



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 1415409 ONTARIO INC.,
TITLE ONE CLOSING INC., RAVINDRA DAVE, CHANDRAMATTIE DAVE, and
AMETRA DAVE**

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

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

A. OVERVIEW

1. This proceeding involves an investment scheme that was created and carried out in Ontario by Chandramattie Dave (also known as Rita Bahadur) (“**Chandramattie**”), Ravindra Dave (also known as Dave Ravindra) (“**Ravindra**”), Ametra Dave (also known as Annie Dave) (“**Ametra**”), 1415409 Ontario Inc. (“**1415409**”), and Title One Closing Inc. (“**TOC**”) (collectively, the “**Respondents**”) during the period of about January 1, 2009, to December 31, 2012 (the “**Material Time**”).

2. During the Material Time, the Respondents engaged in unregistered trading and illegal distribution through the sale of securities to approximately 34 Ontario investors, from whom the Respondents raised approximately \$5.4 million in investor funds.

3. Furthermore, Chandramattie and Ravindra engaged in fraudulent conduct by making misleading or untrue statements to investors regarding the use of investor funds. Ametra engaged in fraudulent conduct by using investor funds to pay investment returns and redemptions to other investors. Chandramattie, Ravindra, and Ametra engaged in fraudulent conduct by using investor funds for other business purposes, and for personal benefit.

4. The Respondents have acted in a manner contrary to Ontario securities law and contrary to the public interest.

B. THE RESPONDENTS

5. 1415409 was incorporated as an Ontario corporation in April of 2000 (its corporate registration was cancelled on December 8, 2012). Its registered office address was in Mississauga, Ontario. 1415409 has never been registered with the Ontario Securities Commission (the “**Commission**”) in any capacity.

6. TOC was incorporated as an Ontario corporation in December of 2001. Its registered office address is in Mississauga, Ontario. TOC has never been registered with the Commission in any capacity.

7. 1415409 and TOC are not reporting issuers in Ontario. Neither company has ever filed a preliminary prospectus or a prospectus with the Commission or obtained receipts for them from the Director.

8. Ravindra is a resident of Mississauga, Ontario. He was one of the founding directors of TOC, and is one of the directing minds of TOC. He has never been registered with the Commission in any capacity.

9. Chandramattie is a resident of Mississauga, Ontario, and, during the Material Time, was the spouse of Ravindra. She was the President, the Secretary, and a Director of 1415409.

10. Chandramattie was previously registered with the Commission as a salesperson in the category of “mutual fund dealer” and “limited market dealer” from February 21, 2000,

to January 30, 2006. She has not been registered with the Commission in any capacity since that time.

11. Ametra is a resident of Mississauga, Ontario, and is the daughter of Ravindra and Chandramattie. She is the President, Secretary, and sole director of TOC. She has never been registered with the Commission in any capacity

C. PARTICULARS OF THE ALLEGATIONS

12. During the Material Time, Ravindra and Chandramattie presented seminars to the public in Ontario, Alberta, and British Columbia that purported to provide information and advice regarding real estate related investments.

13. At many of these seminars, Ravindra and Chandramattie promoted membership in their organization Canada Real Estate Investment Group (“**CANREIG**”). Individuals who purchased membership in CANREIG received access to these seminars.

14. Ravindra and Chandramattie used these seminars and membership in CANREIG to promote the investment of funds with corporations owned or controlled by them.

(i) *Unregistered Trading and Illegal Distribution*

15. During the Material Time, Ravindra and Chandramattie sold promissory notes totalling approximately \$5.4 million to at least 34 Ontario investors (the “**Promissory Notes**”). Investors were told that their funds were being loaned to other individuals or companies through CANREIG or related companies, and that investors would receive a fixed return of 10% to 20% per year based on the profits generated from these loans.

16. These Promissory Notes were issued by 1415409 and/or Chandramattie.

17. Each Promissory Note evidenced indebtedness and/or was an “investment contract” and therefore a “security” as defined in subsection 1(1) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “**Act**”).

18. Ravindra and Chandramattie solicited Ontario residents to enter into the Promissory Notes by meeting with potential investors, discussing the nature of the investment, and making representations regarding the purported profits they would earn by entering into the investment.

19. Ravindra and Chandramattie directed investors to transfer or deposit their funds into a bank account in the name of TOC, which Ametra controlled and was the signatory.

