



Ontario Commission des 22nd Floor 22e étage
Securities valeurs mobilières 20 Queen Street West 20, rue queen ouest
Commission de l'Ontario Toronto ON M5H 3S8 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
SYED SAAD AZIZ**

File No. 2021-35

SETTLEMENT AGREEMENT

PART I - INTRODUCTION

1. The registration requirement is a cornerstone of the securities regulatory framework. Registration is an important gate-keeping mechanism that protects investors and the capital markets by imposing obligations of proficiency, integrity and solvency on those who seek to be engaged in the business of trading in securities with or on behalf of the public.
2. Syed Saad Aziz (**Aziz** or the **Respondent**), a principal of Yonge Street Capital LLC (**YSC**), engaged in unregistered trading in the securities of YSC during the period of October 27, 2016 and August 30, 2019 (the **Material Time**).
3. The parties will jointly file a request that the Ontario Securities Commission (the **Commission**) issue a Notice of Hearing (the **Notice of Hearing**) to announce that it will hold a hearing (the **Settlement Hearing**), to proceed as a written hearing, to consider whether, pursuant to section 127(1) and 127(10) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), it is in the public interest for the Commission to make certain orders against Aziz in respect of the conduct described herein.

PART II - JOINT SETTLEMENT RECOMMENDATION

4. Staff of the Commission (**Staff**) and Aziz jointly recommend settlement of the proceeding (the **Proceeding**) against the Respondent commenced by the Notice of Hearing, in accordance with the terms and conditions set out in Part V of this Settlement Agreement. The Respondent consents to the making of an order (the **Order**) in the form attached as Schedule “A” to this Settlement Agreement based on the facts set out herein.

5. For the purposes of the Proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts set out in Part III of this Settlement Agreement and the conclusion in Part IV of this Settlement Agreement.

PART III - AGREED FACTS

A. OVERVIEW

6. On July 29, 2021, Aziz was found guilty, as a result of a guilty plea, 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 Act, before the Honourable Justice Louise Botham on the Ontario Court of Justice.

B. BACKGROUND

7. Aziz is a resident of Markham, Ontario.

8. Aziz has never been registered to trade in securities under the Act.

9. YSC, Yonge Street Capital Management LLC, 2618573 Ontario Inc., Yonge Street Capital Crypto Inc., Nathanael Aikman Inc., and Aikman Capital Inc. have never been registered with the Commission and none have filed a prospectus in relation to the distribution of their shares.

C. DETAILED FACTS

10. 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.

11. 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.

12. 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.

13. YSC purported to provide high monthly returns by aggregating investors' funds and subsequently investing those funds in various securities and cryptocurrencies.

14. 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.

15. 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.

16. During the Material Time, 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.

17. 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.

18. 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.

19. 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".

20. 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.

21. Aziz benefited approximately \$94,994.15 as a result of his involvement with YSC.

22. To Aziz's knowledge and understanding, since May 2019, investors have not received any funds back from YSC.

D. MITIGATING FACTORS

23. The Respondent submits, and Staff agree, that the Settlement Hearing Panel consider the following circumstances as mitigating factors:

- (a) The Respondent is remorseful for his conduct, and, in particular, for failing to safeguard and protect the integrity of the capital markets;
- (b) The Respondent accepts full responsibility for his conduct;
- (c) The Respondent's age and financial circumstances;

- (d) The Respondent will fully cooperate with Staff as this matter progresses, including by testifying as a witness for Staff in any proceeding related to this matter, including the quasi-criminal trial of Messrs. Khan and Aikman before the Ontario Court of Justice, and to meet with Staff in advance of any such proceeding, as set out in Schedule “B” to this Settlement Agreement.

24. The Respondent has been granted substantial credit for his early guilty plea in the quasi-criminal proceedings before the Ontario Court of Justice, his agreement to disgorge to the Commission \$60,000, as per the terms of this Settlement Agreement, and his undertaking to cooperate with Staff attached as Schedule “B” to this Settlement Agreement.

PART IV - NON-COMPLIANCE WITH ONTARIO SECURITIES LAW [AND/OR] CONDUCT CONTRARY TO THE PUBLIC INTEREST

25. By engaging in the conduct described above, the Respondent acknowledges and admits that he contravened section 25(1) of the Act and that his conduct was contrary to the public interest.

