

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

and

**In the Matter of
Jay Max Olesiuk**

Also known as Jay Maks Olesiuk

Also known as Andrij Olesiuk

**STATEMENT OF ALLEGATIONS
OF STAFF OF FINANCIAL AND CONSUMER AFFAIRS AUTHORITY
OF SASKATCHEWAN**

Staff of the Financial and Consumer Affairs Authority of Saskatchewan (FCAA Staff) make the following allegations:

The Respondent

1. The Respondent, Jay Max Olesiuk, also known as Jay Maks Olesiuk, also known as Andrij Olesiuk (Olesiuk), is an individual residing in or around the city of [REDACTED], Saskatchewan.

Related Entity

2. Aero Capital Ltd. and/or Aero Capital Inc. (collectively, **Aero Capital**) was represented by Olesiuk to be an incorporated business corporation and/or investment firm located in New York, NY. Aero Capital is not a legal entity.

Contraventions of subsections 27(2), 55.1, 55.11(1), 58(1) of *The Securities Act, 1988* (Act); and section 6.1 of National Instrument 45-106 Prospectus Exemptions (NI 45-106)

3. From in or around March, 2017 to in or around January, 2018 (**Relevant Time**), Olesiuk accepted investment funds totaling \$65,000.00 from investors residing in the province of British Columbia in the following amounts and on the following dates (or thereabout):

Investor 1	\$5,000.00	March 9, 2017
	\$5,000.00	April 13, 2017
	\$5,000.00	April 17, 2017
	\$20,000.00	April 19, 2017
	\$5,000.00	January 3, 2018
Investor 2	\$25,000.00	February 2, 2018

4. The \$20,000.00 investment made by Investor 1 on April 19, 2017 included \$10,000.00 that was invested on behalf of Investor 1's son.

Investor 1's Investments with Olesiuk

5. Olesiuk represented to Investor 1 that he was the Chief Executive Officer, Hedge Fund Manager, and/or a Senior Broker/Partner at Aero Capital, and as holding a US Stock Broker License (No. [REDACTED]).
6. Olesiuk represented to Investor 1 that Aero Capital was an incorporated business corporation and/or investment firm located in New York, NY.
7. Olesiuk represented to Investor 1 that the \$5,000.00 he transferred to Olesiuk on or about March 9, 2017 had been placed in "client account-[REDACTED]".
8. Olesiuk represented to Investor 1 that the \$5,000.00 he transferred to Olesiuk on or about April 13, 2017 had been used to purchase a security identified as "CannaETF".
9. Olesiuk represented to Investor 1 that the \$5,000.00 he transferred to Olesiuk on or about April 17, 2017 had been used to purchase a security identified as "CannaETF".
10. Olesiuk represented to Investor 1 that the \$20,000.00 he transferred to Olesiuk on or about April 19, 2017 had been used to purchase a security identified as "AerocannaETF".
11. Olesiuk represented to Investor 1 that the \$5,000.00 he transferred to Olesiuk on or about January 3, 2018 would be invested in Bitcoin.
12. On or about April 7, 2017 Olesiuk represented to Investor 1 that the investments he made to-date through Aero Capital were valued as follows:

Investment # [REDACTED] - \$9,177.86; and

Investment # [REDACTED] - \$0.00.
13. On or about May 2, 2017 Olesiuk represented to Investor 1 that the investments he made to-date through Aero Capital were valued as follows:

Investment # [REDACTED] - \$45,634.02; and

Investment # [REDACTED] - \$11,057.88.
14. The securities identified as "CannaETF" and "AerocannaETF" did not exist, nor were any investments made in Bitcoin by Olesiuk on Investor 1's behalf. Olesiuk, without informing Investor 1, used some or all of Investor 1's investment funds for

a purpose different from that expressed by Investor 1, namely for the purchase of goods and services to be used solely by and/or for the benefit of Olesiuk.

