



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

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

- and -

**IN THE MATTER OF
DANISH AKHTAR SOLEJA, DANSOL INTERNATIONAL INC.,
GRAPHITE FINANCE INC., PARKVIEW LIMITED PARTNERSHIP, and
1476634 ALBERTA LTD.**

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

Staff of the Ontario Securities Commission (“Staff”) allege:

I. OVERVIEW

1. On October 25, 2016, Danish Akhtar Soleja (“Soleja”), Dansol International Inc. (“Dansol”), Graphite Finance Inc. (“Graphite”), Parkview Limited Partnership (“Parkview LP”) and 1476634 Alberta Ltd. (“1476 Ltd.”) (collectively, the “Respondents”) entered into a Settlement Agreement and Undertaking with the Alberta Securities Commission (the “ASC”) (the “Settlement Agreement”).
2. Pursuant to the Settlement Agreement, the Respondents each agreed to certain undertakings and to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.
3. Staff are seeking an inter-jurisdictional enforcement order reciprocating the Settlement Agreement, pursuant to paragraph 5 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5 (the “Act”).

II. THE ASC PROCEEDINGS

Agreed Facts

Parties

4. Dansol is a land development corporation formed pursuant to the laws of Alberta. It was incorporated on August 15, 2006.
5. Parkview LP is a body corporate formed pursuant to the laws of Alberta. It was formed on September 9, 2009.
6. 1476 Ltd. is a corporation formed pursuant to the laws of Alberta. It was incorporated on June 24, 2009. It is the general partner of Parkview LP.
7. Graphite is a corporation formed pursuant to the laws of Alberta. It was incorporated on February 23, 2011. It was formed to facilitate the sale of units in Parkview LP to investors through registered plans.
8. Soleja is a resident of Edmonton, Alberta. He was, at all material times:
 - a. the sole director, officer, and shareholder of Dansol;
 - b. the sole director and shareholder of 1476 Ltd.; and
 - c. the sole director and shareholder of Graphite.

Circumstances

9. Between 2009 and 2014, Soleja was the director of the team behind a business plan to develop a waterfront real estate project known as the “Watermere Resort” adjacent to Pigeon Lake in Alberta.
10. Soleja caused Dansol, 1476 Ltd., and Parkview LP to carry out various steps in support of developing the Watermere Resort. This included:

- (a) Causing Dansol to acquire land, and additional rights to acquire additional land, adjacent to Pigeon Lake (collectively, the “Watermere Lands”);
 - (b) Causing Dansol and Parkview LP (through its general partner 1476 Ltd.) to transfer Dansol’s interest in the Watermere Lands to Parkview LP;
 - (c) Raising approximately \$4,925,000 in investment capital from approximately 110 investors, by selling partnership units in Parkview LP (which included converting undivided interests in some of the Watermere Lands into partnership units);
 - (d) Raising approximately \$479,000 in investment capital in Graphite, through the sale of shares to investors;
 - (e) Dansol emailing investors in Parkview LP and Graphite newsletters and other information including the status of their investments and the progress of the Watermere Resort; and
 - (f) Communicating with staff of Leduc County regarding the Watermere Resort and in particular, regulatory development approvals.
11. Soleja obtained legal advice from a securities lawyer in regards to the capital raising activities of Parkview LP, Graphite and Dansol. This included assistance in preparing the Offering Memoranda.
 12. The partnership units in Parkview LP and the shares in Graphite constituted securities as defined in Alberta securities laws.
 13. The solicitation of investments and the sale of partnership units in Parkview LP and of shares in Graphite constituted “trades” and also constituted “distributions” as defined by Alberta securities laws.
 14. At the time of and in relation to the distributions referred to above, no preliminary prospectus and no final prospectus had been filed with or received by the Executive Director of the ASC, notwithstanding the requirement of section 110(1) of the Alberta *Securities Act*, RSA 2000, c S-4 (the “Alberta Act”) (the “Prospectus Requirement”).

