

**In the Matter of
*The Securities Act, 1988***


and

**In the Matter of
Watford HRCP, LLLP,
Henry Whitfield Bert Stuckless, and
Marco-Abel Nordio**

Notice of First Appearance

To: Watford HRCP, LLLP
Henry Whitfield Bert Stuckless
Marco-Abel Nordio

TAKE NOTICE THAT you or a representative are to attend before a Panel of the Financial and Consumers Affairs Authority of Saskatchewan (the Authority) via teleconference on April 9, 2014 at 9:00 a.m. (CST) to set a date for a hearing into the matters alleged in the Statement of Allegations of Staff of the Authority, dated February 21, 2014, a copy of which is attached hereto.

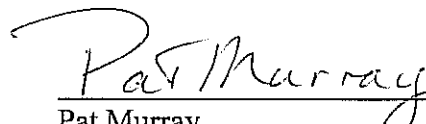
The teleconference number is: 

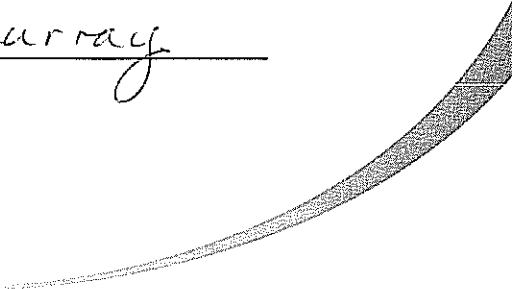
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TAKE NOTICE that you are entitled to be represented by legal counsel and to make representations on the return date;

AND FURTHER TAKE NOTICE that if you do not attend at the time and place as aforesaid, the conference call will proceed in your absence and the Panel of the Authority may set hearing dates in the above matter without further notice to you;

DATED at Regina, Saskatchewan on March 11, 2014.


Pat Murray
Registrar



For Service On:

Watford HRCP, LLLP
and
Marco-Abel Nordio

Address for Service:

McKercher LLP
Attn: Janine L. Harding
374 Third Avenue South
Saskatoon, SK S7K 1M5
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And For Service On:

Henry Whitfield Bert Stuckless

Address for Service:

MacPherson Leslie Tyerman
Attn: Michael Tochor, Q.C.
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Regina, SK S4P 4E9
Facsimile: (306) 352-5250
Email: MTochor@mlt.com

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.

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

**To: Watford HRCP, LLLP
Henry Whitfield Bert Stuckless
Marco-Abel Nordio**

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

The Respondents

1. The Respondent, Watford HRCP, LLLP (Watford), is a limited liability limited partnership registered with the Secretary of State, North Dakota, United States of America (U.S.A.), with a principal executive office located at 206 Main St. #501, Arnegard, ND 58835, U.S.A. Watford's stated business is the development of real estate.
2. At all material times, Watford had two partners; a general partner and a limited partner. Watford's limited partner, at all material times, was the Respondent, Marco-Abel Nordio (Nordio). Watford's general partner, at all material times, was Studio Residences, Inc. (Studio), a corporation formed pursuant to the laws of the State of Florida, U.S.A., and registered to carry on business as a developer of real estate in the State of North Dakota, U.S.A. At all material times, Nordio was a director and officer of Studio.
3. Nordio, is a resident of Surrey, British Columbia.
4. The Respondent, Henry Whitfield Bert Stuckless (Stuckless) is a resident of Regina,

Saskatchewan. From on or about March 14, 2003 to on or about August 22, 2013, Stuckless was registered in Saskatchewan under the scholarship plan dealer category, first as a salesperson and then as a dealing representative. Stuckless' registration permitted him to trade only in securities issued by scholarship plans, educational plans or educational trusts.

5. Stuckless has not been registered in any capacity with Financial and Consumer Affairs Authority of Saskatchewan (FCAA) since on or about August 22, 2013.
6. At all material times, Nordio acted as agent in Saskatchewan for Watford.
7. Stuckless is Nordio's father-in-law.

Contraventions of subsections 27(2) and 58(1) of *The Securities Act, 1988* (the Act)

8. In or around 2013, Watford, Nordio and Stuckless (collectively, the Respondents) engaged in the business of trading in securities of Watford and of a company called Hunter's Run LLC (Hunter's Run) in Saskatchewan.
9. In or around 2013, Stuckless engaged in the business of advising residents of Saskatchewan as to the investing in interests in the capital, assets, property, profits or earnings of Hunter's Run.
10. It does not appear that Hunter's Run had any involvement in the trading or advising activities of the Respondents in Saskatchewan.
11. The particulars of the Respondents' trading and advising activities include, but are not limited to, the following:
 - (a) In or around August 2013, Stuckless and Nordio conducted meetings at a restaurant in Regina, Saskatchewan. The purpose of these meetings was to provide potential investors with information on Hunter's Run, to assist them in their decisions whether to invest in securities of Hunter's Run;
 - (b) At the meetings, Nordio showed attendees a PowerPoint presentation, outlining Hunter's Run's business, appraisals of the project, as well as project projections;
 - (c) In attendance at the meetings were members of Stuckless' family, as well as friends and acquaintances of Stuckless. Stuckless had invited all of the attendees to the meetings, including Investor 1 and Investor 2, whom he knew as a result of having sold scholarship plans to them when he worked as a scholarship plan dealing representative;
 - (d) At the meetings, potential investors were advised by Stuckless that they could purchase an interest in Hunter's Run, indirectly, by purchasing an interest in an entity that was to be set up by Stuckless;

