



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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IN THE MATTER OF DAVID SINGH

STATEMENT OF ALLEGATIONS (Subsections 127(1) and 127(10) of the *Securities Act*, RSO 1990 c S.5)

A. OVERVIEW

1. An inter-jurisdictional enforcement is sought based on a finding of the Ontario Court of Justice (the **OCJ**) that David Deonarine Singh (**Singh** or the **Respondent**) engaged in fraud and illegal distributions of securities by selling approximately \$5 million of shares to approximately 78 investors. This order is sought using the expedited procedure for inter-jurisdictional proceedings set out in Rule 11(3) of the Capital Markets Tribunal's (the **Tribunal**) *Rules of Procedure and Forms*.

B. FACTS

Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) makes the following allegations of fact:

2. On November 9, 2021, the OCJ found the Respondent:
 - (a) engaged in the business of trading without being registered, contrary to section 25(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**);
 - (b) engaged in the distribution of securities without filing a prospectus, contrary to section 53(1) of the Act;
 - (c) and perpetrated a fraud on investors, contrary to section 126.1(1)(b) of the Act.

3. On May 9, 2022, Singh was sentenced to nine months incarceration for the failure to register, nine months incarceration for the failure to file a prospectus, and three and a half years incarceration for securities fraud, served concurrently. The OCJ also imposed a free-standing restitution order in the amount of \$4,859,522.58.
4. Between 2015 and 2017, Singh owned and controlled two companies: Rockfort Mortgage Investment Corporation (**Rockfort**) and Greenview Mortgage Investment Corporation (**Greenview**). Rockfort and Greenview stated they would use investor money to fund mortgages on residential and commercial properties. Investors invested by purchasing shares of Rockfort and Greenview, and it was represented to investors that they would earn interest and/or dividends from the profits of these mortgages.
5. However, neither Rockfort nor Greenview held any mortgages. The OCJ also found that Singh also had no intention to seek out mortgages.
6. Singh also made material misrepresentations in the offering memorandum to intentionally bolster the reputation of Rockfort and Greenview. The offering memorandum misrepresented the experience and roles of the directors and employees. It also included information about a credit and investment committee that was set up to “review all proposals regarding investment decisions and to approve or reject such proposals”. However, such committee did not exist.
7. Seventy-eight individuals invested in Rockfort and Greenview for a total of \$5,657,896.64 of which \$4,859,552.58 has not been repaid to the investors. At least \$2 million of investor funds were paid to Singh and used to pay his personal expenses, which included his children’s tuition, his credit cards, lease payments on his car, and payments on his life insurance policy.
8. Many investors lost significant sums of money, often in excess of \$100,000. Many lost their life savings, harming their ability to retire, and some investors lost their homes.

C. BREACHES AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

Enforcement Staff alleges the following breaches of Ontario securities law and/or conduct

contrary to the public interest:

9. Pursuant to paragraph 1 of subsection 127(10) of the Act, Singh's conviction for offences arising from transactions, business or a course of conduct related to securities or derivatives may form the basis for an order in the public interest made under subsection 127(1) of the Act.
10. It is in the public interest to make an order against the Respondent for the breaches of Ontario securities law found by the OCJ.

D. ORDER SOUGHT

11. Enforcement Staff requests that the Tribunal make the following inter-jurisdictional enforcement order, pursuant to paragraph 1 of subsection 127(10) of the Act:
 - a) against Singh that:
 - i. pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Singh cease permanently;
 - ii. pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Singh be prohibited permanently;
 - iii. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Singh permanently;
 - iv. pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Singh resign any positions that he holds as a director or officer of any issuer or registrant;
 - v. pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Singh be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant;
 - vi. pursuant to paragraph 8.5 of subsection 127(1) of the Act, Singh be prohibited permanently from becoming or acting as a registrant or promoter; and

(b) such other order or orders as the Tribunal considers appropriate.

DATED at Toronto this 9th day of June, 2023.

ONTARIO SECURITIES COMMISSION

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