15. Olesiuk did not hold a US Stock Broker License, and License No. [REDACTED] is not a valid stock broker license number. Olesiuk was not registered with the Financial Industry Regulatory Authority in the US. Olesiuk was not registered with the FCAA as a dealer or adviser in Saskatchewan.
16. Aero Capital was not registered as a business corporation or investment firm within the state of New York. Aero Capital was not registered with the Financial Industry Regulatory Authority in the US. Aero Capital was not registered with the FCAA as a dealer or adviser in Saskatchewan. Aero Capital was not registered as a business corporation or an investment firm in Saskatchewan.
17. Olesiuk made misleading and untrue statements to Investor 1 that he was the Chief Executive Officer, Hedge Fund Manager, and/or a Senior Broker at Aero Capital; that Aero Capital was an incorporated business corporation and/or investment firm located in New York, NY; that "CannaETF" and "AerocannaETF" were real securities; and that Investor 1's investment funds would be invested in "CannaETF", "AerocannaETF", and Bitcoin and that they would earn dividends. These statements were material to Investor 1's decision to invest in "CannaETF", "AerocannaETF", and Bitcoin.
18. Olesiuk knew or ought to have known that these statements were misleading or untrue in a material respect and at the time and in the light of the circumstances under which they were made. Olesiuk did not state a fact required to be stated or that was necessary to make these statements not misleading in a material respect and at the time and in the light of the circumstances under which they were made. Olesiuk knew or reasonably ought to have known that these statements would reasonably be expected to have a significant effect on the market price or value of "CannaETF" and "AerocannaETF".
19. The sale of "CannaETF" and "AerocannaETF" to Investor 1 and the use of Investor 1's investment funds by Olesiuk were prohibited acts which resulted in a corresponding deprivation to Investor 1. Olesiuk knew or reasonably ought to have known that the sale of "CannaETF" and "AerocannaETF" and his use of Investor 1's investment funds were prohibited acts, and that the prohibited acts could result in a corresponding deprivation of Investor 1.
20. Olesiuk did not file a preliminary prospectus or prospectus with the FCAA relating to the distribution of any of "CannaETF" and "AerocannaETF", and no receipts have been issued by the Director of the Securities Division, FCAA.
21. Olesiuk did not file any Form 45-106F1s (Reports of Exempt Distribution) with the FCAA after the distribution of "CannaETF" and "AerocannaETF" insofar as any exemptions from the requirements in subsection 58(1) were available to him.

Investor 2's Investments with Olesiuk

22. Olesiuk represented to Investor 2 that he was the Chief Executive Officer, Hedge Fund Manager, and/or a Senior Broker/Partner at Aero Capital, and as holding a US Stock Broker License (No. [REDACTED]).
23. Olesiuk represented to Investor 2 that Aero Capital was an incorporated business corporation and/or investment firm located in New York, NY.
24. Olesiuk represented to Investor 2 that the \$25,000.00 she transferred to Olesiuk on or about February 2, 2018 would be invested in securities identified as Bitcoin and "marijuana stocks".
25. The investment funds transferred to Olesiuk by Investor 2 were not invested in Bitcoin, "marijuana stocks", or any other securities or derivatives. Olesiuk, without informing Investor 2, used some or all of Investor 2's investment funds for a purpose different from that expressed by Investor 2, namely for the purchase of goods and services to be used solely by and/or for the benefit of Olesiuk.
26. Olesiuk made misleading and untrue statements to Investor 2 that he was the Chief Executive Officer, Hedge Fund Manager, and/or a Senior Broker at Aero Capital; that Aero Capital was an incorporated business corporation and/or investment firm located in New York, NY; and that Investor 2's investment funds would be invested in Bitcoin and "marijuana stocks" which would earn dividends. These statements were material to Investor 2's decision to invest in Bitcoin and "marijuana stocks".
27. Olesiuk knew or ought to have known that these statements were misleading or untrue in a material respect and at the time and in the light of the circumstances under which they were made. Olesiuk did not state a fact required to be stated or that was necessary to make these statements not misleading in a material respect and at the time and in the light of the circumstances under which they were made. Olesiuk also knew or reasonably ought to have known that these statements would reasonably be expected to have a significant effect on the market price or value of "CannaETF" and "AerocannaETF".
28. The sale of "CannaETF" and "AerocannaETF" to Investor 2 and the use of Investor 2's investment funds by Olesiuk were prohibited acts which resulted in a corresponding deprivation to Investor 2. Olesiuk knew or reasonably ought to have known that the sale of "CannaETF" and "AerocannaETF" and his use of Investor 2's investment funds were prohibited acts, and that the prohibited acts could result in a corresponding deprivation of Investor 2.

Contraventions

29. In carrying out the acts indicated at paragraphs 3-13 and 22-24 above, Olesiuk acted as a dealer as defined by section 2(1)(n) of the Act without being registered to do so in contravention of paragraph 27(2)(a) of the Act.

