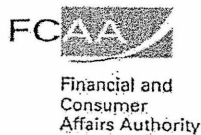




Government of  
Saskatchewan

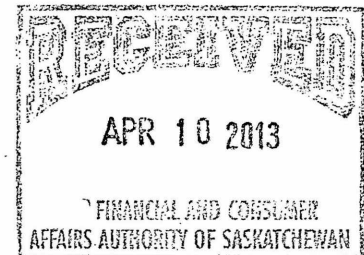


Suite 601  
1919 Saskatchewan Drive  
Regina, SK, Canada  
S4P 4H2

In the Matter of  
*The Securities Act, 1988, S.S. 1988, C. S-42.2*

and

In the Matter of  
H.H. Fast Investments Ltd.  
Eldred Fast  
Beverly Letkeman  
Cindylee Sanson



### Settlement Agreement

#### *Introduction*

1. The Director, Securities Division (the Director) of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority or FCAA) filed a Statement of Allegations of the Staff of the Authority dated September 17, 2012 with the Authority (the Allegations) against H.H. Fast Investments Ltd. (H.H. Fast), Eldred Fast (Fast), Beverly Letkeman (Letkeman) and Cindylee Sanson (Sanson) (collectively the Respondents), in which it was alleged that the Respondents engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the Act).
2. This Settlement Agreement has been reached between the Respondents and the Director to dispose of the allegations against the Respondents.
3. The Respondents and the Director acknowledge that this Settlement Agreement is subject to the approval of the Authority and, if approved by the Authority, it will be published on the Authority's website.
4. The terms of this Settlement Agreement shall be treated as confidential by the Respondents and the Director until it is signed by them and approved by the Authority and may not be disclosed to any person except with the written consent of the Respondents and the Director or as required by law.
5. The Respondents and the Director agree that paragraph 35 of this Settlement Agreement represents undertakings by the Respondents to the Director within the meaning of section 55.15 of the Act.

#### *The Respondents*

6. H.H. Fast was incorporated and registered in Saskatchewan on January 23, 1993.
7. The registered office of H.H. Fast is in Waldheim, Saskatchewan and the nature of the

business carried on by H.H. Fast is described as an investment and holding company.

8. Fast is a resident of Waldheim, Saskatchewan. At all material times, he was the President, a director and the operating mind of H.H. Fast.
9. Letkeman is a resident of Osler, Saskatchewan. At all material times, she was the Treasurer and a director of H.H. Fast.
10. Sanson is a resident of Saskatoon, Saskatchewan. She is also the Secretary and a director of H.H. Fast.
11. During the entire duration of the operation of H.H. Fast, Letkeman and Sanson exercised no control respecting the operation of the company, nor did they participate or have any knowledge of the operations and conduct of the company, despite being listed as directors and officers of H.H. Fast. Fast gave as a gift to Letkeman and Sanson, the shares in H.H. Fast that had belonged to his late wife.
12. Letkeman and Sanson did not participate in, nor did they have knowledge of, the solicitation, acceptance, management or distribution of any funds, investments, exchange contracts or securities received by H.H. Fast or paid by H.H. Fast to any party.
13. Between April of 1997 and July 17, 2007, H.H. Fast and Fast traded securities of H.H. Fast to at least thirteen Saskatchewan residents and raised at least \$905,003.83.
14. In carrying out the activities outlined in paragraph 13 above H.H. Fast and Fast engaged in the business of trading in securities in Saskatchewan.
15. H.H. Fast and Fast have never been registered to trade securities in Saskatchewan, and they therefore contravened the registration requirement in section 27 of the Act.
16. In carrying out the activities outlined in paragraph 13 above, H.H. Fast and Fast made a distribution of securities in Saskatchewan.
17. The Director has never issued a receipt for the prospectus for the securities of H.H. Fast, and H.H. Fast therefore contravened the prospectus requirement in section 58 of the Act.
18. H.H. Fast has not filed 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.

*Related parties*

19. Ronald Jerry Fast (Ronald Fast) is Fast's brother. At all material times, Ronald Fast owned and controlled the company Marathon Leasing Corporation (Marathon Leasing) in Saskatchewan.
20. To the best of Fast's knowledge, Marathon Leasing was actively engaged in the business of providing lease financing to purchasers of personal property.