20. As noted above, none of the Respondents were registered with the Commission during the Material Time. No exemptions from registration were available to them under the Act, and they have never filed a Form 45-106F1 ("Report of Exempt Distribution") with the Commission.

21. The sales of the Promissory Notes were trades in securities not previously issued and were therefore distributions. During the Relevant Period, The Respondents did not file a preliminary prospectus and prospectus with the Commission or obtain receipts for them from the Director as required by subsection 53(1) of the Act.

22. Many of the investors did not qualify as accredited investors or meet applicable exemptions from prospectus requirements.

23. By engaging in the conduct described above, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities and participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities not previously issued for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the Act, contrary to sections 25 and 53 of the Act and contrary to the public interest.

(ii) *Fraudulent Conduct*

24. Chandramattie and Ravindra represented to investors that their funds would be loaned to other individuals or companies, and that investors would receive a fixed return

based on the profits generated from these loans. These statements were untrue or misleading and perpetrated a fraud on investors.

25. As noted above, during the Material Time the Respondents received approximately \$5.4 million from at least 34 investors. These investors received Promissory Notes in return. Approximately \$2.1 million was paid back to these investors to partially satisfy investment return and redemption payments.

26. Also during the Material Time, the Respondents received an additional approximately \$3.1 million from approximately 34 other individuals and companies, who did not receive Promissory Notes. The total amount returned to these investors was approximately \$875,000.

27. All of the funds taken in by the Respondents were comingled in a bank account held in the name of TOC, which Ametra controlled and was the signatory.

28. Contrary to the representations Chandramattie and Ravindra made to investors, funds raised from the sale of Promissory Notes to some investors were used to satisfy investment returns and redemption payments to other investors.

29. Also contrary to the representations Chandramattie and Ravindra made to investors, Ametra directed approximately \$2 million of investor funds for the personal benefit of Chandramattie, Ravindra, and Ametra and to the detriment of investors:

- (i) approximately \$1 million was transferred to bank accounts held in the name of companies owned or controlled by family members or related parties of Ravindra, Chandramattie, and/or Ametra;
- (ii) approximately \$750,000 was paid to family members or related parties of Ravindra, Chandramattie, and/or Ametra;
- (iii) approximately \$150,000 was paid to personal credit cards in the names of Ravindra, Ametra, and related parties;

- (iv) approximately \$90,000 was used to make payments to mortgages on properties owned by Ametra; and
- (v) approximately \$15,000 was used for expenditures that benefitted Ravindra.

30. Approximately \$2.0 million was paid to other individuals, some of which may have been in respect of fees for services, and some of which may have been in respect of investments made prior to the Material Period.

31. Approximately \$1.5 million was paid to other companies, some of which may have been in respect of fees for services, and some of which may have been transfers to associated companies conducting business in other provinces.

32. As the signatory of TOC's bank account, Ametra controlled the release of funds raised from investors. She signed all cheques issued from TOC's bank accounts.

33. By engaging in the conduct described above, Chandramattie, Ravindra, and Ametra engaged in or participated in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to paragraph 126.1(b) of the Act.

D. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

34. The specific allegations advanced by Staff are:

- (a) During the Material Time, the Respondents engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so in circumstances where there were no exemptions available to them under the Act, contrary to paragraph 25(1)(a) of the Act as that section existed at the time the conduct at issue commenced on January 1, 2009, and contrary to section 25(1) of the Act as subsequently amended on September 28, 2009;
- (b) During the Material Time, the Respondents traded securities when a preliminary prospectus and a prospectus had not been filed and receipts had

not been issued for them by the Director, contrary to subsection 53(1) of the Act;

- (c) During the Material Time, Chandramattie, Ravindra, and Ametra engaged in or participated in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to paragraph 126.1(b) of the Act;
- (d) During the Material Time, Chandramattie, being an officer and director of 1415409, authorized, permitted or acquiesced in 1415409's non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and
- (e) During the Material Time, Ametra, being an officer and the sole director of TOC, authorized, permitted or acquiesced in TOC's non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act.

35. By reason of the foregoing, the Respondents violated the requirements of Ontario securities law and/or engaged in conduct contrary to the public interest such that it is in the public interest to make orders under section 127 of the Act.

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

DATED at Toronto, March 17, 2015.