



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.O. 1990, c. S.5 AS AMENDED**

**- and -**

**GROUND WEALTH INC., ARMADILLO ENERGY INC., PAUL SCHUETT,  
DOUG DEBOER, JAMES LINDE, SUSAN LAWSON, MICHELLE DUNK,  
ADRION SMITH, BIANCA SOTO and TERRY REICHERT**

**TEMPORARY ORDER  
(Subsections 127(1), (7) and (8) of the *Securities Act*)**

**WHEREAS** the Ontario Securities Commission (the “Commission”) issued a temporary order on July 27, 2011 (the “Temporary Order”) pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) that:

1. pursuant to paragraph 2 of subsection 127(1), all trading in the securities of Armadillo Energy Inc. (“the Armadillo Securities”) shall cease;
2. pursuant to paragraph 2 of subsection 127(1), Armadillo Energy Inc. (“Armadillo Texas”), Ground Wealth Inc. (“GWI”), Paul Schuett (“Schuett”), Doug DeBoer (“DeBoer”), James Linde (“Linde”), Susan Lawson (“Lawson”), Michelle Dunk (“Dunk”), Adrion Smith (“Smith”), Bianca Soto (“Soto”) and Terry Reichert (“Reichert”) (collectively, the “Respondents to the Temporary Order”) shall cease trading in all securities; and
3. pursuant to subsection 127(6), the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on August 11, 2011, the Commission held a hearing to consider whether it was in the public interest to extend the Temporary Order, and heard submissions from Staff of the Commission (“Staff”) and counsel for the Respondents to the Temporary Order;

**AND WHEREAS** on August 11, 2011, the Commission extended the Temporary Order to February 13, 2012, (the “Amended Temporary Order”) on the same terms and conditions as provided for in the Temporary Order; provided that the Temporary Order shall not prevent a Respondent from trading for the Respondent’s own account, solely through a registered dealer or a registered dealer in a foreign jurisdiction (which dealer must be given a copy of the Amended Temporary Order), in (a) any “exchange traded security” or “foreign exchange traded security” within the meaning of National Instrument 21-101, provided the Respondent does not own beneficially or exercise control or direction over more than 5 per cent of the voting or equity securities of the issuer of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer; and provided the Respondent provides Staff with the particulars of the accounts in which such trading is to occur before any trading in such accounts occurs;

**AND WHEREAS** on February 8, 2012, the Commission held a hearing to consider whether it was in the public interest to extend the Amended Temporary Order pursuant to subsections 127(7) and 127(8), and heard submissions from Staff and from counsel for the Respondents to the Temporary Order;

**AND WHEREAS** on February 8, 2012, the Commission extended the Amended Temporary Order to August 8, 2012, (the “February 2012 Temporary Order”) on the following terms:

1. pursuant to paragraph 2 of subsection 127(1), all trading in the Armadillo Securities shall cease;
2. pursuant to paragraph 2 of subsection 127(1), the Respondents to the Temporary Order shall cease trading in Armadillo Securities and/or in securities of a nature similar to Armadillo Securities, which are securities evidencing an interest in the production of barrels of oil still in the ground; and
3. this Order shall not prevent Staff from applying to the Commission for a variation of this Order if Staff considers that doing so is in the public interest;

**AND WHEREAS** on August 2, 2012, the Commission held a hearing to consider whether it was in the public interest to extend the February 2012 Temporary Order pursuant to subsections 127(7) and 127(8), and heard submissions from Staff and from counsel for the Respondents to the Temporary Order;

**AND WHEREAS** on August 2, 2012, the Commission extended the February 2012 Temporary Order until February 4, 2013, and ordered that the matter return before the Commission on February 1, 2013;

**AND WHEREAS** on February 1, 2013, the Commission held a hearing to consider whether it was in the public interest to further extend the February 2012 Temporary Order pursuant to subsections 127(7) and 127(8);

**AND WHEREAS** on February 1, 2013, Staff appeared, made submissions and requested that the February 2012 Temporary Order be extended against GWI, Armadillo Texas, DeBoer, Dunk and Smith only;