21. When speaking to investors, Fast informed investors that H.H. Fast would lend money it received to Marathon Leasing. H.H. Fast loaned all of the money it raised from the investors to Marathon Leasing.
22. To the best of Fast's knowledge, Marathon Leasing was solvent during the entire course of the relationship between H.H. Fast and Marathon Leasing.
23. Fast and H.H. Fast received no notification, nor did they have any knowledge that Marathon Leasing was having financial difficulty until Ronald Fast notified Fast that Marathon Leasing was insolvent on or about the date that Marathon Leasing was bankrupt.
24. To the best of Fast's knowledge, neither he nor H.H. Fast was ever advised, nor did they have knowledge that FCAA issued Marathon Leasing a letter directing Marathon to stop trading of securities.
25. Prior to H.H. Fast and Fast receiving notice from Marathon Leasing that it was insolvent, the Respondents did not know that Marathon Leasing was in violation of Saskatchewan securities laws, was not a viable business or that Marathon Leasing needed to bring in new money to pay previous investors and stay in business.
26. Upon receipt of notice that Marathon Leasing was insolvent, Fast promptly contacted the investors to advise them of Marathon Leasing's circumstance.

#### *Other Issues*

27. H.H. Fast was a proven unsecured creditor of Marathon Leasing and it received dividend payments from Marathon Leasing's Trustee in Bankruptcy from time-to-time.
28. H.H. Fast promptly distributed the total sum of each and every payment it received from Marathon Leasing's Trustee in Bankruptcy to the investors of H.H. Fast in proportion to each investor's investment with H.H. Fast. In providing each distribution, H.H. Fast paid no share of the dividend payments to Fast, Letkemen or Sanson, all of whom were creditors of H.H. Fast.
29. On June 14, 2011, six of the investors commenced civil proceedings to assign H.H. Fast into bankruptcy.
30. The action commenced by the investors was stayed so the matter may be mediated. The mediation resulted in a settlement agreement between H.H. Fast and its investors, which required H.H. Fast to liquidate all of its property, and to distribute the proceeds to each investor on a pro-rated basis according to the value of each claim (the Settlement).
31. Most of the sums paid to the investors under the Settlement resulted from the sale of farm lands which previously belonged to Fast, but which had been rolled into H.H. Fast prior to the investment in H.H. Fast by any investors. The land was neither acquired nor maintained with any of the investor's funds, yet the investors primarily benefited from the sale of the land.
32. Proceeds in the value of \$975,652.94 were distributed to H.H. Fast's creditors, which resulted in a payment of approximately 42% of each investors claim. The sale of farm

land constituted \$856,752.97, or approximately 87% of the proceeds distributed to H.H. Fast's creditors under the Settlement. The balance was money accumulated over time from H.H. Fast's farming activity and profits H.H. Fast made on lending money to Marathon Leasing.

33. H.H. Fast has distributed all of its property to its investors according to the terms of the Settlement and the company has no assets whatsoever, except the unpaid balance of its claim against Marathon Leasing. Should H.H. Fast receive any further payments from the estate of Marathon Leasing, or any other money or property from any other source, it is obliged by the Settlement to distribute that property to its investors on a pro-rated basis.
34. Under the terms of the Settlement, each investor released H.H. Fast, its directors and its officers from any and all claims arising from the investors' interactions with H.H. Fast.

*Undertakings by the Respondents*

35. The Respondents hereby undertake, agree and consent, effective the date of execution of this Settlement Agreement:
  - (a) that all of the facts set out in paragraphs 1-34 above are true;
  - (b) that there are no material facts related to these matters that are not set out in paragraphs 1-34 above;
  - (c) to waive their right to the hearing in this matter or to any other hearing and/or appeal with respect to this matter;
  - (d) to dispose of this proceeding by agreement without a hearing pursuant to section 135.3 of the Act; and
  - (e) to the issuance of an order by the Authority in substantially the form attached hereto as Appendix 'A', ordering as follows:
    - (i) the exemptions under Saskatchewan securities laws do not apply to H.H. Fast and Fast;
    - (ii) H.H. Fast and Fast cease trading in any securities or exchange contracts in Saskatchewan;
    - (iii) H.H. Fast and Fast cease acquiring securities or exchange contracts on behalf of residents of Saskatchewan;
    - (iv) H.H. Fast and Fast cease advising residents of Saskatchewan respecting securities;
    - (v) pursuant to clause 134(1)(h) of the Act, Fast:
      - (1) resign any position he holds as a director or officer of an issuer, registrant or investment fund manager in Saskatchewan;
      - (2) be prohibited from becoming or acting as a director or officer of an

issuer, registrant or investment fund manager in Saskatchewan;  
and,

(3) not be employed by an issuer, registrant or investment fund manager in Saskatchewan in a capacity that entitles him to trade in securities or exchange contracts;

