

THE SECURITIES ACT)	Order No. 5720
)	
Section 19(5) and 148.3(1))	May 28, 2008

SHELDON TERRY HEIDEBRECHT

WHEREAS:

(A) On February 21, 2007, The Manitoba Securities Commission ("Commission") issued a Notice of Hearing ("Notice") giving notice of its intention to hold a hearing to consider, inter alia, whether or not it was in the public interest to grant an order pursuant to subsection 19(5) of The Securities Act ("Act") with respect to Sheldon Terry Heidebrecht ("Heidebrecht")

(B) Staff of the Commission and Heidebrecht entered into a Settlement Agreement (a copy of which is attached as Schedule "A") dated May 25, 2008 ("Settlement Agreement") which proposed settlement of the proceedings initiated by the Notice, subject to the approval of the Commission.

(C) Heidebrecht has consented to the issuance of this Order and has waived his right to a full hearing.

(D) On May 28, 2008, the Commission held a hearing ("Settlement Hearing") to consider whether or not to approve the Settlement Agreement.

(E) At the Settlement Hearing the Commission approved the Settlement Agreement and is of the opinion that it is in the public interest to make this Order.

IT IS ORDERED:

1. **THAT** the Settlement Agreement (Schedule "A") be and the same is hereby approved;
2. **THAT** pursuant to subsection 19(5) Of the Act:
 - i) subsection 19(1) of the Act does not, with respect to such of the trades referred to in that subsection, apply to Heidebrecht for a period of five years from May 28, 2008; and

ii) subsection 19(2) of the Act does not, with respect to such securities referred to in that subsection apply to Heidebrecht, for a period of five years from May 28, 2008.

3. **THAT** pursuant to subsection 148.3(1) of the Act Heidebrecht is prohibited from being a director or officer of an issuer for a period of 5 years from May 28, 2008.

BY ORDER OF THE COMMISSION


Director - Legal and Enforcement

SETTLEMENT AGREEMENT

BETWEEN:

SHELDON TERRY HEIDEBRECHT

- AND -

STAFF OF THE MANITOBA SECURITIES COMMISSION

**The Manitoba Securities Commission
500 – 400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5**

SETTLEMENT AGREEMENT

A. INTRODUCTION

A.1 By way of Notice of Hearing and a Statement of Allegations (collectively the “Notice of Hearing”) of Staff of The Manitoba Securities Commission (the “Commission”), notice was given to Sheldon Terry Heidebrecht (“Heidebrecht”) to consider:

1. Whether or not it is in the public interest to order, pursuant to section 19(5) of *The Securities Act* (the “Act”) that:
 - (a) subsection 19(1) of the Act does not, with respect to such of the trades referred to in that subsection, apply to Heidebrecht;
 - (b) subsection 19(2) of the Act does not, with respect to such of the securities referred to in that subsection apply to Heidebrecht;
2. Whether or not it is in the public interest to order that Heidebrecht pay an administrative penalty pursuant to section 148.1 of the Act;
3. Whether or not it is in public interest to order that Heidebrecht pay costs of and incidental to the hearing; and

4. Whether or not it is in the public interest to make any order or orders.

A.2 Discussions have been held amongst Heidebrecht and Staff of the Commission ("Staff") in an effort to settle all issues in connection with the matters set out in the Notice of Hearing (the "Proceedings") and this Agreement. A Settlement (the "Settlement") has been reached based on the terms and conditions set forth in this Agreement (the "Settlement Agreement").

A.3 Pursuant to the Settlement, Staff agrees to recommend to the Commission that the Proceedings initiated against Heidebrecht be resolved. Heidebrecht consents to the Settlement and to the making of the Consent Order referred to in paragraph D.1 below, on terms and conditions set forth in this Settlement Agreement.

B. STATEMENT OF FACTS

B.1 Heidebrecht agrees with the facts set out in this Part B.

B.2 Heidebrecht was at all material times a resident of Winnipeg, Manitoba.

B.3 At all material times Heidebrecht was not registered to trade in securities under the Act. Heidebrecht was previously registered under the Act as a

salesperson with Portfolio Strategies (“Portfolio Strategies”) and was dismissed on May 18, 2005. Heidebrecht’s registration under the Act was suspended on May 18, 2005.

