



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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**IN THE MATTER OF THE *SECURITIES ACT*,
R.S.O. 1990, c. S.5, AS AMENDED**

- AND -

**IN THE MATTER OF
INTERNATIONAL STRATEGIC INVESTMENTS, INTERNATIONAL STRATEGIC
INVESTMENTS INC., SOMIN HOLDINGS INC., NAZIM GILLANI AND RYAN J. DRISCOLL**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission (“Staff”) make the following allegations:

I. OVERVIEW

1. This proceeding involves unregistered trading, advising, prohibited representations and fraud in respect of the securities of HD Retail Solutions Inc. (“HDRS”) by the respondents between January 1, 2009 and June 1, 2010 (the “Material Time”). HDRS was seeking venture capital funding through the assistance of Nazim Gillani (“Gillani”).
2. Gillani controlled all the investor funds through his agents and related companies, including International Strategic Investments, International Strategic Investments Inc., (collectively “ISI”) and Somin Holdings Inc. (“Somin”).
3. Under Gillani’s direction, Ryan J. Driscoll (“Driscoll”) assisted in raising investor funds. Together, Gillani and Driscoll raised over \$1 million from approximately 30 corporate and individual investors from Canada, the United States and Dubai who invested in HDRS during the Material Time. The majority of these funds were not forwarded to or disbursed for the benefit of HDRS.
4. Gillani engaged in fraudulent conduct by making false, inaccurate and misleading statements to investors and Driscoll regarding the use of investor funds.

II. THE CORPORATE RESPONDENTS

5. ISI has never been incorporated in Ontario. ISI has never been registered with the Ontario Securities Commission (the “Commission”) in any capacity.
6. Somin was incorporated in Ontario on May 8, 2008 and has a registered office in Ontario. Somin has never been registered with the Commission in any capacity.

III. THE INDIVIDUAL RESPONDENTS

7. Gillani is a resident of Ontario. During the Material Time, Gillani was the sole directing mind of ISI and Somin. He has never been registered with the Commission in any capacity.
8. Driscoll is a resident of Ontario. He has never been registered with the Commission in any capacity.

Unregistered Trading and Advising in Securities Contrary to Section 25 of the Act, January-May 2009.

9. In January 2009, HDRS management, including the sole director of HDRS (the “HDRS Management”) met with Gillani to discuss funding a management buyout of a private company. Gillani described himself as a successful venture capitalist and ISI as a boutique investment company with access to millions of dollars to fund venture capital projects. Between January and May 2009 Gillani repeatedly assured HDRS Management, that he was anticipating a large influx of funds. Gillani also advised HDRS Management that he had received an initial term sheet from a fund for U.S. \$14 million. During the Material Time, no venture capital funds were received by HDRS from Gillani or ISI.
10. In March of 2009, Gillani provided a Memorandum of Understanding (the “MOU”) and a document entitled stock subscription agreements (the “Subscription Agreements”) to HDRS Management formalizing their relationship including a plan to list HDRS on a German public market. In exchange for payments from investors (the “HDRS Investor Funds”) HDRS entered into the Subscription Agreements with approximately 11 investors (the “HDRS Investors”) for specified numbers of shares in HDRS. These Subscription Agreements were investment contracts and constituted securities (the “HDRS Securities”) as defined by s. 1 of the *Securities*

Act, R.S.O. 1990, c. S. 5, as amended (the “Act”). The HDRS Securities contained instructions to deposit investor funds into various bank accounts of ISI’s lawyer.

11. The HDRS Investor Funds were also directed by Gillani to be deposited into an Ontario corporate bank account of a company controlled by Gillani’s business partner.
12. The HDRS Investor Funds amounted to approximately Cdn. \$700,000 from the HDRS Investors, including HDRS Management, who resided in Ontario, elsewhere in Canada, and in the United States.
13. HDRS was never listed on a German public market.
14. Staff allege that Gillani and ISI traded in HDRS Securities without the proper registration in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act.
15. Staff further allege that Gillani and ISI advised in HDRS Securities without the proper registration in circumstances in which no exemption was available, contrary to section 25(1)(c) of the Act.

Prohibited Representations Contrary to Section 38 of the Act, January-May 2009.

16. Staff allege that Gillani made misleading oral and written representations to the HDRS Investors that HDRS would be listed on a German public market when the Director had not provided written permission to Gillani or ISI to make these representations, contrary to section 38(3) of the Act .

Fraudulent Conduct Contrary to Section 126.1 of the Act, January-May 2009.

17. Gillani provided information to the Investors that was false, inaccurate and misleading, including, but not limited to, the following:
 - (a) That ISI was incorporated in the Province of Ontario;
 - (b) That Gillani advised HDRS Management that Cdn. \$379,000 of the HDRS Investor Funds were held in a trust account of ISI’s lawyer.

(c) These and other inaccurate, misleading representations and omissions were made to induce the HDRS Investors to purchase HDRS Securities and to persuade the HDRS Investors their HDRS Investor Funds were secure with Gillani.

18. Gillani and ISI on their own behalf and through their representatives engaged in a course of conduct relating to HDRS Securities that they knew or reasonably ought to have known would result in a fraud on persons or companies contrary to s. 126.1(b) of the Act.

Unregistered Trading and Advising in Securities Contrary to Section 25 of the Act, May-December 2009.