(vi) pursuant to clause 134 (1)(h.1) of the Act, Fast be prohibited from becoming or acting as a registrant, an investment fund manager or promoter in Saskatchewan; and

(vii) pursuant to section 135.1 of the Act H.H. Fast and Fast pay an administrative penalty of \$5,000 to the Authority.

36. H.H Fast and Fast consent to a regulatory Order being made by any provincial or territorial securities regulatory authority in Canada containing any or some of the sanctions set out in sub-paragraphs 35 (e) (i-vii) above.

*Director's Agreement*

37. Based on the above facts and undertakings, the Director hereby agrees that the sanctions set out in subparagraph 35(e)(i-vii) above are the only sanctions the Director will seek to have the Authority impose upon the Respondents with respect to the matters set out in the Statement of Allegations, provided that nothing shall prohibit the Director from considering and dealing with any matter not set out in the Statement of Allegations or any new complaint brought to the Director's attention against the Respondents .

*Execution of Settlement Agreement*

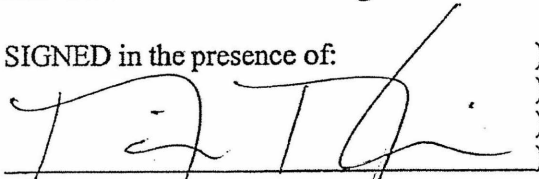
38. This Settlement Agreement may be signed in one or more counterparts and together shall constitute a binding agreement.

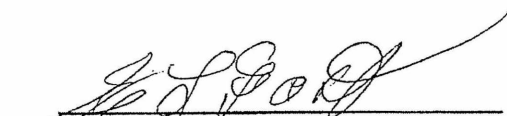
39. A facsimile copy of any signature shall be effective as an original signature.

**IN WITNESS WHEREOF**

H.H. Fast has executed this Agreement on this 4 day of <sup>April</sup> ~~March~~, 2013

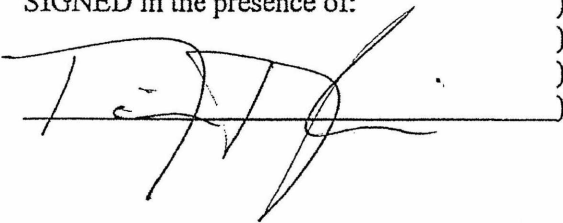
SIGNED in the presence of:


  
DEVIN DUBOIS

  
Eldred Fast, President  
H.H. Fast Investments Ltd.

Fast has executed this Agreement on this 4 day of APRIL, 2013

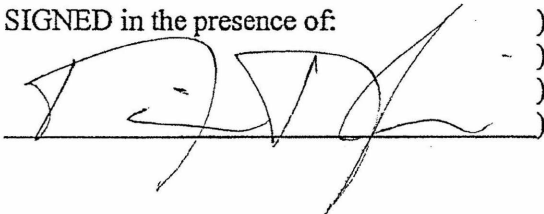
SIGNED in the presence of:

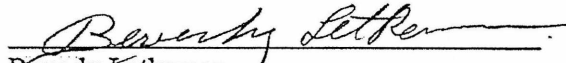
  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )

  
\_\_\_\_\_  
Eldred Fast

Letkeman has executed this Agreement on this 8 day of APRIL, 2013

SIGNED in the presence of:

  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )

  
\_\_\_\_\_  
Beverly Letkeman

Sanson has executed this Agreement on this \_\_\_ day of \_\_\_\_\_, 2013

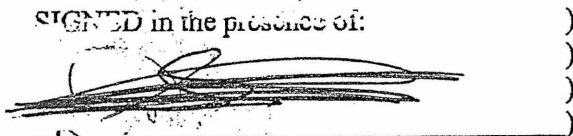
SIGNED in the presence of:

\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )


