



**IN THE MATTER OF
SYED SAAD AZIZ**

**STATEMENT OF ALLEGATIONS
(Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5)**

A. OVERVIEW

1. On July 29, 2021, Syed Saad Aziz (**Aziz**) pleaded guilty to contravening Ontario securities law by engaging in, or holding himself out as engaging in, the business of trading in securities, without being registered to trade in securities, as required by section 25(1) of the *Securities Act* (the **Act**) and thereby committing an offence contrary to section 122(1)(c) of the Act, before the Honourable Justice Louise Botham (**Justice Botham**) of the Ontario Court of Justice. An agreed statement of facts was read into the Court record and upon accepting the facts as true, Aziz was convicted by Justice Botham of the single offence of unregistered trading.
2. Aziz was convicted of an offence that arose from transactions, business or a course of conduct related to securities. The conduct for which Aziz was convicted took place between October 27, 2016 and August 30, 2019 (the **Material Time**).
3. Aziz has not yet been sentenced as Justice Botham requested the issue of disgorgement, as agreed to by the parties, be dealt with before a panel of the Ontario Securities Commission before sentence is imposed by her Honour.
4. Aziz is a resident of Ontario, Canada and Enforcement Staff seek an inter-jurisdictional enforcement order reciprocating Aziz's conviction, pursuant to paragraph 1 of subsection 127(10) of the *Securities Act*, RSO, c S.5 (the **Act**).

B. FACTS

Enforcement Staff make the following allegations of fact, which are derived based on the facts admitted to by Aziz and upon which Justice Botham found Aziz guilty:

5. Aziz is a resident of Markham, Ontario.

6. Yonge Street Capital LLC (**YSC**) was formed by three individuals: Nathanael Anthony Aikman (**Aikman**), Jazib Ali Khan (**Khan**), and Aziz. YSC was promoted as a hedge fund. During the Material Time it accepted investments from Canadian residents.
7. Aziz met Aikman when he was 20 years old. Aikman acted as a mentor to Aziz and advised him that he could show Aziz how to earn money through investments. Ultimately, Aikman asked Aziz if Aziz would be able to get him funds that Aikman could use to trade with.
8. In or about August 2016, Aikman and Aziz decided to start a fund. A couple of months later, Khan joined this venture as well. The division of labour was that Aziz and Khan would secure funds, mostly through friends and family, and Aikman would be responsible for managing funds and investments. Aikman also developed the payout structure for the fund, which was to guarantee a 25% return on investment. Only Aikman had access to YSC's brokerage account. Aziz and Khan could only monitor the performance of YSC by reviewing a spreadsheet based on information that Aikman provided that tracked the performance of every investor's investment. The spreadsheet consistently showed that YSC was performing well.
9. Aziz has never been registered to trade in securities under the Act.
10. None of the companies involved in this matter have ever been registered with the Commission and none have filed a prospectus in relation to the distribution of their shares; specifically: YSC, Yonge Street Capital Management LLC, 2618573 Ontario Inc., Yonge Street Capital Crypto Inc., Nathanael Aikman Inc., and Aikman Capital Inc.
11. YSC purported to provide high monthly returns by aggregating investors' funds and subsequently investing those funds in various securities and cryptocurrencies.
12. After making their investments, investors opened on-line YSC accounts, which enabled them to login each month and see the rate of return their account earned, as posted by YSC.
13. During the Material Time, investigators traced investments of \$6.1 million from 71 individuals to bank accounts related to YSC. Given the level of his involvement in the business, Aziz cannot confirm these figures, but has no reason to dispute them. Further, Aziz is aware that some monies were paid to investors as a return on investment. Several of the investors of YSC are family members and acquaintances of either Khan or Aziz.

