



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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ONTARIO SECURITIES COMMISSION

Applicant

– and –

**DANIEL ST-JEAN, 7120761 CANADA INC., 8795436 CANADA INC., and
AETOS GREEN ENERGY DSJ INC.**

Respondents

APPLICATION FOR ENFORCEMENT PROCEEDING (Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)

A. OVERVIEW

1. The matter involves the illegal distribution of securities, the fraudulent misuse of millions of dollars of investor funds, and the unregistered trading of securities.
2. Daniel St-Jean publicly represented himself and his companies as being in the real estate investment business. Through his companies AETOS Green Energy DSJ Inc., 7120761 Canada Inc., and 8795436 Canada Inc., St-Jean raised at least \$33 million, for real estate and other investment projects, from over 250 investors in violation of the prospectus requirements.
3. St-Jean, through AETOS, also defrauded investors in relation to one of those projects; a purported residential real estate development project in Hantsport, Nova Scotia. St-Jean misused at least \$5.5 million of Hantsport invest funds for purposes other than what was represented to these investors.
4. St-Jean further engaged in the unregistered trading of securities related to the Hantsport project.

5. While under investigation by the Ontario Securities Commission, St-Jean unlawfully disclosed confidential information to third parties in breach of s. 16 of the *Securities Act*.

6. This conduct harmed investors and undermined the integrity of the capital markets. Through this proceeding, the Ontario Securities Commission seeks to hold St-Jean and his companies accountable for this serious misconduct.

B. GROUNDS

The Ontario Securities Commission (**OSC or Commission**) makes the following allegations of fact:

The Respondents

7. Between January 1, 2020, and at least November 3, 2023 (the **Material Time**),¹ Daniel St-Jean (**St-Jean**) regularly promoted and sold securities to investors in his companies AETOS Green Energy DSJ Inc. (**AETOS**), 7120761 Canada Inc., operating as Safe and Sound Real Estate Investment Group (**712**), and 8795436 Canada Inc. (**879**).

8. St-Jean is an Ontario resident who purports to be in the real estate investment business.

9. AETOS was federally incorporated on March 6, 2020, with a registered office in Windsor, Nova Scotia. AETOS was largely used by St-Jean to sell investments linked to his business associate, Panagiotis Tsakanikas (**Tsakanikas**), including in a purported residential real-estate development project in West Hants Regional Municipality, Nova Scotia (the **Hantsport Project**). St-Jean was AETOS' directing mind and sole officer and director.

10. 712 was federally incorporated on February 9, 2009, with a registered office in Niagara-on-the-Lake, Ontario. 879 was federally incorporated on February 2, 2014, with the same registered office location. St-Jean was the directing mind, as well as an officer and director of both 712 and 879. Both 712 and 879's business operations were represented to involve real estate investments and/or rent-to-own investment opportunities offered to the public.

¹ All activities described occurred during this Material Time unless otherwise indicated.

The Respondents Illegally Distributed Securities

11. For over 3 years, St-Jean, through AETOS, 712 or 879 (collectively the **Corporate Respondents**), engaged in the illegal distribution of securities contrary to subsection 53(1) of the *Securities Act*, RSO 1990 c S.5 (the **Act**). Combined, the Respondents sold hundreds of initial investment agreements (**Investment Agreement(s)**) and agreements extending these investments (**Extension Agreement(s)**) to investors. Through these sales the Respondents raised at least \$33 million from hundreds of investors, including Ontario investors, for real estate and other investment projects. All of these Investment and Extension Agreements are securities under s. 1(1) of the Act.

12. St-Jean regularly promoted his investment opportunities through hundreds of email solicitations to his contacts.

13. The securities took various forms. Some were tied to specific real estate projects or properties, while others were labeled as “financing agreements” with no project reference. Despite their labels, all were investments in one of St-Jean’s three companies. The investments included:

- at least 200 Investment Agreements or Extension Agreements in AETOS, including those related to the Hantsport Project;
- at least 300 Investment Agreements or Extension Agreements in 712; and
- at least 7 Investment Agreements in 879.

