



Citation: 2020 BCSECCOM 438

Notice of Hearing

John Sand, Karol Achs, and Jolyon Charles Christopher Gulston

(collectively, the Respondents)

Section 161 of the *Securities Act*, RSBC 1996, c. 418

¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against the Respondents under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418 (the Act), based on the following facts:

Background

1. John Sand (Sand) and Jolyon Charles Christopher Gulston (Gulston) are residents of West Vancouver, British Columbia.
2. Karol Achs (Achs) is a resident of North Vancouver, British Columbia.

Misconduct

Fraud

3. The Respondents raised funds from two British Columbia investors (the Investors), who jointly invested \$600,000. The Respondents told the Investors that the funds would be used to build a facility to produce batteries using a zinc-air fuel cell technology and that there were orders to purchase the batteries.
4. In fact, there were no orders for the batteries, and the Respondents used about \$430,000 of the Investors' funds for purposes unrelated to the building of the production facility, including cash withdrawals, credit card payments, and payments to themselves and to other persons.
5. The Respondents engaged or participated in the conduct described above when they knew, or ought reasonably to have known, that the conduct perpetrated a fraud on the Investors, contrary to section 57(b) of the Act.

Misrepresentation

6. Gulston also made false or misleading statements to two other potential investors, including, but not limited to, statements that:
 - (a) there were orders or interest for the batteries;



- (b) there were enough orders for multiple years of battery production;
- (c) battery production would begin, or was expected to begin, within a couple of months of the statements; and
- (d) there was already a profitable assembly plant for the production of the batteries in Washington State, which was being duplicated in Vancouver.

7. By making these statements, or by omitting to state material facts that were necessary to prevent these statements from being false or misleading, Gulston made misrepresentations contrary to section 50(1)(d) of the Act.

Hearing Process

- ¶ 2 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, January 19, 2021, at 9:00 a.m.** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 3 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Hearing Office at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.
- ¶ 4 If the Respondents or their counsel do not appear at the Hearing, the Executive Director may apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.

Peter J. Brady
Oct 26 2020 11:35 AM -07:00

- ¶ 5 Peter J. Brady
Executive Director