saskatchewan (the Authority) issued a Statement of Allegations of Staff of the Authority, dated May 15, 2014 (the Statement of Allegations), in which it was alleged that Paradigm Portfolio Management Corporation, (PPMC), Kyle Kozuska (Kyle) and Ryan John Smith (Ryan) engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act) (as was in force at the relevant time);

AND WHEREAS PPMC, Kyle, Ryan and the Director each desire to dispose of the allegations against PPMC, Kyle and Ryan, as contained in the Statement of Allegations, by way of agreement, as permitted by section 135.3 of the Act;

AND WHEREAS PPMC, Kyle, Ryan and the Director acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, will be published on the Authority's website;

NOW THEREFORE, in consideration of the premises and mutual covenants set forth herein, PPMC, Kyle, Ryan and the Director hereby agree as follows:

1. The following facts are hereby admitted by PPMC, Kyle and Ryan:

    a) 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. PPMC has been so registered since in or around March 2003.

    b) Kyle is a resident of Saskatoon, Saskatchewan. He 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.

    c) From on or about February 16, 2010 to date, Kyle has been registered in Saskatchewan as PPMC's Ultimate Designated Person (UDP) and Chief

Compliance Officer (CCO).

d) Ryan is a resident of Saskatoon, Saskatchewan. From November 4, 2009 to December 16, 2013, Ryan was registered in Saskatchewan with PPMC as an advising representative under the portfolio manager category.

e) From in or around 2007 to in or around 2010 (the relevant time), PPMC was a firm registered in Saskatchewan, first under the investment counsel/portfolio manager category, and then under the portfolio manager category.

f) During the relevant time, Kyle and Ryan were employed by PPMC. Kyle was registered in Saskatchewan, first as an officer (advising) under the investment counsel/portfolio manager category, and then as a CCO and the UDP of PPMC and an advising representative under the portfolio manager category. Ryan was registered in Saskatchewan, first as an employee (advising) under the investment counsel/portfolio manager category (with associate terms and conditions that his activities be directly supervised by Kyle) and then as associate advising representative under the portfolio manager category, and finally as an advising representative under the portfolio manager category.

g) Throughout the relevant time, Kyle and Ryan acted as agents for PPMC.

h) Throughout the relevant time, PPMC, Kyle, and Ryan were portfolio managers, as defined in the Act (as was in force at the relevant time).

i) During the relevant time, PPMC, Kyle, and Ryan were "responsible persons," as defined in subsection 127(1) of the Act (as was in force at the relevant time), vis-à-vis PPMC and vis-à-vis each other.

j) During the relevant time, PPMC, Kyle and Ryan acting in concert, knowingly caused investment portfolios they managed to invest in issuers at times when Kyle or Ryan was a director of such issuers, although the clients' written consents were not obtained prior to the investments being made. The details of such activities include:

Star Uranium Corporation (Star):

i. From on or about October 16, 2007 to present, Kyle has been a director of Star;

ii. From on or about December 10, 2007 to present, Kyle has been an executive officer of Star;

iii. On or about May 9, 2008 Ryan, Kyle, and/or PPMC caused an investment portfolio managed by them to invest in shares of Star;

iv. None of PPMC, Kyle nor Ryan obtained the written consent of the client of the investment portfolio to make the investments in Star

before the purchase;

United Uranium Corporation (United):

v. From on or about October 16, 2007 to present, Kyle has been a director of United;

vi. From on or about December 10, 2007 to present, Kyle has been an executive officer of United;

vii. From in or around March 2008 to in or around November 2008, Ryan, Kyle, and/or PPMC caused investment portfolios managed by them to invest in shares of United;

viii. None of PPMC, Kyle nor Ryan obtained the written consents of the clients of the investment portfolios to make the investments in United before the purchases;

Shane Resources Ltd. (Shane):

ix. From on or about October 16, 2007 to July 29, 2014, Kyle was a director of Shane;

x. From on or about December 10, 2007 to July 29, 2014, Kyle was an executive officer of Shane;

xi. From in or around March 2008 to in or around September 2008, Ryan, Kyle, and/or PPMC caused investment portfolios managed by them to invest in shares of Shane;

xii. None of PPMC, Kyle nor Ryan obtained the written consents of the clients of the investment portfolios to make the investments in Shane before the purchases;

Chinook Meadows Phase 2 Ltd. (Chinook):

xiii. From on or about July 27, 2009, Ryan has been a director of Chinook;

xiv. From in or around July 2009 to in or around October 2010, Ryan Kyle and/or PPMC caused investment portfolios managed by them to invest in shares of Chinook; and

xv. None of Ryan, Kyle nor PPMC obtained the written consents of the clients of the investment portfolios to make the investments in Chinook before the purchases.

k) In carrying out the activities outlined above, Kyle, Ryan and PPMC knowingly

caused investment portfolios managed by them to invest in issuers in which a responsible person or an associate of a responsible person is or was an officer or director, without having obtained the written consent of the client to the investment before the purchase was made, contrary to subsection 127(2) of the Act (as was in force at the relevant time).

2. Kyle, Ryan and PPMC hereby waive their rights to a hearing in these matters as well as their rights to any appeal with respect to these matters.

3. Kyle, Ryan and PPMC hereby agree that all of the facts set out in paragraph 1, above, are true, and that there are no material facts relating to these matters that are not set out in said paragraph.