\_\_\_\_\_  
Cindylee Sanson

The Director has executed this Agreement on this 18 day of April, 2013

SIGNED in the presence of:

  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )

Somme Udengba  
Deputy Director, Legal  
Securities Division

  
\_\_\_\_\_  
Dean Murrison  
Director  
Securities Division

Fast has executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2013

SIGNED in the presence of: )  
)  
)  
\_\_\_\_\_ )


\_\_\_\_\_  
Eldred Fast


Letskeman has executed this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2013

SIGNED in the presence of: )  
)  
)  
\_\_\_\_\_ )


\_\_\_\_\_  
Beverly Letskeman


Sanson has executed this Agreement on this 15 day of April, 2013

SIGNED in the presence of: )  
)  
)  
  
\_\_\_\_\_ )  
Karin A. Siddle

  
\_\_\_\_\_  
Cindylee Sanson

The Director has executed this Agreement on this 18 day of April, 2013

SIGNED in the presence of: )  
)  
)  
  
\_\_\_\_\_ )  
Sonne Udengba  
Deputy Director, Legal  
Securities Division

  
\_\_\_\_\_  
Dean Murrison  
Director  
Securities Division

**In the Matter of  
*The Securities Act, 1988, S.S. 1988, C. S-42.2 (the Act)***

**and**

**In the Matter of  
H.H. Fast Investments Ltd.  
Eldred Fast  
Beverly Letkeman  
Cindylee Sanson**

**Order**

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

WHEREAS H. H. Fast Investments Ltd. (H.H. Fast), Eldred Fast (Fast), Beverly Letkeman (Letkeman) and Cindylee Sanson (Sanson), (Collectively the Respondents) and the Director of the Securities Division (the Director) of the Financial and Consumer Affairs Authority of Saskatchewan (the Authority) have entered into a settlement agreement dated April 18, 2013 (the Settlement Agreement), the original of which is attached hereto as Appendix 'A';

AND WHEREAS an application has been received by the Authority from the staff of the Authority for an order (the Order) pursuant to section 134 of *The Securities Act, 1988, SS 1988, c. S-42.2 (the Act)* that:

1. The exemptions under Saskatchewan securities laws do not apply to H.H. Fast, and Fast;
2. H.H. Fast and Fast cease acquiring securities for residents of Saskatchewan;
3. H.H. Fast and Fast cease trading in securities and exchange contracts with residents of Saskatchewan;
4. H.H. Fast and Fast cease advising residents of Saskatchewan with respect to securities or exchange contracts;
5. H.H. Fast and Fast resign any position they hold as a director or officer of an issuer, registrant or investment fund manager;
6. H.H. Fast and Fast be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager; or not be employed by an issuer, registrant or investment fund manager in a capacity that entitles them to trade in securities or exchange contracts in Saskatchewan;



7. H.H. Fast and Fast be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter; and
8. H.H. Fast and Fast pay an administrative penalty of \$5,000 to FCAA.

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

AND WHEREAS the Authority has approved the Settlement Agreement;


AND WHEREAS the Respondents have waived any right to a hearing or appeal 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;

THE AUTHORITY HEREBY ORDERS pursuant to section 134 of the Act that:

1. The exemptions under Saskatchewan securities laws do not apply to H.H. Fast, and Fast;
2. H.H. Fast and Fast cease acquiring securities for residents of Saskatchewan;
3. H.H. Fast and Fast cease trading in securities and exchange contracts with residents of Saskatchewan;
4. H.H. Fast and Fast cease advising residents of Saskatchewan with respect to securities or exchange contracts;
5. H.H. Fast and Fast resign any position they hold as a director or officer of an issuer, registrant or investment fund manager;
6. H.H. Fast and Fast be prohibited from becoming or acting as a director or officer of an issuer, registrant or investment fund manager; or not be employed by an issuer, registrant or investment fund manager in a capacity that entitles them to trade in securities or exchange contracts in Saskatchewan;
7. H.H. Fast and Fast be prohibited from becoming or acting as a registrant, an investment fund manager or a promoter; and
8. H.H. Fast and Fast pay an administrative penalty of \$5,000 to FCAA.

DATED at Saskatoon, Saskatchewan on May 2, 2013

  
\_\_\_\_\_  
Gordon D. Hamilton  
Hearing Panel Chairman