30. In carrying out the acts indicated at paragraphs 3-13 and 22-24 above, Olesiuk acted as an adviser as defined by section 2(1)(a.1) of the Act by engaging in or holding himself out as engaging in the business of advising another as to the investing in or the buying or selling of securities or derivatives without being registered to do so in contravention of paragraph 27(2)(b) of the Act.
31. In carrying out the acts indicated at paragraphs 5-18 and paragraphs 22-27 above, Olesiuk 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 resulted in or contributed to a misleading appearance of trading activity in, or an artificial price for, a security or a derivative or an underlying interest in a derivative in contravention of subsection 55.1(a) of the Act.
32. In carrying out the acts indicated at paragraphs 5-19 and paragraphs 22-28 above, Olesiuk 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 in contravention of subsection 55.1(b) of the Act.
33. In carrying out the acts indicated at paragraphs 5-18 and paragraphs 22-27 above, Olesiuk made a statement that he knew or reasonably ought to have known was misleading or untrue in a material respect, and/or said statement did not include a fact required to be stated or that was necessary to make the statement not misleading in a material respect, at the time and in the light of the circumstances under which it was made, and the statement would reasonably have been expected to have a significant effect on the market price or value of a security or derivative in contravention of subsection 55.11(1) of the Act.
34. In carrying out the acts indicated at paragraph 20 above, Olesiuk traded in a security on his own behalf or on behalf of another person or company where the trade was a distribution of the security without filing a preliminary prospectus relating to the distribution of the security with the FCAA and without receiving a receipt for the preliminary prospectus in contravention of subsection 58(1) of the Act.
35. In carrying out the acts indicated at paragraph 21 above, and insofar as Olesiuk is unable to prove the availability of any exemptions from the requirements of subsection 58(1) of the Act, Olesiuk contravened section 6.1 of NI 45-106.

Relief Sought

36. Based on the above, FCAA Staff ask a panel of the FCAA appointed pursuant to section 17 of *The Financial and Consumer Affairs Authority of Saskatchewan Act* (**Panel**) to consider whether it is in the public interest to make the following orders:
 - a. Pursuant to paragraph 134(1)(a) of the Act, all of the exemptions in Saskatchewan securities laws do not apply to Olesiuk, permanently;

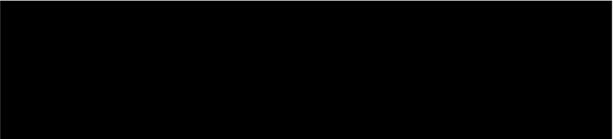
- b. Pursuant to paragraph 134(1)(d) of the Act, Olesiuk shall cease trading in any securities and derivatives in Saskatchewan, permanently;
- c. Pursuant so paragraph 134(1) (d.1) of the Act, Olesiuk shall cease acquiring securities and derivatives for and on behalf of residents of Saskatchewan, permanently;
- d. Pursuant to paragraph 134(1)(e) of the Act, Olesiuk shall cease giving advice respecting securities, derivatives, and trades thereof in Saskatchewan, permanently;
- e. Pursuant to subparagraph 134(1)(h)(i) of the Act, Olesiuk shall resign any position that he holds as a director or officer of an issuer, a registrant, or an investment fund manager;
- f. Pursuant to subparagraph 134(1)(h)(ii) of the Act, Olesiuk is prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager, permanently;
- g. Pursuant to subparagraph 134(1)(h)(iii) of the Act, Olesiuk shall not be employed by any issuer, registrant, or investment fund manager in any capacity that would entitle him to trade or advise in securities or derivatives, permanently;
- h. Pursuant to paragraph 134(1) (h.1) of the Act, Olesiuk is prohibited from becoming or acting as a registrant, an investment fund manager, or a promoter, permanently;
- i. Pursuant to section 135.1 of the Act, Olesiuk shall pay an administrative penalty to the FCAA in the amount of \$40,000.00, or any other amount allowed by the Panel;
- j. Pursuant to section 135.6 of the Act, Olesiuk shall pay financial compensation to each person or company found to have sustained financial loss caused in whole or in part by contraventions of Saskatchewan securities laws committed by him, in amounts to be determined; and

- k. Pursuant to section 161 of the Act, Olesiuk shall pay the costs of or relating to the hearing of this matter.

DATED at Regina, Saskatchewan, this 29 day of April, 2020.


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

AMENDED at Regina, Saskatchewan, this 16 of December, 2021


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