**AND WHEREAS** on February 1, 2013 Staff advised that they would be initiating proceedings in this matter under section 127 of the Act shortly and would not be naming Schuett, Linde, Lawson, Soto or Reichert as respondents;

**AND WHEREAS** on February 1, 2013, counsel for the Respondents to the Temporary Order did not appear, but email correspondence setting out his position and advising that he did not oppose the extension of the February 2012 Temporary Order to March 6, 2013 was filed by Staff;

**AND WHEREAS** on February 1, 2013, the Commission extended the February 2012 Temporary Order to March 6, 2013 as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith and ordered that a further hearing be held before the Commission on March 5, 2013 (the "February 2013 Temporary Order");

**AND WHEREAS** on February 1, 2013, the Commission issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 127 and 127.1 of the Act, in relation to a Statement of Allegations filed by Staff on February 1, 2013 (the "Statement of Allegations") naming as

respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith, as well as Joel Webster (“Webster”), Armadillo Energy, Inc., a Nevada company (“Armadillo Nevada”), and Armadillo Energy LLC, an Oklahoma company (“Armadillo Oklahoma”);

**AND WHEREAS** on March 5, 2013, a hearing was held to consider whether it was in the public interest to further extend the February 2013 Temporary Order pursuant to subsections 127(7) and 127(8) of the Act;

**AND WHEREAS** on March 5, 2013, Staff appeared and made submissions and advised that Smith, GWI, Dunk and Armadillo Nevada had been successfully served with the Notice of Hearing and Statement of Allegations, but that Staff required additional time to serve the Notice of Hearing and Statement of Allegations on Webster, DeBoer, Armadillo Texas and Armadillo Oklahoma;

**AND WHEREAS** on March 5, 2013, counsel for GWI and Dunk appeared and made submissions and did not oppose the extension of the February 2013 Temporary Order; Smith appeared personally but made no submissions; and Armadillo Texas and DeBoer did not appear;

**AND WHEREAS** on March 5, 2013, the Commission continued the February 2013 Temporary Order to April 9, 2013, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith, and adjourned proceedings in respect of the Temporary Order to April 8, 2013;

**AND WHEREAS** on April 8, 2013, a hearing was held and Staff appeared and made submissions and filed the Affidavit of Stephen Carpenter, dated March 27, 2013;

**AND WHEREAS** counsel for GWI, Dunk and DeBoer appeared and made submissions and did not oppose the further extension of the February 2013 Temporary Order without prejudice, and also advised that he had been in contact with Smith and that Smith also did not oppose the further extension of the February 2013 Temporary Order;

**AND WHEREAS** Smith and Armadillo Texas did not appear;

**AND WHEREAS** GWI, Armadillo Texas, DeBoer, Dunk and Smith are the only remaining respondents to the February 2013 Temporary Order and are also respondents to the proceedings initiated by the Notice of Hearing;

**AND WHEREAS** Shuett, Linde, Lawson, Soto and Reichert are no longer respondents to the February 2013 Temporary Order and are not respondents to the proceedings initiated by the Notice of Hearing;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED** that, pursuant to subsections 127(1), 127(7) and 127(8) of the Act:

1. The February 2013 Temporary Order is extended to June 7, 2013, or until further order of the Commission, as against the respondents GWI, Armadillo Texas, DeBoer, Dunk and Smith;
2. A further hearing shall be held before the Commission on June 6, 2013, at 11:00 a.m. or on such other date and time as may be set by the Office of the Secretary; and
3. Any further notices or orders in this matter shall proceed under a single style of cause of the proceeding initiated by the February 1, 2013 Notice of Hearing, being “IN THE MATTER OF GROUND WEALTH INC., MICHELLE DUNK, ADRION SMITH, JOEL WEBSTER, DOUGLAS DeBOER, ARMADILLO ENERGY INC., ARMADILLO ENERGY, INC. AND ARMADILLO ENERGY LLC.”

**DATED** at Toronto this 8th day of April, 2013.

*“Mary G. Condon”*

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