

**IN THE MATTER OF
THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2**

AND

IN THE MATTER OF

FERNANDO HONORATE FAGUNDES

also known as:

SHANE SILVER

SHANE SILVERMAN

SHANE SILVA

FERNANDO SILVA

FERNANDO FAGENDER

ALLAN D. KOWALCHUK

KIM JOHN KOWALCHUK

REGINALD ALLEN GOEBEL

AGREEMENT & UNDERTAKING

(section 135.3)

The following agreement & undertaking ("Agreement") has been reached between Allan Kowalchuk of Regina, Saskatchewan ("Kowalchuk"), and the Director of the Securities Division, Saskatchewan Financial Services Commission (the "Commission").

Facts

Kowalchuk acknowledges and agrees as follows:

1. From about November 2003 to May 2006 Fernando Fagundes, also known as "Shane Silver" (Silver), acted as a portfolio manager by managing the investment portfolios of individuals through discretionary authority granted by those individuals.
2. In undertaking the activities described in paragraph 1 above, Silver was acting as an adviser and should have been registered pursuant to section 27 of *The Securities Act, 1988* (the "Act"), but was not.
3. Kowalchuk was aware that Silver was acting as a portfolio manager, and he supported Silver's activities in the following manner:
 - a. Through his business "Kowalchuk Sales and Service" he supplied computer equipment to Silver which Silver used in his portfolio management business;
 - b. He referred clients to Silver. Those clients deposited their money with Silver, and

gave him discretionary authority to invest that money on their behalf.

4. Kowalchuk deposited his own money with Silver, and gave Silver discretionary authority to invest that money for on Kowalchuk's behalf.
5. Silver invested Kowalchuk's money on Kowalchuk's behalf, and eventually returned Kowalchuk's initial investment to him together with a profit of \$11,000.
6. All of the individuals that Kowalchuk referred to Silver lost all of the money that they deposited with Silver.
7. The Director issued a temporary cease trading order pursuant to section 134 of the Act against Silver, Kowalchuk and others on May 24, 2006. The temporary cease trade order was extended on June 8, 2006, and is still in force.

Kowalchuk's Agreement and Undertaking

1. Kowalchuk hereby agrees and undertakes, effective the date of execution of this Agreement, as follows:
 - a. to not trade in securities or exchange contracts in Saskatchewan except for his own account;
 - b. to pay an administrative penalty in the amount of \$11,000; and
 - c. to pay the costs of the investigation into this matter by the staff of the Commission in the amount of \$1,500.
2. Kowalchuk hereby waives any right to a hearing and/or appeal with respect to this matter.

Director's Agreement

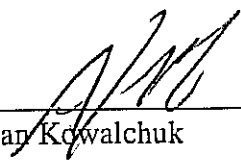
The Director hereby agrees:

1. to revoke the temporary cease trade order dated May 24, 2006 against Kowalchuk upon payment of the administrative penalty and costs referred to in paragraph 1 above; and
2. that this Agreement and Undertaking is the only sanction the Director will seek to impose upon Kowalchuk pursuant to the Act with respect to the matters set out in this Agreement, provided that nothing herein shall prohibit the Director from considering and

dealing with any matter not set out in this Agreement or any new complaint brought to the Director's attention in respect to Kowalchuk.

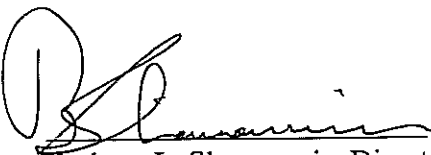
In witness whereof Kowalchuk has executed this Agreement and Undertaking on this 17 day of NOVEMBER 2006.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
_____)


Allan Kowalchuk

In witness whereof the Director has executed this Agreement and Undertaking on this 24 day of November, 2006.

SIGNED, SEALED AND DELIVERED)
in the presence of:)
_____)


Barbara L. Shourounis, Director
Securities Division