

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

and

In the Matter of

MK FUTURES

and

MAITLAN KNOKE

SETTLEMENT AGREEMENT

WHEREAS the Executive Director of the Securities Division (the “Executive Director”) of the Financial and Consumer Affairs Authority of Saskatchewan (the “Authority”) filed a Statement of Allegations of Staff of the Authority, dated December 6th, 2021 (the “Statement of Allegations”), with the Authority, in which it was alleged that MK Futures and Maitlan Knoke (collectively, “the Respondent MK Futures”, “the Respondent Knoke”, or the “Respondents”) engaged in specified activities that were contrary to the public interest and in contravention of *The Securities Act, 1988* (the “Act”);

AND WHEREAS the Respondents and the Executive Director desire to dispose of the allegations against the Respondents, as contained in the Statement of Allegations, by way of agreement (the “Settlement Agreement”), as permitted by clauses 135.3(1)(a) and 135.3(1)(b) of the Act;

AND WHEREAS the Respondents and the Executive 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, the Respondents and the Executive Director hereby agree as follows:

1. The Respondents admit the following:
 - (a) The Respondent Knoke is an individual who resides or resided in Saskatoon, Saskatchewan.
 - (b) The Respondent MK Futures was at all material times a sole proprietorship registered in the Province of Saskatchewan on June 25th, 2018. At all material times the Respondent Knoke was the sole proprietor and sole directing mind of the Respondent MK Futures.

- (c) No later than beginning in or around August 2018 to February 2019, the Respondent Knoke approached acquaintances and offered them an opportunity to invest in his "government tenders".
- (d) Three individuals provided funds to the Respondent Knoke to invest in his "government tenders" operation.
- (e) In or around 2018, Investor 1 hired the Respondent Knoke to perform building renovations for herself and her father. During this time, the Respondent Knoke described a "government tender" investment operation to Investor 1. He advised Investor 1 that his company had been selected to build a water plant or fire hall north of Prince Albert, Saskatchewan, that an investor would provide the funds to purchase building materials for this project, and that an investor would receive their principal investment and return on the same once the project was completed.
- (f) On August 1, 2018 the Respondent Knoke and Investor 1 entered into an "Investment Agreement" whereby:
 - i. Investor 1 invested \$100,000.00 with the Respondent MK Futures;
 - ii. The investment was for a period of 6 to 10 months; and
 - iii. The investment would yield a return of \$75,000.00 to Investor 1.
- (g) Investor 1 provided the \$100,000.00 to the Respondent Knoke via bank transfer on August 1, 2018.
- (h) From time to time after August 1, 2018, Investor 1 would attempt to contact the Respondent Knoke to receive status updates on her investment. Her attempts at contacting the Respondent Knoke were unsuccessful and she received no status updates of any kind.
- (i) At no time has Investor 1 received her \$100,000.00 principal investment nor has she at any time received any return on the same.
- (j) In or around October 2018, Investor 2 met the Respondent Knoke through a mutual acquaintance. At this time, the Respondent Knoke described a "government tender" investment operation to Investor 2. He advised Investor 2 that his company would often be awarded government tender contracts, that an investor would provide the funds to purchase building materials for a project, returns on his government tenders were frequently in the range of 60% to 80%, and that an investor would receive their principal investment and return on the same once the project was completed.

