FCAA
Financial and
Consumer
Affairs Authority

Suite 601
1919 Saskatchewan Drive
Regina, SK
Canada S4P 4H2

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

Order

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

WHEREAS Jerome Meckelborg, also known as Jerry Meckelborg, 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 May 4, 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.2) of the Act, Jerry Meckelborg shall submit to a review by Staff of the Authority of his current practices and procedures;
2. Pursuant to clause 134(1)(h.3) of the Act, Jerry Meckelborg shall make such changes to his current practices and procedures as indicated by Staff of the Authority, following the review set out in clause (a), above; and
3. Pursuant to section 135.1 of the Act, Jerry Meckelborg shall pay an administrative penalty to the Authority, in the amount of $3,000.

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 Jerry Meckelborg has waived his right to a hearing in this matter as well as his right to any appeal with respect to this matter, and has 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.2) of the Act, Jerry Meckelborg shall submit to a review by Staff of the Authority of his current practices and procedures;
2. Pursuant to clause 134(1)(h.3) of the Act, Jerry Meckelborg shall make such changes to his current practices and procedures as indicated by Staff of the Authority, following the review set out in clause (a), above; and
3. Pursuant to section 135.1 of the Act, Jerry Meckelborg shall pay an administrative penalty to the Authority, in the amount of $3,000.

DATED at Regina, Saskatchewan on May 8, 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
Jerome Meckelborg, also known as Jerry Meckelborg, and
Mark Meckelborg

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 November 28, 2013 (the Statement of Allegations), with the Authority, in which it was alleged that Jerome Meckelborg, also known as Jerry Meckelborg (Jerry) and others engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act);

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

AND WHEREAS Jerry 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 mutual promises and covenants set forth herein, Jerry and the Director hereby agree as follows:

1. The following facts are hereby admitted by Jerry:

   (a) 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;

   (b) Jerry is a resident of Saskatoon, Saskatchewan and 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;

(c) From in or around September 2009 to in or around November 2010 (the Relevant Time), Jerry was employed by PPMC. During the Relevant Time, Jerry was registered in Saskatchewan with PPMC as an associate advising representative under the portfolio manager category;

(d) During the Relevant Time Jerry, with the intention of effecting trades in shares of China Infrastructure Construction Company (Company A), provided informational documents to clients of PPMC. Some of the informational documents included the following representations:

i. "[Company A] 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

ii. "[Company A] 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";

(e) The references to "NASDAQ", "NYSE Amex", "Nasdaq Capital Market", "Nasdaq Global Market" and "Nasdaq Global Select" were references to names of exchanges;

(f) During the Relevant Time Jerry, with the intention of effecting trades in shares of Company A, also made oral representations to clients of PPMC that these shares would be uplisted on one of the exchanges referred to in clause (e), above;

(g) During the Relevant Time Jerry, with the intention of effecting trades in shares of Sino Clean Energy Inc. (Company B), provided informational documents to clients of PPMC. Some of the informational documents included the following representations:

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

ii. "[Company B] Must Uplist to NYSE Amex or Nasdaq from the OTC Bulletin Board within 24 Months of Closing or Pay Penalties to Investors";

(h) The references to "NASDAQ Capital Market", "NYSE" "NYSE Amex Equities" and "NYSE Amex" and "Nasdaq" were references to names of exchanges;

(i) During the Relevant Time Jerry, with the intention of effecting trades in shares of

Company B, also made oral representations to clients of PPMC that these shares would be uplisted on one of the exchanges referred to in clause (h), above;

(j) During the Relevant Time Jerry, with the intention of effecting trades in shares and debentures of Boyuan Construction Group Inc. (Company C), 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";

(k) During the Relevant Time, Jerry, with the intention of effecting trades in shares and debentures of Company C, also made oral representations to clients of PPMC that an application would be made by Company C to have these shares and debentures listed on the TSX Venture Exchange;

(l) At no time did Jerry have the written permission of the Director, Securities Division, the Authority to make representations, written or oral, that any securities of Company A or Company B would be listed on any exchange, or that an application would be made to list the securities of Company C on any exchange;

(m) In carrying out the activities outlined in clauses (d), (f), (g) and (i), above, Jerry, 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; and

(n) In carrying out the activities indicated in clauses (j) and (k), above, Jerry, 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.

2. Jerry hereby waives his right to a hearing in this matter as well as his right to any appeal with respect to this matter.

3. Jerry hereby agrees that all of the facts set out in paragraph 1, above, are true, and that there are no material facts relating to this matter that are not set out in said paragraph.

4. Jerry 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:

(a) Pursuant to clause 134(1)(h.2) of the Act, Jerry shall submit to a review by Staff of the Authority of his current practices and procedures;

(b) Pursuant to clause 134(1)(h.3) of the Act, Jerry shall make such changes to his current practices and procedures as indicated by Staff of the Authority, following the review set out in clause (a), above; and

(c) Pursuant to section 135.1 of the Act, Jerry shall pay an administrative penalty to the Authority, in the amount of $3,000.

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 Jerry with respect to the matters set out in the Statement of Allegations, provided that nothing shall prohibit the Director from considering or dealing with any new matter not set out in the Statement of Allegations or any new complaint brought to the Director's attention against Jerry.

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 Jerry and the Director, and may not be disclosed by either party to any person except with the consent of Jerry and the Director, or as required by law, until such time as it is signed by both parties and approved by the Authority.

8. Jerry hereby affirms that he has read and understood the terms of this Settlement Agreement, and is signing it voluntarily and of his own free will.

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. Jerry hereby acknowledges that he has been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that either:

    (a) he has obtained such independent legal advice and is satisfied with the same, prior to executing this Settlement Agreement; or

    (b) he has 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 Jerry and the Director in connection with the allegations set forth in the Statement of Allegations.

IN WITNESS WHEREOF

Jerome Meckelborg, also known as Jerry Meckelborg has executed this Settlement Agreement at Regina, Saskatchewan, this 24th day of April, 2015.

SIGNED in the presence of:)
)
)
)

[redacted]

Name: Dallas Smith

[redacted]

Jerome Meckelborg

The Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 4 day of May, 2015.

SIGNED in the presence of:)
)
)
)

[redacted]

Name: Sonne Uderman
Barrister & Solicitor

[redacted]

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

Appendix "A"

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3. Pursuant to section 135.1 of the Act, Jerry shall pay an administrative penalty to the Authority, in the amount of $3,000.

DATED at Regina, Saskatchewan on _____, 2015.

_____

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