15. Notwithstanding the use of offering memoranda to distribute the partnership units and the shares of Graphite, the Respondents failed to follow certain requirements of the Offering Memorandum exemption to the Prospectus Requirement and, as such, failed to qualify for an exemption from the Prospectus Requirement with respect to all of the distributions referred to above.
16. Dansol's involvement in the trading and distributions also amounted to "dealing" as defined by Alberta securities laws because:
 - (a) Dansol collected commission and finder's fees from those activities, in the approximate net amount of \$180,000; and
 - (b) Dansol conducted trading with frequency and repetition.
17. At no point in time was Dansol registered as a dealer with the Executive Director of the ASC, notwithstanding the requirements of section 75 of the Alberta Act (the "Registration Requirement").
18. Soleja advises that, upon the advice of counsel, Dansol intended to rely on Blanket Order 31-505 to legally avoid the Registration Requirement. However, due to errors in compliance with Blanket Order 31-505, Dansol was not properly exempt from the Registration Requirement.
19. In the course of distributing the partnership units and shares of Parkview LP and Graphite, respectively, each of the Respondents other than 1476 Ltd. made written and oral statements to investors that failed to include material information necessary to make the statements not misleading. This information included but is not necessarily limited to:
 - (a) That the price paid by Dansol for the lands (including rights to additional lands) was less than one tenth of the amount for which Dansol transferred the lands to Parkview LP; and
 - (b) That Leduc County denied the application for the Watermere Resort local area structure plan on June 2, 2012.

20. The omission of this information in the statements to investors would reasonably be expected to have a significant effect on market price or value of the Parkview LP partnership units and the Graphite shares.
21. Soleja authorized, permitted or acquiesced in the corporate Respondents' actions and statements referred to above.

Admitted Breaches of Alberta Securities Laws

22. Based on the agreed facts, the Respondents admitted as follows:
 - (a) Each of Soleja, Dansol, Parkview LP, and Graphite breached section 92(4.1) of the Alberta Act, by making statements that they knew or reasonably ought to have known were misleading or untrue in a material respect, or which failed to state a fact necessary to make a statement not misleading, and which would reasonably be expected to have a significant effect on the market price or value of the aforementioned securities;
 - (b) Dansol breached section 75 of the Alberta Act, by dealing in securities contrary to the Registration Requirement and without an exemption from that requirement; and
 - (c) Soleja, Dansol, Parkview LP, Graphite and 1476 Ltd. breached section 110(1) of the Alberta Act, by distributing securities without having filed and received a receipt for a preliminary prospectus or a prospectus, and without an exemption from that requirement for some or all of those distributions.
23. The Respondents further admit that their conduct was such that a sanction under s.198 of the Alberta Act would be in the public interest.

The Settlement Agreement and Undertakings

24. Pursuant to the Settlement Agreement, the Respondents each agreed to certain undertakings and to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta:

(a) Soleja:

1. pay \$65,000.00 to the ASC, inclusive of costs;
2. except as specifically outlined in paragraph 24(a)(3) below, refrain for a period of 7 years from the date of the Settlement Agreement from:
 - (i) becoming or acting as a director or officer, or both, of any issuer that relies on any exemptions contained in Alberta securities laws or that distributes securities to the public;
 - (ii) trading in or purchasing any securities or derivatives except trades that are made through a registrant who has first been given a copy of the Settlement Agreement;
 - (iii) engaging in any investor relations activities;
 - (iv) advising in securities or derivatives;
 - (v) becoming or acting as a registrant, investment fund manager or promoter; and
 - (vi) acting in a management or consultative capacity in connection with activities in the securities market.
3. Notwithstanding paragraph 24(a)(2), Soleja may continue to act as a director and officer of the corporate Respondents:
 - (i) “for the sole purpose of marketing and selling the Watermere Lands on terms reasonably intended to maximize value to the limited partners of Parkview LP; but”
 - (ii) “for only so long as is required to market, sell, and distribute net proceeds to the limited partners of Parkview LP.”

- (b) Based on the agreed facts and admitted breaches set out above, each of Dansol, 1476 Ltd., Parkview LP, and Graphite agreed and undertook to the ASC's Executive Director to refrain for a period of 10 years from trading in or purchasing any securities or derivatives.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

25. In the Settlement Agreement, the Respondents each agreed to be made subject to sanctions, conditions, restrictions or requirements within the province of Alberta.
26. Pursuant to paragraph 5 of subsection 127(10) of the Act, an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act. Staff allege that it is in the public interest to make an order against the Respondents.
27. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
28. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*.

DATED at Toronto, this 14th day of December, 2016.