- B.4 Margaret Koniuck-Petzold (“Koniuck-Petzold”) at all material times was a resident of Winnipeg, Manitoba.
- B.5 At all material times, Koniuck-Petzold was registered under the Act as a branch manager with Portfolio Strategies, Koniuck-Petzold is currently registered as a salesperson with Portfolio Strategies.
- B.6 At all material times, Koniuck-Petzold operated a company Third Millennium Group Benefits Inc. (“Third Millennium”) which provides health care services and administration for small businesses.
- B.7 In or about the fall of 2005, Heidebrecht began working for Koniuck-Petzold in relation to Third Millennium.
- B.8 In November, 2005, Heidebrecht met with Michael Wurz (“Wurz”) of the Butte Hutterian Brethren Inc. (“the Colony”) and other colonies at Sandy Lake, Saskatchewan in relation to Third Millennium business. During this meeting there were conversations about investments.
- B.9 Subsequent to the November 2005 meeting, Wurz advised Heidebrecht that the Colony had a \$1,000,000.00 GIC coming due, which they wanted to invest to get a better rate of return than what their bank offered.

- B.10 Wurz agreed to meet with Heidebrecht on December 15, 2005 in Regina to invest the Colony's million dollars. Koniuck-Petzold was to be at that meeting.
- B.11 Prior to the December 15, 2005 meeting, Heidebrecht informed Koniuck-Petzold that Wurz and the Colony were interested in getting a better rate on their GIC investment. Koniuck-Petzold told Heidebrecht she could be interested in investing the Colony's money.
- B.12 Heidebrecht and Koniuck-Petzold also discussed an arrangement whereby the Colony's money would be deposited into an account of Tri-Vista Financial, a company which was to be owned by Heidebrecht, and the money would then be invested to earn the Colony a rate of return.
- B.13 On December 15, 2005, Heidebrecht and Koniuck-Petzold met with Wurz and Ben Kleinsasser of the Colony in Regina, Saskatchewan. Wurz and Kleinsasser indicated they were prepared to invest \$1,000,000.00 of the Colony's money for a better return than what the Colony was receiving from their bank. They also indicated it was important that the Colony's investment be secure. It was understood the Colony did not wish to invest their money in mutual funds and did not want any risk to be associated with their investment.
- B.14 At the December 15, 2005 meeting, Wurz and Kleinsasser were presented with a document by Heidebrecht and Koniuck-Petzold entitled "Tri-Vista

Financial Inc. – Guaranteed Investment Contract – Application”. Koniuck-Petzold filled out this document for the Colony.

- B.15 The terms of the Guaranteed Investment Contract with Tri-Vista Financial Inc. included an investment in the amount of \$1,000,000.00 for a five year term with an interest rate of 4.85% compounded annually. The Guaranteed Investment Contract – Application was non-redeemable and referred to a total of \$1,267,191.00. The document was signed by Wurz and Kleinsasser on behalf of the Colony. Koniuck-Petzold signed the document as a witness.
- B.16 No documentation, other than the Tri-Vista Financial Inc.- Guaranteed Investment Contract Application was provided to Wurz and Kleinsasser at the December 15, 2005 meeting.
- B.17 Wurz and Kleinsasser on December 15, 2005 provided a cheque from the Colony to Tri-Vista in the amount of \$1,000,000.00. Koniuck-Petzold wrote out the cheque for the Colony at the request of the Colony. The cheque was given to Heidebrecht.
- B.18 5206767 Manitoba Ltd. was incorporated pursuant to *The Corporations Act* of Manitoba on November 21, 2005. On December 19, 2005 pursuant to *The Corporations Act* of Manitoba, an amendment to the Articles of

5206767 Manitoba Ltd. was filed with the name of the Corporation being changed to Tri-Vista Financial inc.

- B.19 Danny Heidebrecht, Heidebrecht's father, was listed as the director and president of Tri-Vista Financial Inc. Danny Heidebrecht was asked to be a director and officer of Tri-Vista Financial Inc. by Heidebrecht.
- B.20 Subsequent to receiving the cheque from the Colony payable to Tri-Vista Financial Inc., Heidebrecht and Danny Heidebrecht went to a branch of the Assiniboine Credit Union to open an account for the purpose of depositing the Colony's \$1,000,000.00 cheque. Heidebrecht asked Danny Heidebrecht to assist him in opening an account in the name of Tri-Vista Financial Inc.
- B.21 Other than indicated above, Danny Heidebrecht had no further involvement with Tri-Vista Financial Inc. whatsoever.
- B.22 The \$1,000,000.00 cheque payable to Tri-Vista Financial Inc. was deposited by Heidebrecht into the account of Tri-Vista Financial Inc. The Colony's funds that were deposited into the Tri-Vista Financial Inc. bank account were subsequently frozen by the Credit Union and were returned to the Colony at the Colony's request.

