



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- AND -

**IN THE MATTER OF
MAPLE LEAF INVESTMENT FUND CORP., JOE HENRY CHAU (aka HENRY JOE
CHAU, SHUNG KAI CHOW and HENRY SHUNG KAI CHOW), TULSIANI
INVESTMENTS INC., SUNIL TULSIANI and RAVINDER TULSIANI**

**SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND RAVINDER TULSIANI**

PART I – INTRODUCTION

1. By Notice of Hearing dated February 12, 2010, the Ontario Securities Commission (the “Commission”) announced that it proposed to hold a hearing, commencing on February 25, 2010, to consider whether, pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) it was in the public interest to make orders, as specified therein, against Maple Leaf Investment Fund Corp., Henry Chau, Sunil Tulsiani, Tulsiani Investments Inc. (“Tulsiani Investments”), and Ravinder Tulsiani (“Tulsiani”).

2. By Notice of Hearing dated December 17, 2010, the Commission announced that it will hold a hearing on December 21, 2010 at 10:00 a.m. in respect of a Settlement Agreement (the “Settlement Agreement”) between Staff of the Commission (“Staff”) and Tulsiani. At the hearing, the Commission will consider whether, pursuant to section 127 of the Act, it is in the public interest to approve the Settlement Agreement.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing against Tulsiani in accordance with the terms and conditions set out below. Tulsiani consents to the making of orders in the form attached as Schedule “A” on the basis of the facts set out below.

PART III – AGREED FACTS

4. Staff and Tulsiani agree, solely for the purposes of this Settlement Agreement and any order of the Commission contemplated hereby, with the facts and conclusions set out in Part III of this Settlement Agreement. Staff and Tulsiani agree that this Settlement Agreement is without prejudice to Tulsiani in any past, present or future civil proceeding which may be brought by any person. Nothing in this Settlement Agreement is intended to be an admission of civil liability by Tulsiani to any person or company; such liability is expressly denied.

5. To the extent Tulsiani does not have direct personal knowledge of certain facts as described below, Tulsiani believes the facts to be true and accurate.

Background

6. Tulsiani Investments is an Ontario company incorporated on May 28, 2007, with its head office in Brampton, Ontario. Through its promotional materials, Tulsiani Investments purported to offer investors high-yield revenue properties that hold great potential for growth. Tulsiani Investments has never been registered in any capacity with the Commission.

7. Tulsiani, Sunil Tulsiani and Tulsiani Investments operated Private Investment Club (“PIC”) as an investment club to promote investment opportunities to its fee paying members. PIC has never been registered in any capacity with the Commission.

8. Tulsiani is a resident of Brampton, Ontario. Tulsiani was the chief executive officer and a director of Tulsiani Investments in December 2008. Tulsiani resigned from his positions with Tulsiani Investments on or about December 19, 2008. Tulsiani has been registered with the

Commission in various capacities and his last registration with the Commission ended on April 25, 2006.

Maple Leaf Investment Fund

9. Maple Leaf Investment Fund (“MLIF”) is an Ontario company incorporated on January 11, 2007.

10. In December 2008, Tulsiani and Tulsiani Investments participated in the sale of MLIF 401 series bonds (the “401 Bonds”) to members of PIC. In particular, Tulsiani:

- (a) invited or knew that potential investors were invited to attend meetings and/or seminars to learn about the 401 Bonds;
- (b) was present when representations were made to potential investors about the 401 Bonds at meetings and/or seminars including representations that the bonds were “risk free”;
- (c) assisted and directed some investors on how to complete subscription agreements and other documents related to the 401 Bonds at meetings where the 401 Bonds were presented to PIC members; and
- (d) was present when funds from some investors were accepted for the purchase of the 401 Bonds.

11. In total, Tulsiani Investments contributed to raising approximately \$1.8 million from the sale of the 401 Bonds to approximately 35 investors. Approximately \$825,000 of this amount was later returned to investors as “redemptions” on the 401 Bonds when the investors were asked in or around January 2009 to either “redeem” their 401 Bond or roll their funds over into a 402 Bond. Tulsiani was no longer with Tulsiani Investments when this occurred in and after January 2009.

Conduct Contrary to Ontario Securities Law

12. Tulsiani and Tulsiani Investments traded in securities of MLIF at a time when neither Tulsiani nor Tulsiani Investments was registered with the Commission in any capacity and no registration exemption was available. This conduct was contrary to section 25 of the Act.

13. Tulsiani, being a director of Tulsiani Investments, did authorize, permit or acquiesce in the commission of the violations of section 25 of the Act by Tulsiani Investments set out above contrary to section 129.2.

PART IV - CONDUCT CONTRARY TO THE PUBLIC INTEREST

14. By engaging in the conduct described above, Tulsiani admits and acknowledges that he contravened Ontario securities law in the following ways:

- (a) Tulsiani traded in securities without registration contrary to section 25 of the *Act*; and
- (b) Tulsiani, as an officer and director of Tulsiani Investments, authorized, permitted or acquiesced in Tulsiani Investments contraventions of the Act, contrary to section 129.2 of the Act and contrary to the public interest.