PART V - RESPONDENTS’ POSITION

26. The Respondent consents to the Order being sought by Staff.

PART VI - TERMS OF SETTLEMENT

27. The Respondent and Staff agree to the terms of settlement set forth below.

28. The Respondent and Staff consent to the Order substantially in the form attached as Schedule “A”, pursuant to which it is ordered that:

- (a) this Settlement Agreement be approved;
- (b) 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;

- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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 (i) 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 3.4(2)(b) of the Act;
- (i) with respect to the payments to be ordered in paragraph (h) 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 thereafter in each successive year until payment in full is made by not later than December 31, 2030.
- (j) with respect to the disgorgement amount set out in (h) 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 list of “Respondents Delinquent in Payment of Commission Orders” published on the Commission’s website, as long as Aziz complies with the schedule set out in (i) above and with the undertaking attached as Schedule “A” to this order:
- (k) in the event that the payments set out in paragraph (h) and (i) above, are not made in full, the provisions of paragraphs (b) to (g) above, shall continue in force until such payment are made in full without any limitation as to time period.

29. The Respondent acknowledges that failure to pay in full any monetary sanctions ordered will result in the Respondents’ name being added to the list of “Respondents Delinquent in Payment of Commission Orders” published on the Commission’s website.

30. The Respondent acknowledges that this Settlement Agreement and the Order may form the basis for orders of parallel effect in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to the Respondent. The Respondent should contact the securities regulator of any other jurisdiction in which the Respondent intends to engage in any securities or derivatives-related activities, prior to undertaking such activities.

31. The Respondent has given an undertaking (the **Undertaking**) to the Commission in the form attached as Schedule “B” to this Settlement Agreement, which includes an undertaking to cooperate with Staff by testifying as a witness in the quasi-criminal trial of Messrs. Khan and Aikman before the Ontario Court of Justice and to meet with Staff in advance of the trial to prepare for that testimony.

PART VII - FURTHER PROCEEDINGS

32. If the Commission approves this Settlement Agreement, Staff will not commence a proceeding against the Respondent under Ontario securities law based on the misconduct described in Part III of this Settlement Agreement, unless the Respondent fails to comply with any term in this Settlement Agreement or the Undertaking, in which case Staff may bring proceedings under Ontario securities law against the Respondent that may be based on, among other things, the facts set out in Part III of this Settlement Agreement as well as the breach of this Settlement Agreement or the Undertaking.

33. The Respondent acknowledges that, if the Commission approves this Settlement Agreement and the Respondent fails to comply with any term in it or the Undertaking, Staff or the Commission are entitled to bring any proceedings necessary to, among other things, recover the amounts set out in sub-paragraph 27(h) and 27(i) above.

34. The Respondent acknowledges that, if the Commission approves this Settlement Agreement, Staff and the Respondent will conclude the Respondents' quasi-criminal matter before Justice Botham of the Ontario Court of Justice by jointly requesting the Justice Botham sentence the Respondent as per the joint resolution position of both parties and as agreed upon by Justice Botham.

35. The Respondent waives any defences to a proceeding referenced in paragraph 32 or 33 that are based on the limitation period in the Act, provided that no such proceeding shall be commenced later than six years from the date of the occurrence of the last failure to comply with this Settlement Agreement or the Undertaking.

PART VIII - PROCEDURE FOR APPROVAL OF SETTLEMENT

36. The parties will seek approval of this Settlement Agreement at the Settlement Hearing, to proceed as a written hearing, before the Commission, which shall be held on a date determined by the Secretary to the Commission in accordance with this Settlement Agreement and the Commission's *Rules of Procedure and Forms* (2019), 42 OSCB 9714.

37. The Settlement Hearing will proceed as a written hearing.

38. The parties confirm that this Settlement Agreement sets forth all of the agreed facts that will be submitted at the Settlement Hearing, unless the parties agree that additional facts should be submitted at the Settlement Hearing.

39. If the Commission approves this Settlement Agreement:

- (a) the Respondent irrevocably waive all rights to a full hearing, judicial review or appeal of this matter under the Act; and
- (b) neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the Settlement Hearing.

40. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may be available.

PART IX - DISCLOSURE OF SETTLEMENT AGREEMENT

41. If the Commission does not make the Order:

- (a) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the Settlement Hearing will be without prejudice to Staff and the Respondent; and
- (b) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations contained in the Statement of Allegations in respect of the Proceeding. Any such proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this Settlement Agreement.

42. The parties will keep the terms of this Settlement Agreement confidential until the Settlement Hearing, unless they agree in writing not to do so or unless otherwise required by law.

