

## ALBERTA SECURITIES COMMISSION

**Citation: Re Cerato, 2020 ABASC 14**

**Docket: ENF-011825**

**Date: 20200228**

### NOTICE OF HEARING

**To:** Jan Gregory Cerato (a.k.a. Jan Strzepka) (the **Respondent**)

**Notice:** The Alberta Securities Commission (the **Commission**) will convene at 2:30 p.m. on April 15, 2020, or as otherwise directed (the **Set Date Hearing**), at Calgary, Alberta, to set a date or dates for the conduct of a hearing regarding the allegations in this Notice (the **Merits Hearing**). At the Merits Hearing, the Commission will consider whether the allegations have been proven. If so, the Commission will subsequently consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c. S-4, as amended (the *Act*).

**Location:** Alberta Securities Commission, 5<sup>th</sup> Floor, 250 – 5 Street SW, Calgary, Alberta.

**Procedure:**

1. You may obtain document disclosure and further information about particulars of the allegations in this Notice from Diana Piper or Amelia Martin c/o Alberta Securities Commission, 600, 250 - 5 Street SW, Calgary, Alberta, T2P 0R4, telephone: 403.592.8187 / 403.592.4717, email: Diana.Piper@asc.ca / Amelia.Martin@asc.ca.
2. You may be represented by legal counsel or represent yourself. You or your legal counsel may make representations at the Set Date Hearing as part of the process for scheduling the Merits Hearing and the hearing management sessions that will take place between the Set Date Hearing and the Merits Hearing. At the Merits Hearing, you or your legal counsel may make representations and introduce relevant evidence regarding the allegations in this Notice.
3. If you or your legal counsel fail to attend the Set Date Hearing, the scheduling of the Merits Hearing and the hearing management sessions may proceed in your absence without further notice, and the Merits Hearing itself may proceed in your absence without further notice, following which orders may be made against you.

*See attached sections 29, 198, 199, and 202 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.*

**Reciprocation:** Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

**Allegations:**

1. Jan Gregory Cerato, also known as Jan Strzepka, (**Cerato**) is an individual and resident of Calgary, Alberta.
2. Cerato used the name “Whale Club” to raise capital from the public. He held out Whale Club to be an investment group. Whale Club was not an incorporated entity nor a registered tradename.
3. Starting in December 2017, and continuing until at least the middle of 2018, Cerato began issuing securities by soliciting members of the public to enter into oral and/or written agreements (the **Agreements**) to invest capital into a pooled investment (the **Pooled Investment**).
4. Cerato introduced, promoted and discussed the Pooled Investment with investors and prospective investors on the basis that:
  - 4.1 The Pooled Investment would be used to generate a profit through buying, trading and holding cryptocurrencies using the services of a trading team; and
  - 4.2 Investors would receive a share of the profits generated by the Pooled Investment.
5. In order to invest in the Pooled Investment, Cerato asked investors to make a minimum investment of \$10,000 in Canadian funds or the equivalent in bitcoin.
6. Investors were reliant upon Cerato and his trading team to make all of the investment decisions for the Pooled Investment. Investors were advised by Cerato that 25 per cent of the profits generated by the Pooled Investment would be used to remunerate the trading team.
7. The Agreements between investors and Cerato were each a “security” as defined in the *Act*.
8. Cerato directed investors to transfer funds to him in one of the following ways:
  - 8.1 By transfer of funds to the bank account of Stylewerx Communications Inc.;
  - 8.2 By transfer of funds to the bank account of 2095912 Alberta Inc.; or
  - 8.3 By transfer of bitcoin to a bitcoin wallet controlled by Cerato.

