



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue Queen Ouest
Toronto ON M5H 3S8

Citation: Welcome Place Inc., 2019 ONSEC 13

Date: 2019-04-23

File No. 2019-14

**IN THE MATTER OF
WELCOME PLACE INC., DANIEL MAXSOOD also known as
MUHAMMAD M. KHAN, TAO ZHANG and TALAT ASHRAF**

**REASONS AND DECISION
(Section 17 of the *Securities Act*, RSO 1990, c S.5)**

Hearing: In Writing

Decision: April 23, 2019

Panel: M. Cecilia Williams Commissioner and Chair of the Panel

Submissions: Jennifer M. Lynch For Staff of the Commission

TABLE OF CONTENTS

I. BACKGROUND..... 1
 A. Facts..... 1
II. ANALYSIS..... 1
III. CONCLUSION..... 2

REASONS AND DECISION

I. BACKGROUND

- [1] Enforcement Staff of the Ontario Securities Commission (**Staff**) apply for Orders that:
- a. The application is to be heard in writing pursuant to section 5.1 of the *Statutory Powers Procedure Act*, RSO 1990, c S.22 (the **SPPA**) and Rules 12(2) and 23(2) of the Ontario Securities Commission *Rules of Procedure and Forms* (the **Rules of Procedure**);
 - b. Staff are authorized, pursuant to subsection 17(1)(b) of the *Securities Act*, RSO 1990, c S.5 (the **Act**), to provide certain radio advertisements, interviews and related transcripts (the **Requested Records**) to the Ministry of the Attorney General's Civil Remedies for Illicit Activities Office (**CRIA**); and
 - c. Such disclosure is authorized to be made without notice and without opportunity to be heard pursuant to subsection 17(2.1) of the Act.

A. Facts

- [2] The matter relates to a fraudulent scheme carried out by the Respondents in which more than \$5.2 million was raised from investors.
- [3] Pursuant to a settlement agreement dated February 10, 2016, the Commission collected \$932,881.74 (the **Funds**).
- [4] Staff recommended, and the Vice Chairs have approved, that the Funds be allocated to investors and that the distribution be carried out by CRIA.
- [5] On December 14, 2016, the Commission issued a section 17 order in this matter with respect to other compelled documents that were requested by CRIA for the claims and distribution of the Funds to Welcome Place investors. The application was made in writing and was without notice to the Respondents or investors.

II. ANALYSIS

- [6] CRIA requires information in the Requested Records to provide notice to Welcome Place investors about the claims and distribution process for returning the Funds. CRIA intends to provide notice on the same radio station that Daniel Maxsood and Welcome Place used to solicit investors.
- [7] There is no doubt that it is in the public interest for CRIA to be able to distribute the Funds efficiently and effectively to Welcome Place investors. The Requested Records will allow CRIA to communicate the claims and distribution process through the same communication channels used to solicit investors.
- [8] Subsection 17(2.1) of the Act authorizes disclosure of the items under subsection 17(1) to any entity referred to in paragraphs 1, 3, 4 or 5 of section 153, without notice to or an opportunity to be heard if it is in the public interest to make such disclosure. Neither the Respondents nor the investors will have a reasonable objection to the Requested Records being provided to CRIA, as it will only be used to further facilitate the return of the Funds to investors.

III. CONCLUSION

[9] For the reasons sent out above, I will issue an order that provides as follows:

- a. pursuant to section 5.1 of the SPPA and Rules 12(2) and 23(2) of the Rules of Procedure, this confidential application is heard in writing;
- b. pursuant to subsection 17(1)(b) of the Act, Staff is authorized to disclose the Requested Records to CRIA; and
- c. pursuant to subsection 17(2.1) of the Act, disclosure of the Requested Records is authorized to be made without notice and without an opportunity to be heard.

Dated at Toronto this 23rd day of April , 2019.

"M. Cecilia Williams"

M. Cecilia Williams