14. During the Material Period, Aziz held himself out as engaging in the business of trading in the securities of YSC to several of the investors, who ultimately decided to transfer investment funds to YSC-related bank accounts in either Canada or the US.
15. In early August 2019, investors received an email from YSC announcing a structural change at YSC that reportedly resulted in the liquidation of the 72 client accounts totalling over \$10 million. Investors were told that they would receive the full balance in their respective accounts.
16. Subsequent to the email to investors about structural changes, in August 2019, Aziz learned that Aikman had duped him about the nature of YSC's business, that Aikman had falsified information about YSC's monthly returns and that Aikman had lost all the investors' money.
17. On August 22, 2019, Khan and Aziz made a complaint to York Regional Police that Aikman had provided false information about YSC's monthly returns and had lost all the investors' money. On August 30, 2019 Khan and Aziz also sent an email to YSC investors stating that Aikman had "manipulated, lost, and/or stolen most (if not all) of the funds of YSC" and that "Aikman admitted to both of us that for over two years he had been falsifying information in relation to your accounts".
18. At all times when Aziz was engaged in the business of trading in the securities of YSC he operated under the understanding that YSC was a legitimate business. Aziz understood that YSC was a fund that would invest the monies that investors provided to it and then provide returns to those investors. Aikman was responsible for all trading of YSC and controlled access to, and information about, the assets that YSC had under management. Aikman advised Aziz that YSC's business was operating well. Aziz believed him.
19. Aziz benefited approximately \$94,994.15 as a result of his involvement with YSC.
20. To Aziz's knowledge and understanding, since May 2019, investors have not received any funds back from YSC.

C. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

21. Pursuant to paragraph 1 of subsection 127(10) of the Act, Aziz's conviction for an offence arising from transactions, business or course of conduct related to securities or derivatives may form the basis for an on order in the public interest made under subsection 127(1) of the Act.

22. Enforcement Staff allege that it is in the public interest to make an order against Aziz.

D. ORDER SOUGHT

23. Enforcement Staff request that the Commission make the following inter-jurisdictional enforcement order, pursuant to paragraph 1 of subsection 127(10) and subsection 127(1) of the Act against Aziz that:

- (a) Pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Aziz cease for a period of 10 years, with the following exception, that Aziz can trade in any securities or derivatives in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the trading in any securities or derivatives is not for the benefit of or on behalf of any third party;
- (b) Pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Aziz be prohibited for a period of 10 years, with the following exception, that Aziz can acquire securities in a registered retirement saving plan, registered education saving plan, any registered retirement income funds, and/or tax-free savings account (as defined in the Income Tax Act(Canada)) in which he has sole legal and beneficial ownership and interest and provided that the acquisition of securities is not for the benefit or on behalf of any third party;
- (c) Pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Aziz for a period of 10 years;
- (d) Pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Aziz resign any positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
- (e) Pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (f) Pursuant to paragraph 8.5 of subsection 127(1) of the Act, Aziz be prohibited for a period of 10 years from becoming or acting as a registrant or promoter;

- (g) Pursuant to paragraph 10 of subsection 127(1) of the Act, Aziz disgorge to the Commission \$60,000 payable at a rate of no less than \$6000 per year, commencing 30 days from the date of this order and thereafter every year payment of no less than \$6000 per year to be made in accordance with the schedule set out in (h) below, with the final payment of \$6000 payable by December 31, 2030, or until the amount equivalent to the disgorgement amount set out above has been repaid in full, to be allocated in accordance with subsection 3.42(2)(b) of the Act;
- (h) With respect to the payments to be ordered in paragraph (g) above, Aziz agrees to personally make payments as follows:
- (i) \$6000 by certified cheque or bank draft within 30 days from when the Commission makes this Order; and
 - (ii) A further \$6000 by certified cheque or bank draft by December 31, 2022 and each successive year until payment in full is made by not later than December 31, 2030.
- (i) With respect to the disgorgement amount set out in (g) above, they are due and owing in accordance with this order; however, the Commission will not take steps to collect the full disgorgement amount outstanding, or add the Respondent to the Delinquent Respondents' list, as long as:
- (i) Aziz comply with this order, and
 - (ii) Aziz comply with the undertaking attached as Schedule "A" to the order;
- (j) In the event that the payments set out in paragraph (g) and (h) above, are not made in full, the provisions of paragraphs (a) to (f) shall continue in force until such payment are made in full without any limitation as to time period.
- (k) such other order or orders as the Commission considers appropriate.
24. Enforcement Staff reserve the right to amend these allegations and to make such further and other allegations as Enforcement Staff may advise and the Commission may permit.

DATED this 25th day of November, 2021.

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