19. In May of 2009, Gillani advised HDRS Management that a German public market listing was not proceeding, and proposed a plan to HDRS Management to complete a reverse takeover (the “RTO”) of a Nevada based company, Greenwind Power Corp. USA (“Greenwind USA”) which would trade on the OTC Pink Tier of the Pink OTC Markets Inc., and provide funding for HDRS. Gillani provided a second MOU to HDRS Management replacing the MOU and formalizing a plan to complete the RTO of Greenwind USA. In June 2009, Greenwind USA was renamed HDRS.

20. In May 2009, Gillani provided a document entitled share purchase agreements (the “Somin Agreements”) to Driscoll to sell to additional investors, and falsely advised Driscoll that Somin was a registrant. In exchange for payments from approximately 19 investors (the “RTO Investors”), for specified numbers of shares in Greenwind USA, Driscoll and Somin raised approximately Cdn. \$498,000 (the “RTO Funds”). The RTO Investors resided in Ontario, elsewhere in Canada, the United States and Dubai. The Somin Agreements were investment contracts and constituted securities (the “RTO Securities”) as defined by s. 1 of the Act. The Somin Agreements contained instructions to deposit the RTO Funds into Somin’s corporate bank account.

21. At Gillani’s direction, some of the RTO Funds were made payable to Somin, while others were paid directly to Gillani in cash.

22. None of the RTO Funds were forwarded to or used for the benefit of HDRS.

23. HDRS filed for bankruptcy on December 29, 2009.
24. Staff allege that Gillani, ISI, Somin and Driscoll traded and engaged in or held themselves out as engaging in the business of trading in RTO Securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act, as that section existed at the time the conduct at issue commenced on May 1, 2009, and contrary to section 25(1) of the Act as subsequently amended on September 28, 2009.
25. Staff further allege that Gillani, ISI, Somin and Driscoll advised members of the public and engaged in or held themselves out as engaging in the business of advising members of the public with respect to investing in, buying or selling RTO Securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(c) of the Act, as that section existed at the time the conduct at issue commenced on May 1, 2009, and contrary to section 25(3) of the Act as subsequently amended on September 28, 2009.

Fraudulent Conduct Contrary to Section 126.1 of the Act, May-December 2009.

26. Gillani and ISI provided information to the RTO Investors and Driscoll that was false, inaccurate and misleading, including, but not limited to, the following:
 - (a) That ISI had an asset base of approximately U.S. \$500 million, which included a valuation of HDRS at approximately U.S. \$42 million;
 - (b) The majority of the RTO Funds were forwarded to HDRS, or disbursed for the benefit of HDRS;
 - (c) That Somin was a registrant;
 - (d) These and other inaccurate, misleading representations and omissions were made to induce the RTO Investors to purchase the RTO Securities.
27. Gillani, ISI and Somin on their own behalf and through their representatives engaged in a course of conduct relating to the RTO Securities that they knew or reasonably ought to have known would result in a fraud on persons or companies contrary to s. 126.1(b) of the Act.

IV. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

28. The specific allegations advanced by Staff related to the trading in the HDRS Securities during the Material Time are as follows:

January-May 2009.

- (a) Gillani and ISI traded in HDRS Securities without the proper registration, in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act and contrary to the public interest;
- (b) Gillani and ISI advised in HDRS Securities without the proper registration, in circumstances in which no exemption was available, contrary to section 25(1)(c) of the Act and contrary to the public interest;
- (c) Gillani made misleading oral and written representations to the HDRS Investors that HDRS would be listed on a German public market, when the Director had not provided written permission to Gillani or ISI to make these representations regarding a listing of HDRS on a German public market, contrary to section 38(3) of the Act;
- (d) Gillani and ISI engaged or participated in acts, practices or courses of conduct relating to HDRS Securities that Gillani and ISI knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;
- (e) Gillani, did authorize, permit or acquiesce in the non-compliance with sections 25(1)(a), 25(1)(c), 38(3), and 126.1(b) of the Act, as set out above, by ISI, or by the representatives of ISI, contrary to section 129.2 of the Act and contrary to the public interest.

May-December 2009.

- (f) Gillani, ISI, Somin and Driscoll traded and engaged in or held themselves out as engaging in the business of trading in RTO Securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act as that section existed at the time the conduct at issue commenced on May 1, 2009,

and contrary to section 25(1) of the Act as subsequently amended on September 28, 2009;

- (g) Gillani, ISI, Somin and Driscoll advised and engaged in or held themselves out as engaging in the business of advising members of the public with respect to investing in, buying or selling RTO Securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(c) of the Act, as that section existed at the time the conduct at issue commenced on May 1, 2009, and contrary to section 25(3) of the Act as subsequently amended on September 28, 2009;
- (h) Gillani, ISI and Somin have engaged or participated in acts, practices or courses of conduct relating to RTO Securities that Gillani and ISI knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;
- (i) Gillani, did authorize, permit or acquiesce in the non-compliance with sections 25(1)(a), 25(1)(c), 25(1) as amended on September 28, 2009, 25(3), as amended on September 28, 2009, and 126.1(b) of the Act, as set out above, by ISI, Somin and Driscoll, or by the representatives of ISI, Somin and Driscoll, contrary to section 129.2 of the Act and contrary to the public interest; and

29. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, March 5, 2012.