



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, as amended**

- and -

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 (aka ARMADILLO ENERGY LLC)**

ORDER

WHEREAS:

1. On February 1, 2013, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "**Act**"), in relation to the Statement of Allegations, dated February 1, 2013, filed by Staff of the Commission ("**Staff**"), naming as respondents Ground Wealth Inc. ("**GWI**"), Michelle Dunk ("**Dunk**"), Adrion Smith ("**Smith**"), Joel Webster ("**Webster**"), Douglas DeBoer ("**DeBoer**"), Armadillo Energy Inc. ("**Armadillo Texas**"), Armadillo Energy, Inc. ("**Armadillo Nevada**") and Armadillo Energy, LLC ("**Armadillo Oklahoma**");
2. On October 31, 2013, the Commission issued an Amended Notice of Hearing in relation to an Amended Statement of Allegations, dated October 31, 2013, filed by Staff, which amended the title of this proceeding by substituting the name "Armadillo Energy, LLC (aka Armadillo Energy LLC)" for the name "Armadillo Energy LLC";
3. On January 6, 2015, the Commission approved a settlement agreement among the Enforcement Branch of the Commission and GWI, Deboer, Dunk and Webster, dated January 5, 2015;
4. On January 23, 2015, the Commission approved a settlement agreement between the Enforcement Branch of the Commission and Smith, dated January 22, 2015;
5. The hearing on the merits in this proceeding against Armadillo Texas, Armadillo Nevada and Armadillo Oklahoma (collectively, the "**Armadillo Respondents**") was heard in writing;

6. On August 24, 2015, the Commission issued its Reasons and Decision with respect to the merits in this matter (the “**Merits Decision**”);
7. The Commission determined that the Armadillo Respondents had not complied with Ontario securities law and had acted contrary to the public interest, as described in the Merits Decision;
8. The hearing with respect to the sanctions and costs to be imposed in this matter was heard in writing;
9. On November 18, 2015, the Commission released its Reasons and Decision on Sanctions and Costs in this matter; and
10. The Commission is of the opinion that it is in the public interest to issue this Order;

IT IS HEREBY ORDERED that:

1. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by the Armadillo Respondents shall cease permanently;
2. Pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by the Armadillo Respondents shall cease permanently;
3. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Armadillo Respondents permanently;
4. Pursuant to clause 9 of subsection 127(1) of the Act, each of the Armadillo Respondents shall pay an administrative penalty of \$300,000, to be allocated to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act;
5. Pursuant to clause 10 of subsection 127(1) of the Act, the Armadillo Respondents shall jointly and severally disgorge to the Commission a total of \$2,761,979 and US\$319,597, to be designated for allocation to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and
6. Pursuant to section 127.1 of the Act, the Armadillo Respondents shall jointly and severally pay the investigation and hearing costs incurred in this matter in the amount of \$363,146.87.

DATED at Toronto this 18th day of November, 2015.

“Christopher Portner”

Christopher Portner