14. The sale of these securities were trades in securities not previously issued and were therefore distributions.

15. No preliminary prospectus, prospectus, or report of exempt distribution, including Form 45-106F1, was filed for the distribution of any of these securities. The investments did not qualify for any exemption from the prospectus requirements under Ontario securities law.

St-Jean and AETOS Defrauded Hantsport Investors

16. St-Jean and AETOS also engaged in the fraudulent misuse of Hantsport investors’ funds contrary to subsection 126.1(1)(b) of the Act.

Background to The Hantsport Investment Opportunity

17. Around May 2021, St-Jean learned about the Hantsport Project. Tsakanikas' company owned a parcel of undeveloped land at 8 Bog Road, in West Hants Regional Municipality, Nova Scotia (**Hantsport Property**) that Tsakanikas purportedly intended to develop with up to 225 houses.

18. St-Jean and Tsakanikas agreed that St-Jean would raise capital in relation to the Hantsport Project. Neither St-Jean, nor any of his Companies were the developer of the Hantsport Project, and neither held title over any of the land that was to be developed.

19. Around December 2021, St-Jean began sending emails to potential investors soliciting investment in "lots" that St-Jean claimed would comprise the Hantsport Project (**Hantsport Agreements**). In exchange for the investment, investors were promised annual interest (to be paid periodically), a "lender's fee," as well as the return of their principal within a defined maturity period. Investors were also told that they would be registered on title as security for their investments.

20. St-Jean was the sole signatory of the Hantsport Agreements on behalf of AETOS, which also contained a "personal promissory note" by St-Jean in favour of the investor.

The Sale of Hantsport Agreements to Investors

21. Between January 2022, and November 2023, St-Jean sold Hantsport Agreements to investors through eight different "phases." Each of these "phases" involved the sale of purported individual lots that were said to be part of the Hantsport Project.

22. During this time, St-Jean sold approximately 110 Hantsport Agreements to at least 100 investors. St-Jean raised at least \$8.1 million through these Hantsport Agreement sales.

23. For St-Jean's solicitation efforts, he expected to receive commissions from Tsakanikas. He also wrote in emails to investors that he would be entitled to management fees for his capital raising efforts.

24. During the initial phases of St-Jean's Hantsport Agreement sales, investors sent their

investment funds directly to Tsakanikas' lawyer. However, beginning in April 2022, the majority of new Hantsport investors began depositing their investment funds directly into AETOS' corporate bank account, over which St-Jean had full control.

St-Jean and AETOS' Fraudulent Conduct

25. St-Jean and AETOS engaged in acts of deceit, falsehood, or other fraudulent means upon Hantsport Agreement investors.

26. St-Jean widely represented to investors that their investment funds would be used for Hantsport Project development purposes. Contrary to these representations, at least \$5.5 million of investors' funds that were sent directly to AETOS' corporate bank account were used for other purposes. This misuse of investor funds included, but was not limited to:

- using investor funds to pay interest and/or principal owing to other AETOS investors, including Hantsport investors;
- using investor funds to repay interest and/or principal owing to 712 investors; and
- transferring investor funds to 712, which were then disbursed for purposes other than for the Hantsport Project's development.

27. In April 2022, a mere three months into the Hantsport Agreement solicitations, St-Jean began to use the investment funds from Hantsport investors for the purposes described above.

28. St-Jean continued to solicit investment in the Hantsport Agreements and misuse investor funds until at least November 8, 2023.

29. As of August 18, 2025, no houses had been built on the Hantsport property and no Hantsport investors had received any repayment of their principal investment.

30. As a result of St-Jean and AETOS' actions, investors were exposed to undisclosed risks.

St-Jean's Unlawful Disclosure During the OSC Investigation

31. As part of the OSC's investigation into the Respondents' misconduct, St-Jean was served with a summons on September 7, 2023, pursuant to s. 13 of the Act (the **Summons**).