PART X - EXECUTION OF SETTLEMENT AGREEMENT

43. This Settlement Agreement may be signed in one or more counterparts which together constitute a binding agreement.

44. A facsimile copy or other electronic copy of any signature will be as effective as an original signature.

DATED at the City of Toronto, in the Province of Ontario, this 21st day of December, 2021.

“Nazeema Zaki”

“Syed Saad Aziz”

Witness (print name): Nazeema Zaki

SYED SAAD AZIZ

DATED at Toronto, Ontario, this 21st day of December, 2021.

ONTARIO SECURITIES COMMISSION

By: “Jeff Kehoe”

Name: Jeff Kehoe

Title: Director, Enforcement Branch

SCHEDULE “A”

FORM OF ORDER



Ontario	Commission des	22 nd Floor	22e étage
Securities valeurs	mobilières	20 Queen Street West	20, rue queen ouest
Commission	de l'Ontario	Toronto ON M5H 3S8	Toronto ON M5H 3S8

**IN THE MATTER OF
SYED SAAD AZIZ**

File No. 2021-35

(Names of panelists comprising the panel)

(Day and date order made)

ORDER
**([Sections 127(1) and 127(10)] of the
Securities Act, RSO 1990 c S.5)**

WHEREAS on **[date]**, the Ontario Securities Commission (the **Commission**) issued a Notice of Hearing (the “Notice of Hearing”) in relation to the Statement of Allegations filed by Staff of the Commission (**Staff**) on November 25, 2021 with respect to **Syed Saad Aziz (Aziz or the Respondent)**;

AND WHEREAS the Notice of Hearing gave notice that on **[date]**, the Commission would hold a hearing, in writing, to consider whether it is in the public interest to approve a settlement agreement between the Respondent and Staff dated December 21, 2021 (the **Settlement Agreement**);

AND WHEREAS on **[date]**, the Commission held a hearing, in writing, to consider the request made jointly by Aziz and Staff for approval of a Settlement Agreement;

AND WHEREAS pursuant to the Settlement Agreement, Aziz has given an undertaking in the form attached as Schedule “A” to this Order (the **Undertaking**);

ON READING the Statement of Allegations dated November 25, 2021, the Settlement Agreement and the Undertaking dated December 21, 2021 and the Written Submissions of Staff;

IT IS ORDERED THAT:

- (a) the Settlement Agreement be approved;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;

- (g) 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;
- (h) 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 (i) 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 3.4(2)(b) of the Act;
- (i) with respect to the payments to be ordered in paragraph (h) 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 thereafter in each successive year until payment in full is made by not later than December 31, 2030.
- (j) with respect to the disgorgement amount set out in (h) 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 list of “Respondents Delinquent in Payment of Commission Orders” published on the Commission’s website, as long as Aziz complies with the schedule set out in (i) above and the undertaking attached as Schedule “A” to this order:
- (k) in the event that the payments set out in paragraph (h) and (i) above, are not made in full, the provisions of paragraphs (b) to (g) shall continue in force until such payment are made in full without any limitation as to time period.

[Commissioner]

SCHEDULE “A”

UNDERTAKING

[NOTE: To be inserted from Schedule “B” to the Settlement Agreement.]

SCHEDULE "B"

UNDERTAKING



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Commission de l'Ontario Toronto ON M5H 3S8 Toronto ON M5H
3S8

IN THE MATTER OF THE SYED SAAD AZIZ

File No. 2021-35

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION

1. This Undertaking is given in connection with the settlement agreement dated December 21, 2021 (the **Settlement Agreement**) between Syed Saad Aziz (**Aziz** or the **Respondent**) and Staff of the Commission (**Staff**). All terms shall have the same meanings in this Undertaking as in the Settlement Agreement.
2. The Respondent undertakes to make payment of the disgorgement amount as set out in the terms of the Order as part of the Settlement Agreement: and
3. The Respondent undertakes to provide full cooperation to Staff, including, if required, testifying as a witness for Staff in any proceeding, including quasi-criminal proceedings before the Ontario Court of Justice, commenced by Staff relating to matters set out in the Settlement Agreement or the Statement of Allegations, and meeting with Staff in advance of any such proceeding to prepare for that testimony.

DATED at Markham, Ontario this 21st day of December, 2021.

"Nazeema Zaki"

Witness (print name): Nazeema Zaki

"Syed Saad Aziz"

SYED SAAD AZIZ