15. Tulsiani admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 14 (a) and (b).

PART V - TERMS OF SETTLEMENT

16. Tulsiani agrees to the terms of settlement listed below.

17. The Commission will make an order, pursuant to subsection 127(1) and section 127.1 of the Act, that:

- (a) the Settlement Agreement is approved;

- (b) trading in any securities by Tulsiani shall cease for a period of eight years from the date of the approval of the Settlement Agreement;
- (c) the acquisition of any securities by Tulsiani is prohibited for a period of eight years from the date of the approval of the Settlement Agreement;
- (d) any exemptions contained in Ontario securities law do not apply to Tulsiani for a period of eight years from the date of the approval of the Settlement Agreement;
- (e) Tulsiani shall pay an administrative penalty of \$15,000 as a result of his non-compliance with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to s.3.4(2) of the Act;
- (f) Tulsiani shall pay \$5,000 representing a portion of Staff's costs in this matter.
- (g) Tulsiani is prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager for a period of eight years from the date of this Order; and
- (h) Tulsiani is prohibited for a period of eight years from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter.

18. In regard to the payments ordered above, Tulsiani agrees to personally make a payment of \$3,000 by certified cheque or bank draft when the Commission approves this Settlement Agreement. Tulsiani further agrees to pay at least \$250 by cheque one month after the Commission approves this Settlement Agreement and to pay by cheque at least \$250 every month thereafter as well as additional payments of \$2,666.67 on each anniversary of the approval of this Settlement Agreement until the \$20,000 amount ordered above in paragraph 17 is paid in full. Tulsiani will not be reimbursed for, or receive a contribution toward, these payments from any other person or company other than voluntary assistance from his immediate family.

19. Tulsiani undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-

paragraphs 17 (b), (c), (d), (g) and (h) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI - STAFF COMMITMENT

20. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 21 below.

21. If the Commission approves this Settlement Agreement and Tulsiani fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against Tulsiani. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII - PROCEDURE FOR APPROVAL OF SETTLEMENT

22. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for December 21, 2010, or on another date agreed to by Staff and Tulsiani, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

23. Staff and Tulsiani agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on Tulsiani's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

24. If the Commission approves this Settlement Agreement, Tulsiani agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

25. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

26. Whether or not the Commission approves this Settlement Agreement, Tulsiani will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII - DISCLOSURE OF SETTLEMENT AGREEMENT

27. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

- (i) this Settlement Agreement and all discussions and negotiations between Staff and Tulsiani before the settlement hearing takes place will be without prejudice to Staff and Tulsiani; and
- (ii) Staff and Tulsiani will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

28. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX - EXECUTION OF SETTLEMENT AGREEMENT

29. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement.

30. A facsimile copy of any signature will be as effective as an original signature.

Dated this 17th day of December, 2010.

Signed in the presence of:

"Leena Tulsiani"

Witness

"Ravinder Tulsiani"

Ravinder Tulsiani

Dated this 17th day of December, 2010.

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Karen Manarin"

Per: Tom Atkinson

Tom Atkinson

Director, Enforcement Branch

Dated this 17th day of December, 2010



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SCHEDULE “A”

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

- AND -

MAPLE LEAF INVESTMENT FUND CORP., JOE HENRY CHAU (aka HENRY JOE CHAU, SHUNG KAI CHOW and HENRY SHUNG KAI CHOW), TULSIANI INVESTMENTS INC., SUNIL TULSIANI and RAVINDER TULSIANI

**ORDER
(Sections 127(1) and 127.1)**

WHEREAS on February 12, 2010, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”), in respect of Maple Leaf Investment Fund Corp., Joe Henry Chau (a.k.a. Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani, and Ravinder Tulsiani (“Tulsiani”);

AND WHEREAS Tulsiani entered into a Settlement Agreement with Staff of the Commission dated December 17, 2010 (the "Settlement Agreement") in which Tulsiani agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and the Amended Statement of Allegations of Staff of the Commission, and upon hearing submissions from Tulsiani and from Staff of the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement is approved;
- (b) pursuant to clause 2 of subsection 127(1), trading in any securities by Tulsiani cease for a period of 8 years from the date of this Order;
- (c) pursuant to clause 2.1 of subsection 127(1), the acquisition of any securities by Tulsiani is prohibited for a period of 8 years from the date of this Order;
- (d) pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to Tulsiani for a period of 8 years from the date of this Order;
- (e) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1), Tulsiani shall be prohibited for a period of 8 years from the date of this Order from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (f) pursuant to clause 8.5 of subsection 127(1), Tulsiani shall be prohibited for a period of 8 years from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (g) pursuant to clause 9 of subsection 127(1), Tulsiani shall pay an administrative penalty to the Commission of \$15,000 obtained as a result of his non-compliance with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to s.3.4(2) of the Act;

- (h) pursuant to section 127.1, Tulsiani shall pay the amount of \$5,000 representing a portion of Staff's costs in this matter; and
- (i) with respect to the amounts ordered to be paid above at paragraphs (f) and (g), Tulsiani shall pay \$3,000 by certified cheque or bank draft on the date of the approval of the Settlement Agreement and at least \$250 by cheque every month thereafter as well as additional payments of \$2,666.67 on each anniversary of the approval of this Settlement Agreement until the amounts ordered above in paragraphs (g) and (h) are paid in full. Tulsiani will not be reimbursed for, or receive a contribution toward, these payments from any other person or company other than voluntary assistance from his immediate family.

DATED AT TORONTO this day of December, 2010.

Carol S. Perry