32. The Summons was accompanied by a cover letter dated September 6, 2023 (**Cover Letter**) that stated in part, "there is a high degree of confidentiality associated with this matter. We wish to bring to your attention subsection 16(1) of the Act." The Cover Letter went on to reproduce subsection 16(1) of the Act.

33. Despite these warnings, between September 8, 2023, and June 19, 2024, St-Jean communicated to third parties, details about the Summons and St-Jean's compelled examinations under s. 13 of the Act, contrary to the non-disclosure prohibition in subsection 16(1)(b) of the Act.

St-Jean and AETOS Engaged in Unregistered Trading

34. Neither St-Jean nor AETOS have ever been registered with the Commission to trade in securities. No exemptions from the registration requirement were available to St-Jean or AETOS under Ontario securities law.

35. Based on the conduct described in paragraphs 17-30, and 34, St-Jean and AETOS engaged in, or held themselves out as engaging in, the business of trading in Hantsport Agreements, without the necessary registration or an exemption from the registration requirement, contrary to subsection 25(1) of the Act.

C. BREACHES OF ONTARIO SECURITIES LAW

36. The Commission alleges the following breaches of Ontario securities law:

- i. St-Jean and AETOS directly or indirectly engaged in or participated in acts, practices or courses of conduct relating to securities that they each knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(1)(b) of the Act;
- ii. St-Jean, AETOS, 712 and 879 engaged in distributions of securities without filing a preliminary prospectus or prospectus and without an applicable exemption from the

prospectus requirement, contrary to subsection 53(1) of the Act;

- iii. St-Jean disclosed information about: i) a summons issued pursuant to s. 13 of the Act; and ii) St-Jean's examinations under s. 13 of the Act, contrary to subsection 16(1)(b) of the Act;
- iv. St-Jean and AETOS engaged in, and held themselves out as engaging in, the business of trading in Hantsport Agreements, without the necessary registration or an applicable exemption from the registration requirement, contrary to subsection 25(1) of the Act; and
- v. As a director and/or officer of AETOS, 712 and 879, St-Jean, authorized, permitted, or acquiesced in the Corporate Respondents' breaches of Ontario securities law and, pursuant to section 129.2 of the Act, is deemed to have also not complied with Ontario securities law.

37. These allegations may be amended, and further and other allegations may be added as counsel may advise, and the Capital Markets Tribunal (the **Tribunal**) may permit.

D. ORDER SOUGHT

38. The Commission requests that the Tribunal make the following orders:

As against all of St-Jean, AETOS, 712 and 879:

- i. that they cease trading in any securities or derivatives permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2 of subsection 127(1) of the Act;
- ii. that they be prohibited from acquiring any securities permanently or for such period as is specified by the Tribunal, pursuant to paragraph 2.1 of subsection 127(1) of the Act;
- iii. that any exemptions contained in Ontario securities law not apply to them permanently or for such period as is specified by the Tribunal, pursuant to paragraph 3 of subsection 127(1) of the Act;
- iv. that they be prohibited from becoming or acting as a registrant or promoter, permanently

or for such period as is specified by the Tribunal, pursuant to paragraph 8.5 of subsection 127(1) of the Act;

- v. that they pay an administrative penalty of not more than \$5 million for each failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act;
- vi. that they disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of subsection 127(1) of the Act;
- vii. that they pay costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- viii. such other order as the Tribunal considers appropriate in the public interest.

As against St-Jean:

- i. that he be reprimanded, pursuant to paragraph 6 of subsection 127(1) of the Act;
- ii. that he resign any position he may hold as a director or officer of an issuer pursuant to paragraph 7 of subsection 127(1) of the Act;
- iii. that he be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8 of subsection 127(1) of the Act;
- iv. that he resign any positions that he may hold as a director or officer of any registrant, pursuant to paragraph 8.1 of subsection 127(1) of the Act;
- v. that he be prohibited from becoming or acting as a director or officer of any registrant permanently or for such period as is specified by the Tribunal, pursuant to paragraph 8.2 of subsection 127(1) of the Act; and
- vi. such other order as the Tribunal considers appropriate in the public interest.

DATED this 29th day of August, 2025

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