4. Kyle, Ryan, PPMC and the Director hereby consent to the issuance of an order by the Authority, in substantially the form attached hereto as Appendix "A", ordering that:

    1. Pursuant to clause 134(1)(h)(iii) of the Act, Kyle shall not be employed as a CCO or UDP of any issuer for a period of two years from the date of this Order;

    2. Pursuant to clause 134(1)(h.1) of the Act, each of Kyle and Ryan are prohibited from becoming or acting as a registrant entitled to advise on securities unless his registration is subject to supervision, as directed by the Director, for a period of two years from the date upon which he first becomes so registered;

    3. Pursuant to section 135.1 of the Act, PPMC and Kyle shall jointly pay an administrative penalty of $4,250 to FCAA; and

    4. Pursuant to section 135.1 of the Act, Ryan shall pay an administrative penalty of $3,250 to FCAA.

5. Based upon the facts contained herein, the Director hereby agrees that the sanctions set out in paragraph 4, above, are the only sanctions the Director will seek to have the Authority impose upon Kyle, Ryan and PPMC with respect to the matters set out in paragraph 1 herein, provided that nothing shall prohibit the Director from considering or dealing with any new matter not set out in herein or any new complaint brought to the Director's attention against Kyle, Ryan and/or PPMC.

6. Nothing in this Settlement Agreement shall prohibit any claimant from applying for financial compensation, pursuant to section 135.6 of the Act, nor shall it prohibit the Director from requesting that the Authority make an order that a claimant be paid compensation for financial loss.

7. The terms of this Settlement Agreement shall be treated as confidential by Kyle, Ryan, PPMC and the Director, and may not be disclosed to any person except with the consent of Kyle, Ryan, PPMC and the Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.

8. Kyle, Ryan and PPMC hereby affirm that they have read and understood the terms of this Settlement Agreement, and are signing it voluntarily.

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

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

11. This Settlement Agreement shall be governed by and construed in accordance with the laws of the province of Saskatchewan.

12. Kyle, Ryan and PPMC hereby acknowledge that they have been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:

    a) they have obtained such independent legal advice and are satisfied with the same, prior to executing this Settlement Agreement; or

    b) they have willingly chosen not to obtain such advice prior to executing this Settlement Agreement.

13. This Settlement Agreement, and any referenced appendices or amendments hereto constitutes the entire agreement between Kyle, Ryan, PPMC and the Director in connection with the matters set out in paragraph 1 herein.

IN WITNESS WHEREOF

Paradigm Portfolio Management Corporation has executed this Settlement Agreement at Saskatoon, Saskatchewan, this 22 day of January, 2015.

SIGNED in the presence of:	)	Paradigm Portfolio Management Corporation
[redacted]	)	
	)	[redacted]
	)	
	)	Per: [redacted]
Name:		Name: Kyle Kozuska
		Title: President

Kyle Kozuska, has executed this Settlement Agreement at Saskatoon, Saskatchewan, this ____ day of _____, 2015.

SIGNED in the presence of:)
)
)
)

_____ _____
Name: Kyle Kozuska

Ryan John Smith, has executed this Settlement Agreement at Saskatoon, Saskatchewan, this 22ND day of JANUARY, 2015.

SIGNED in the presence of:)
)
)
)

[redacted] [redacted]
Name: TYLER BONKOWSKI Ryan John Smith

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 12 day of February, 2015.

SIGNED in the presence of:)
)
)
)

[redacted] [redacted]
Name: Dallas Smith

Dean Murrison
Director,
Securities Division
Financial and Consumer Affairs Authority
of Saskatchewan

Kyle Kozuska, has executed this Settlement Agreement at Saskatoon, Saskatchewan, this 22 day of January, 2015.

SIGNED in the presence of:)
[redacted])
)
)
Name: Kyle Kozuska

Ryan John Smith, has executed this Settlement Agreement at Saskatoon, Saskatchewan, this ____ day of _____, 2015.

SIGNED in the presence of:)
)
)
)
Name: Ryan John Smith

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this ____ day of _____, 2015.

SIGNED in the presence of:)
)
)
)
Name: Dean Murrison
Director,
Securities Division
Financial and Consumer Affairs Authority
of Saskatchewan

Appendix "A"

In the Matter of
The Securities Act, 1988

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In the Matter of
Paradigm Portfolio Management Corporation,
Kyle Kozuska, and
Ryan John Smith

Order

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3. Pursuant to section 135.1 of the Act, PPMC and Kyle shall jointly pay an administrative penalty of $4,250 to FCAA; and

4. Pursuant to section 135.1 of the Act, Ryan shall pay an administrative penalty of $3,250 to FCAA.

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

AND WHEREAS the Authority has approved the Settlement Agreement;

AND WHEREAS PPMC, Kyle and Ryan have waived their rights to hearings in this matter as well as their rights to any appeals with respect to this matter, 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;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

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2. Pursuant to clause 134(1)(h.1) of the Act, each of Kyle and Ryan are prohibited from becoming or acting as a registrant entitled to advise on securities unless his registration is subject to supervision, as directed by the Director, for a period of two years from the date upon which he first becomes so registered;

3. Pursuant to section 135.1 of the Act, PPMC and Kyle shall jointly pay an administrative penalty of $4,250 to FCAA; and

4. Pursuant to section 135.1 of the Act, Ryan shall pay an administrative penalty of $3,250 to FCAA.

DATED at Regina, Saskatchewan on _____, 2015.

_____

Chairperson of the Hearing Panel
Financial and Consumer Affairs Authority
of Saskatchewan