- (e) As a result of the information received from Nordio and Stuckless, in and around August 2013, Investor 1 invested a total of \$62,500 USD in securities of Watford. Investor 1 invested in two installments; one of \$50,000 USD and one of \$12,500 USD.
- (f) In exchange for transferring \$50,000 USD to an account held by Watford, Investor 1 was issued a "Secured Promissory Note" (Note 1), which secured Investor 1 "a 0.08% participation in Hunter's Run LLC currently held by Watford HRCP, LLLP" as well as a "0.426% ownership of Watford HRCP, LLLP as a Limited Partner thru a subsidiary Canadian Limited Partnership currently under formation". This was a reference to an entity that was to be set up by Stuckless, though it does not appear that this entity was ever created. Note 1 was signed by Nordio, and delivered to Investor 1 by Stuckless;
- (g) In exchange for transferring an additional \$12,500 USD to an account held by Watford, and in replacement for Note 1, Investor 1 was issued a "Secured Promissory Note" (Note 2), which increased his participation in Hunter's Run to 0.10% and his ownership of Watford to 0.5325%. Note 2 was also signed by Nordio, and delivered to Investor 1 by Stuckless;
- (h) Investor 1 was also asked to sign a Non-Disclosure Agreement with Stuckless;
- (i) As a result of the information received from Nordio and Stuckless, on or about August 13, 2013, Investor 2 opened an account with a company called FIRMA Foreign Exchange, and transferred \$200,000 USD to this account, for the purposes of eventually investing these funds indirectly in securities of Hunter's Run;
- (j) Investor 2 was asked to sign a Non-Disclosure Agreement with Stuckless;
- (k) Also as a result of the information received from Nordio and Stuckless, Investor 2 spoke with her mother, Investor 3, about Investor 3 also investing in securities of Hunter's Run. Investor 3 indicated a potential interest in investing, and Investor 2 provided Stuckless with contact information for Investor 3, so that Stuckless could provide Investor 3 with the necessary information needed to invest indirectly in securities of Hunter's Run;
- (l) Upon receipt of the contact information for Investor 3 Stuckless met with Investor 3 (on or about August 13, 2013) and provided her information on Hunter's Run, in order to assist her in her decision whether to invest;
- (m) As a result of the information received from Stuckless, Investor 3 indicated that she was prepared to borrow \$200,000 to make an indirect investment in Hunter's Run; and

- (n) On or about August 16, 2013, FCAA issued a Temporary Cease Trade Order against Nordo, Stuckless and Hunter's Run (the CTO). As a result of the CTO, Investor 2 and Investor 3 decided against investing, indirectly, in securities of Hunter's Run.
12. Note 1 and Note 2 constituted evidence of an interest in the capital, assets, property, profits or earnings of Hunter's Run and also a share of Watford.
 13. In carrying out the acts indicated in paragraph 11, the Respondents engaged in the business of trading in securities in Saskatchewan.
 14. Neither Watford nor Nordio has ever been registered as a "dealer" pursuant to the Act, and therefore, each of Watford and Nordio contravened clause 27(2)(a) of the Act.
 15. The securities of Watford and Hunter's Run were not securities issued by a scholarship plan, an educational plan or an educational trust. As such, Stuckless' registration, at all material times, did not permit him to trade in securities of Watford or Hunter's Run, and therefore, Stuckless contravened clause 27(2)(a) of the Act.
 16. In carrying out the acts indicated in subparagraphs 11(a), 11(d) and 11(l) Stuckless engaged in the business of advising Saskatchewan residents as to the investing in or buying of securities.
 17. Stuckless has never been registered as an "adviser" pursuant to the Act, and therefore, contravened clause 27(2)(b) of the Act.
 18. The trades by Watford, referred to in paragraph 11, related to securities that had not previously been issued, and as such, related to distributions under the Act.
 19. No preliminary prospectus relating to the distribution of the securities in Watford was filed, and no receipts were issued for the same. No prospectus relating to the distribution of the securities in Watford was filed and no receipts were issued for the same. Therefore, Watford contravened subsection 58(1) of the Act.
 20. Watford did not file any reports pursuant to section 6.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) claiming any of the exemptions in NI 45-106.
 21. Based on the above, Staff of 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)(d) of the Act, the Respondents shall cease trading in securities for a period of five years;
 - (b) Pursuant to clause 134(1)(e) of the Act, Stuckless shall cease giving advice respecting securities, trades or exchange contracts in Saskatchewan for a period of

five years;

- (c) Pursuant to clause 134(1)(f)(i) of the Act, the Respondents, must comply with Saskatchewan securities laws;
- (d) Pursuant to clause 134(1)(h)(iii) of the Act, the Respondents shall not be employed by any issuer, registrant or investment fund manager in any capacity that would allow them to trade or advise in securities for a period of five years;
- (e) Pursuant to section 135.1 of the Act, the Respondents shall each pay an administrative penalty to FCAA, in the amount of \$7,500;
- (f) Pursuant to section 135.6 of the Act, the Respondents shall pay financial compensation to each person or company found to have sustained financial loss as a result, in whole or in part, of the Respondents contraventions of the Act, in an amount to be determined; and
- (g) Pursuant to section 161 of the Act, the Respondents shall jointly or severally pay the costs of or relating to the hearing in this matter.

DATED at Regina, Saskatchewan, this 21 day of February, 2014.



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