- (k) On October 22, 2018 the Respondent Knoke and Investor 2 entered into an "Investment Agreement" whereby:
 - i. Investor 2 invested \$30,000.00 with the Respondent MK Futures;
 - ii. The investment was for a period of 6 to 8 months; and
 - iii. The investment would yield a return of \$27,270.00 to Investor 2.
- (l) On October 23, 2018 Investor 2 wire transferred \$30,000.00 from Midwest Bonding LLC's corporate account (a corporation owned and operated by Investor 2) to the bank account of the Respondent Knoke.
- (m) On or about November 1, 2018 the Respondent Knoke phoned Investor 2 and advised him of a further government tender investment opportunity and indicated the returns on this project would be higher than on Investor 2's first.
- (n) On November 10, 2018 the Respondent Knoke and Investor 2 entered into a second "Investment Agreement" whereby:
 - i. Investor 2 invested \$20,000.00 with the Respondent MK Futures;
 - ii. The investment was for a period of 6 to 8 months; and
 - iii. The investment would yield a return of \$30,000.00 to Investor 2.
- (o) On November 9, 2018 Investor 2 wire transferred \$20,000.00 from Midwest Bonding LLC's corporate account to the bank account of the Respondent Knoke.
- (p) From time to time after November 9, 2018, Investor 2 would attempt to contact the Respondent Knoke to receive status updates on his investments. His attempts at contacting the Respondent Knoke were unsuccessful and he received no status updates of any kind.
- (q) At no time has Investor 2 received either his \$30,000.00 or \$20,000.00 principal investment nor has he at any time received any return on either principal investment.
- (r) In or around late 2018 or early 2019, Investor 3 hired the Respondent Knoke to perform basement renovations on his house. During this time, the Respondent Knoke described a "government tender" investment operation to Investor 3. He advised Investor 1 that his company would secure a government tender, that an investor would provide the funds to purchase building materials for this project, and that an investor would receive their

principal investment and return on the same once the project was completed.

- (s) On February 11, 2019 the Respondent Knoke and Investor 3 with his wife entered into an "Investment Agreement" whereby:
 - i. Investor 3 invested \$30,000.00 with the Respondent MK Futures;
 - ii. The investment matured on July 2, 2019; and
 - iii. The investment would yield a return of \$25,000.00 to Investor 3.
 - (t) On February 11, 2019 Investor 3 provided two cheques totaling \$25,000.00 to the Respondent Knoke. Both cheques were deposited into a bank account in the name of the Respondents.
 - (u) From time to time after February 11, 2019, Investor 2 would attempt to contact the Respondent Knoke to receive status updates on his investment. His attempts at contacting the Respondent Knoke were unsuccessful and he received no status updates of any kind.
 - (v) At no time has Investor 3 received either his \$25,000.00 principal investment nor has he at any time received any return on the same
 - (w) Neither of Respondents were registered as a dealer or representative of a registered dealer in Saskatchewan at any time.
 - (x) At no time during the material period did either of the Respondents file any preliminary prospectus or prospectus with the FCAA as required by section 58(1) of the Act.
- 2. In committing the acts described in paragraphs 1(a) through 1(x) inclusive the Respondents admit to engaging in or holding themselves out as engaging in the business of trading in securities or derivatives as principal or agent without being registered to do so thereby contravening section 27(2)(a) of the Act.
 - 3. In committing the acts described in paragraphs 1(a) through 1(x) inclusive the Respondents admit to engaged or participated in acts, practices, or courses of action relating to securities or derivatives or underlying interests in derivatives that they knew or reasonably ought to have known perpetrated a fraud on a person or company thereby contravening section 55.1(b) of the Act. The Respondents knew or ought to have known that the returns promised to investors were overinflated and could not reasonably be achieved.
 - 4. In committing the acts described in paragraphs 1(a) through 1(x) inclusive the Respondents admit to failing to file a preliminary prospectus or prospectus with the Authority thereby contravening section 58(1) of the Act.

8. The Respondents represent to the Executive Director, and Staff does not dispute, that:
- i. None of the Respondents have any prior experience in the capital markets.
 - ii. None of the Respondents have any prior disciplinary record with any securities regulatory authority, including the Authority.
 - iii. The Respondents agreed to reach a resolution with Staff, prior to a merits hearing being held.
 - iv. The Respondent Knoke is 35 years old.
 - v. On September 28, 2020, the Respondent Knoke was involved in a serious car accident (the "Accident").
 - vi. As a result of the Accident, the Respondent Knoke is a paraplegic and is confined to a wheelchair for the rest of his life.
 - vii. As a result of the Accident, the Respondent Knoke is unable to work in any capacity. His sources of income are his CPP disability payment that amounts to approximately \$1250 per month, less deductions for income tax, CPP, and EI, and bi-monthly payments of \$1400 from Saskatchewan Government Insurance in relation to Accident that amounts to approximately \$2800 per month. Any income earned is used to pay for the Respondent Knoke's rehabilitation and payment to his caregivers.
 - viii. Since the Accident, the Respondent Knoke spends most of his time going to doctor's appointments and physiotherapy. He has had multiple surgeries since the Accident and his next major surgery is scheduled for Fall 2023.
 - ix. As a result of the Accident, the Respondent Knoke suffers from seizures that require hospitalization, surgeries, and render him seriously ill and confined to bed rest for weeks at a time.
 - x. The Respondent Knoke has no current ability to pay any administrative penalty or restitution to his investors.
9. The Respondents hereby waive their right to a hearing on the merits of the matters dealt with herein.
10. The Executive Director hereby agrees that, upon approval of this Settlement Agreement by the Authority, the allegations set out in the Statement of Allegations as against the Respondents are disposed of.
11. The Respondents and the Executive Director hereby consent to the issuance of an order by the Authority, in substantially the form attached hereto as Appendix "A".

