

BETWEEN:

ONTARIO SECURITIES COMMISSION

(Applicant)

-and-

SRINIVASAN CHANDRAN

(Respondent)

APPLICATION FOR ENFORCEMENT PROCEEDING

(Subsections 127(1) and 127(4.0.1) of the *Securities Act*, RSO 1990, c S.5)

I. OVERVIEW

1. The Applicant, the Ontario Securities Commission (the **Commission**), requests that the Capital Markets Tribunal (the **Tribunal**) make orders in the public interest against the Respondent, Srinivasan Chandran (**Chandran**), based on a criminal conviction by the Court of Queen's Bench of Alberta (the **ABQB**).¹ This order is sought without providing the Respondent an opportunity to be heard pursuant to paragraph 3 of s. 127(4.0.1) of the *Ontario Securities Act*, RSO 1990, c S.5 (the **Act**).

2. In 2021, Chandran pleaded guilty to and was criminally convicted of one count of theft over \$5,000, contrary to s. 334(a) of the *Criminal Code*, RSC, 1985, c C-46 (the **Criminal Code**). Chandran's conviction was based on admissions that between September 28, 2005 and October 21, 2013, Chandran solicited investors for a real estate investment fund, which acquired and managed a commercial building in Calgary, and, upon sale of the property, failed to distribute proceeds to investors based on their equity interest in the fund.

3. For his conviction, Chandran was sentenced to a custodial term of 30 months and was made subject to restitution orders.

4. The Tribunal has jurisdiction to make orders in the public interest on an *ex parte* basis under ss. 127(1) and 127(4.0.1) of the Act where, as here, a person or company has been

¹ As it then was, and now formally, the Court of King's Bench of Alberta.

convicted of an offence arising from a transaction, business, or course of conduct related to securities or derivatives.

5. The order sought is in the public interest. It is necessary to restrain potential future misconduct by the Respondent that exposes Ontario investors to unacceptable risks and to deter others from engaging in misconduct that constitutes fraud under the Act.

II. **GROUND**S

A. **Criminal Proceeding and Sentence**

6. On November 10, 2016, Chandran was charged with two counts under the Criminal Code:

- (a) One count of theft exceeding \$5,000, for stealing property of persons and/or corporations which held investments with the Qualia Real Estate Investment Fund V Limited Partnership (**Qualia**) as a limited partner and/or shareholder, contrary to section 334(a) of the Criminal Code; and
- (b) One count of fraud exceeding \$5,000, for unlawfully defrauding by deceit, falsehood or other fraudulent means persons and/or corporations which held investments with Qualia as a limited partner and/or shareholder, contrary to section 380(1)(a) of the Criminal Code.

7. On January 8, 2021, Chandran pleaded guilty before the Honourable Justice C. S. Anderson of the ABQB, to the first count of theft exceeding \$5,000. The second count of fraud was stayed.

8. Chandran was convicted of the offence based on admissions contained in an Amended Admission of Facts (the **Admissions**) which was read into the court record.

9. On November 18, 2021, Chandran was sentenced to a custodial term of 30 months and was made subject to restitution orders.

B. **Admitted Misconduct**

10. The Commission relies on the following Admissions:

- (a) On September 28, 2005, Qualia was registered by the Alberta Registrar of Corporations under the laws of the Province of Alberta. Multus Investment Corporation (**Multus**) was the General Partner.
- (b) Chandran and Eddie Luk were the directors of Multus. Platinum Equities Inc. (**Platinum**) was the only voting shareholder.
- (c) Chandran was the only director of Platinum, and he and his then wife were the only voting shareholders of Platinum.
- (d) At all material times, Chandran was the senior officer of Multus and its directing mind. All events took place at or near the City of Calgary in the Province of Alberta.
- (e) On November 16, 2005, Qualia issued a Confidential Offering Memorandum. The securities offered were limited partnerships in a real estate project. The price per security unit was \$50,000. The maximum offering was 207 units, potentially generating a total of \$10,350,000.
- (f) In summary, the Offering Memorandum represented that:
 - i. Qualia would purchase a commercial office building located at 906-12th Avenue SW, Calgary, Alberta (**Dominion Place**) with funds raised through the offering and a mortgage;
 - ii. investors would receive quarterly payments of income generated by the building, less operating and debt servicing costs;
 - iii. the building was expected to appreciate in value while the mortgage principal would gradually be reduced;
 - iv. the building would be held for at least five years and then would be refinanced or sold; and

- v. investors would receive a share of the monetized equity commensurate with the number of securities units they purchased.
- (g) The Offering Memorandum explicitly made Chandran a fiduciary, as the directing mind of the General Partner, Multus.
 - (h) Among others, there were eleven sets of investors who purchased units in Qualia for a total of \$575,000. In addition, one sales agent of Platinum purchased 1.5 units in Qualia, and another sales agent of Platinum and his wife purchased 1 unit in Qualia.
 - (i) On February 14, 2006, Qualia purchased Dominion Place for \$24,000,000. As contemplated by the Offering Memorandum, title was transferred to be held in the name of the General Partner, Multus. The purchase was financed by means of a mortgage in the amount of \$14,420,000 and cash raised through the offering.
 - (j) In December of 2011, Multus sold Dominion Place for \$30,000,000. The form of payment was \$17,500,000 cash and a vendor take back mortgage for the balance. Any mortgage obligation that had been incurred by Multus on behalf of Qualia was discharged. The sale and its terms were arranged by Chandran.
 - (k) The vendor take back mortgage was not registered until October 21, 2013.
 - (l) None of the monies obtained through the sale and re-mortgaging of Dominion Place were paid to the investors referenced in paragraph (h) above.
 - (m) The conversion of the equity interests of the individuals referred to in paragraph (h) was done by Chandran without consent and without colour of right, with intent to deprive them temporarily or absolutely of the

interest within the meaning of sections 322 and 334(a) of the Criminal Code.

C. Jurisdiction Of the Tribunal

11. Pursuant to paragraph 3 of s. 127(4.0.1) of the Act, if a person or company has been convicted in any jurisdiction of an offence arising from a transaction, business, or course of conduct related to securities or derivatives, the Tribunal may make any of the orders described in paragraphs 1 to 8.5 of s. 127(1) of the Act against the Respondent without giving the Respondent an opportunity to be heard.
12. Chandran has been convicted of an offence arising from a transaction, business, or course of conduct related to securities.
13. Chandran is a resident of Ontario.
14. Subsection 127(4.0.4) allows the Tribunal to make an order under s. 127(4.0.1) even if the circumstances arose before s. 127(4.0.1) came into force.
15. It is in the public interest to make the requested orders against the Respondent to protect investors and safeguard the integrity of Ontario's capital markets.

III. ORDER SOUGHT

16. The Commission requests that the Tribunal make the following orders against Chandran:
 - (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities or derivatives by Chandran cease permanently;
 - (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by Chandran be prohibited permanently;
 - (c) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law not apply to Chandran permanently;

- (d) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Chandran resign any positions that he holds as a director or officer of any issuer or registrant;
- (e) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Chandran be prohibited permanently from becoming or acting as a director or officer of any issuer or registrant;
- (f) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Chandran be prohibited permanently from becoming or acting as a registrant or promoter; and
- (g) such other order or orders as the Tribunal considers appropriate.

March 9, 2026

ONTARIO SECURITIES COMMISSION

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

Christine Gorgi

Litigation Counsel
Enforcement Division
LSO# 85216P

Tel: (416) 263-7717

Email: cgorgi@osc.ca

Muzammil Chatha

Student-At-Law
Enforcement Division

Email: MChatha@osc.gov.on.ca