B.23 Heidebrecht has made certain representations to Staff as to his current financial situation, including having filed an Assignment in Bankruptcy, confirming limited ability to pay an administrative penalty and costs.

C. ACKNOWLEDGEMENTS BY HEIDEBRECHT

C.1 Heidebrecht acknowledges and agrees that his actions set out above were contrary to the public interest.

D. TERMS OF SETTLEMENT

D.1 Staff seek an Order (the "Consent Order") from the Commission consistent with the terms contained in section D.2 of this Settlement Agreement pursuant to the provisions of the Act.

D.2 The Consent Order sought by Staff is as follows:

- a) That this Settlement Agreement be approved;
- b) Pursuant to subsection 19(5) of the Act:
 - i) subsection 19(1) of the Act does not, with respect to such of the trades referred to in that subsection, apply to Heidebrecht for a period of five years from the date this Settlement Agreement is approved by the Commission; and

- ii) subsection 19(2) of the Act does not, with respect to such securities referred to in that subsection apply to Heidebrecht, for a period of five years from the date this Settlement Agreement is approved by the Commission.

- c) Pursuant to section 148.3(1) of the Act, Heidebrecht is prohibited from being a director or officer of an issuer for a period of five years from the date this Settlement Agreement is approved by the Commission.

E. PROCEDURE

- E.1 The approval of this Settlement Agreement shall be sought at a public hearing.

- E.2 If this Settlement Agreement is approved by the Commission, and if a Consent Order issues in accordance with this Settlement Agreement, this Settlement Agreement will constitute the entirety of the evidence to be submitted to the Commission in connection with the Proceedings and, upon the making of the order contemplated by this Settlement Agreement, Heidebrecht waives his right to a full hearing and appeal of this matter.

- E.3 Notwithstanding any other provision of this Settlement Agreement, if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the Consent Order referred to in Section D above is not

made by the Commission, Staff will be entitled to proceed with whatever steps it is entitled by law to take, including but not restricted to, the commencement of a hearing before the Commission, unaffected by this Settlement Agreement or the settlement discussions. In the event that such steps are taken, Heidebrecht shall have all of the usual rights of a person subject to such proceedings.

- E.4 If the Settlement Agreement is not approved or the Consent Order set out in Section D above is not made by the Commission, the terms of this Settlement Agreement shall remain confidential and shall not be raised in this or any other proceeding, and any admissions contained in this Settlement Agreement shall be considered as without prejudice communications and furtherance of settlement discussions which will not be binding upon the parties and which will be inadmissible in any proceeding whatsoever.
- E.5 If this Settlement Agreement is approved by the Commission and the Consent Order made upon the terms set out in this Settlement Agreement, this Settlement Agreement will be a public document. Heidebrecht, however, reserves his right to object to the admissibility in any other proceeding whatsoever.
- E.6 Heidebrecht agrees that, if this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, Heidebrecht will not raise as a basis for attack on

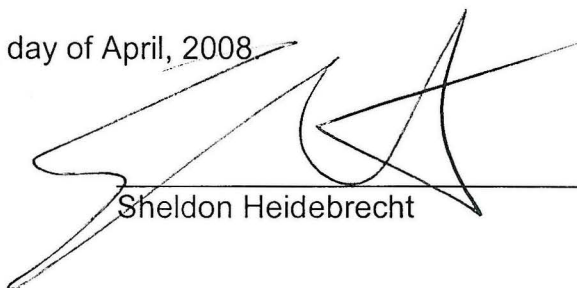
the Order this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement, alleged bias, alleged unfairness, or any such other challenges to the validity of the Consent Order.

E.7 Heidebrecht further agrees that if this Settlement Agreement is approved by the Commission and the Consent Order is made upon the terms set out in this Settlement Agreement, he will not make any statements inconsistent with the terms of this Agreement.

Dated at Winnipeg, Manitoba this 22 day of April, 2008.



JOHN W. BARBER
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~~NOTARY PUBLIC IN MANITOBA~~
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Sheldon Heidebrecht

Dated at Winnipeg, Manitoba this 25 day of July, 2008

Staff of The Manitoba Securities Commission

Per: 
Douglas R. Brown