12. Based on the facts and undertakings contained herein, the Executive Director hereby agrees that the sanction set out in Appendix "A" is the only sanction the Executive Director will seek to have the Authority impose upon the Respondents with respect to the matters set out in the Statement of Allegations and the Settlement Agreement, provided that nothing shall prohibit the Executive Director from considering or dealing with any matter not set out in the Statement of Allegations and/or the Settlement Agreement or any new complaint brought to the Executive Director's attention against the Respondents not relating to the matters investigated by Staff and those set out in the Statement of Allegations and/or the Settlement Agreement.
13. The terms of this Settlement Agreement shall be treated as confidential by the Respondents and the Executive Director and may not be disclosed to any person except with the consent of the Executive Director, or as required by law, until such time as it is signed by all parties and approved by the Authority.
14. The Respondents hereby affirm that they have read and understood the terms of this Settlement Agreement and are signing it voluntarily.
15. This Settlement Agreement may be signed in one or more counterparts and shall together constitute a binding agreement.
16. An electronic or facsimile copy of any signature shall be as effective as an original signature.
17. This Settlement Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan.
18. The Respondents hereby acknowledge that they have been given a reasonable opportunity to obtain independent legal advice with respect to this Settlement Agreement, and that they have obtained such independent legal advice and are satisfied with the same, prior to executing this Settlement Agreement.
19. This Settlement Agreement, and any referenced appendices or annexes hereto constitute the entire agreement between the Respondents and the Executive Director in connection with the allegations set forth in the Statement of Allegations.
20. If the Authority does not approve this Settlement Agreement or does not make the order attached as Appendix "A":
 - i. this Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the Settlement Hearing takes place will be without prejudice to Staff and the Respondents; and
 - ii. Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings,

remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

21. By agreeing to the terms of this Settlement Agreement, the Respondents waive any defenses including any limitation period defenses that may be available to them pursuant to section 136(2) of the Act.
22. The parties will keep the terms of this Settlement Agreement confidential until the Authority approves this Settlement Agreement, subject to the parties' need to make submissions at the public hearing on the application to approve this settlement.
23. The Respondents acknowledge that the filing of a Request for an Order for Financial Compensation pursuant to section 135.6 of the Act is not prohibited by this Settlement Agreement.

IN WITNESS WHEREOF

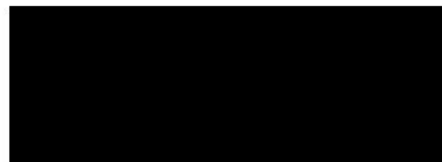
Maitlan Knoke has executed this Settlement Agreement at Saskatoon Saskatchewan, this 5th day of May, 2023.

SIGNED in the presence of:



Name: Michael Wright

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Maitlan Knoke

The Executive Director, has executed this Settlement Agreement at Regina, Saskatchewan, this 5th day of May, 2023.

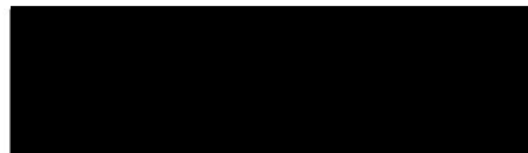
SIGNED in the presence of:



Name:

Connor Smith

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