

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

and

**In the Matter of
RON OCHITWA**

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

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

The Respondent

1. The Respondent Ron Ochitwa (the "Respondent") is an individual who resides in Regina, Saskatchewan. At no time material hereto was the Respondent registered in Saskatchewan as a dealer or advisor pursuant to *The Securities Act* (the "Act").

Related Entities

2. CashFX ("CashFX") was a multi-level-marketing entity purporting to provide investors with a multi-level-marketing opportunity to invest in forex by investing in a "trade pool" controlled by CashFX.
3. At all times material hereto, CashFX was not registered in Saskatchewan to provide any services regarding securities or derivatives. The FCAA issued an investor alert regarding the actions of CashFX on January 27, 2021.
4. Paraiba World ("Paraiba") was a multi-level-marketing entity purporting to provide investors with a passive return on investment by way of trading cryptocurrency by using an investment algorithm foundation.
5. At all times material hereto, Paraiba was not registered in Saskatchewan to provide any services regarding securities or derivatives.
6. [REDACTED] (referred to collectively as "[REDACTED]"), are a married couple, residing in Fort Qu'Appelle, Saskatchewan.
7. In or around March of 2020, the Respondent approached [REDACTED] regarding making an investment with CashFX. The Respondent represented to [REDACTED] that CashFX was "...totally solid, sustainable & passive and pays around 10% weekly."

8. As a result of the Respondent's representations, the [REDACTED] provided the Respondent with \$300.00 to be used to invest with CashFX on their behalf.
9. It was agreed between the Respondent and the [REDACTED] that the Respondent would manage their account with CashFX.
10. The Respondent received commission from CashFX for referring new investors.
11. In or around March of 2021, the Respondent solicited the [REDACTED] regarding making an investment with Paraiba. The Respondent represented to the [REDACTED] that their return on investment with Paraiba would be big.
12. As a result of the Respondent's representations, the [REDACTED] provided the Respondent with \$5,000.00 to be used to invest in Paraiba on their behalf.
13. It was agreed between the Respondent and the [REDACTED] that the Respondent would manage their account with Paraiba.
14. The Respondent received commission from Paraiba for referring new investors.
15. Over the course of the next year, the Respondent provided the [REDACTED] with monthly account statements he created using the information he obtained from the [REDACTED]' account with Paraiba.
16. At all material times the Respondent assumed all responsibility for all active steps required to generate a return on the [REDACTED]' investments with CashFX and Paraiba. At no time did the [REDACTED] assume any responsibility to take any active steps to generate a return on either their investment in CashFX or Paraiba. The Respondent created and controlled the [REDACTED] accounts with both CashFX and Paraiba.
17. In November of 2022, the Respondent informed the [REDACTED] that Paraiba had collapsed, and that their investments were being converted to a cryptocurrency of negligible value and were largely forfeited. The [REDACTED] requested that the Respondent withdraw their funds and return them to them, however, they did not receive any funds back as the Respondent advised he was unable to receive even his own funds he invested in Paraiba.
18. In or around November of 2022, the [REDACTED] attempted to withdraw funds from their investment in CashFx but were unsuccessful. The [REDACTED] did not receive back any of their invested funds from CashFX.

Alleged Contraventions of subsection 27(2)(a) and (b) of *The Securities Act, 1988*

19. While the Respondent carried out the acts indicated in paragraphs 7 through 17 above, he was acting as a dealer in Saskatchewan but was neither registered as a dealer, as required by subsection 27(2)(a)(i) of the *Act*, nor registered as a representative of a registered dealer and acting on behalf of that registered dealer, as required by clause 27(2)(a)(ii) of the *Act*. In so doing, the Respondent was therefore in contravention of subsection 27(2)(a) of the *Act*.

20. While the Respondent carried out the acts indicated in paragraphs 7 through 17 above, he was acting as an adviser in Saskatchewan but was neither registered as an adviser as required by subsection 27(2)(b)(i) of the *Act*, nor registered as a representative of a registered adviser and acting on behalf of that registered adviser, as required by clause 27(2)(b)(ii) of the *Act*. In doing so, the Respondent was therefore in contravention of subsection 27(2)(b) of the *Act*.

Alleged Contraventions of subsection 58(1) of *The Securities Act, 1988*

21. When the Respondent carried out the acts indicated in paragraphs 7 through 17 above, the Respondent traded in a security on their own behalf or on behalf of another person 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 and/or prospectus in contravention of subsection 58(1) of the *Act*.

Alleged Contraventions of section 6.1 of National Instrument 45-106 *Prospectus Exemptions* (N.I. 45-106)

22. At no time did the Respondent file any Form 45-106F1 (Report of Exempt Distribution) with the FCAA insofar as the Respondent is able to claim any exemptions from the requirements in subsection 58(1) of the *Act* were available to them. In failing to file Form 45-106F1, the Respondent contravened subsection 6.1 of National Instrument 45-106.

Alleged Contraventions of section 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions, and Ongoing Registrant Obligations* (N.I. 31-103)

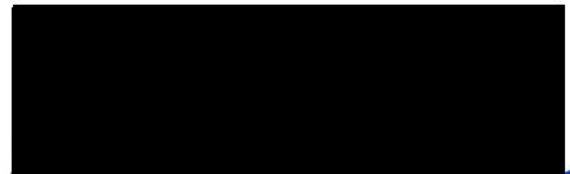
23. At no time during the Respondent's dealings with either [REDACTED] did the Respondent conduct any suitability determination as required by section 13.3 of National Instrument 31-103. In failing to perform any suitability determination for either [REDACTED], the Respondent contravened section 13.3 of NI 31-103.

Relief Sought

24. Based on the above, Staff of FCAA asks the hearing panel to consider whether it is in the public interest to make the following orders:
- Pursuant to subsection 134(1)(a) of the *Act*, all exemptions in Saskatchewan securities laws do not apply to the Respondent for a period of seven (7) years.
 - Pursuant to subsection 134(1)(d) of the *Act*, the Respondent shall cease trading in securities or derivatives for a period of seven (7) years.
 - Pursuant to subsection 134(1)(d.1) of the *Act*, the Respondent shall cease acquiring securities or derivatives for a period of seven (7) years.
 - Pursuant to subsection 134(1)(e) of the *Act*, the Respondent shall cease giving advice respecting securities, trades or derivatives in Saskatchewan for a period of seven (7) years.

- e. Pursuant to subsection 134(1)(h) of the *Act*, the Respondent shall not be employed by any issuer, registrant or investment fund manager in any capacity that would allow him or her to trade in securities or derivatives in Saskatchewan and not be a director or officer of any issuer, registrant, or investment fund manager for a period of seven (7) years.
- f. Pursuant to subsection 134(1)(h.1) of the *Act*, the Respondent shall be prohibited from becoming or acting as registrant, investment fund manager or a promoter for a period of seven (7) years.
- g. Pursuant to subsection 135.1 of the *Act*, the Respondent shall pay an administrative penalty to the Financial and Consumer Affairs Authority of Saskatchewan, in the amount of \$20,000.00.
- h. Pursuant to subsection 135.6 of the *Act*, the Respondent shall pay financial compensation to each person found to have sustained financial loss as a result, in whole or in part, of the Respondent's contraventions of Saskatchewan securities law, in amounts to be determined; and,
- i. Pursuant to section 161 of the *Act*, the Respondent shall pay the costs of or relating to a hearing in this matter.

DATED at Regina, Saskatchewan, this 29 day of August, 2024.



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