



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

- AND -

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

REASONS AND DECISION

Hearing: In writing

Decision: December 14, 2016

Panel: Alan Lenczner - Commissioner and Chair of the Panel

Submissions: Jennifer M. Lynch - For Staff of the Commission
Thomas Ng

REASONS AND DECISION

- [1] Enforcement Staff of the Commission (“Staff”) apply for Orders that:
- (a) The application is to be heard in writing;
 - (b) Pursuant to subsection 17(1) of the *Securities Act* (the “Act”), Staff are authorized to provide investor lists, promissory notes, banking records and copies of payment instruments to the Ministry of the Attorney General; and
 - (c) Such disclosure is authorized to be made without notice and without an opportunity to be heard pursuant to subsection 17(2.1) of the *Act*.
- [2] The Respondents settled the allegations against them on February 10, 2016 by admitting that they had engaged in fraud vis-à-vis investors, conducted unregistered trading and illegal distributions and made prohibited representations. They agreed to disgorge \$2,967,901.52 to the Commission on a joint and several basis representing just over 50% of the approximately \$5.25 million raised from some 90 investors.
- [3] The Commission has collected \$932,881.74 pursuant to the Settlement Agreement. The Vice-Chairs of the Commission have directed that the entire amount collected be allocated to investors and that the distribution be carried out by the Ministry of the Attorney General’s Civil Remedies for Illicit Activities Office (“CRIA”).
- [4] There can be no doubt that it is in the public interest that the recovered funds be distributed to the investors and that for maximum efficiency the distribution be undertaken by CRIA, an office with both a mandate and expertise to effect such distributions. The documents requested by Staff to be disclosed to CRIA are of a nature and character so as to permit CRIA to run a claims process and distribute the funds.
- [5] Subsection 17(2.1) of the *Act* authorizes disclosure of the items under subsection 17(1) to any entity referred to in paragraph 1, 3, 4 or 5 of section 153, without notice or an opportunity to be heard if it is in the public interest to do so. In the context of the circumstances of this matter, I find it is in the public interest to make such disclosure. Most of the investor contact information was obtained from the principal fraudster Maxsood and principal of Welcome Place who obtained the investor contact information by reason of his fraudulent activity. Some of the requested records were provided by the investors themselves. The investors will have no reasonable objection to their information being provided to CRIA, as it will only be used to effect a distribution of funds to them.
- [6] For the reasons set out above, I will issue an order that provides as follows:
- (a) The application is to be heard in writing;

- (b) Pursuant to subsection 17(1) of the *Act*, Staff are authorized to provide investor lists, promissory notes, banking records and copies of payment instruments to the Ministry of the Attorney General; and
- (c) Such disclosure is authorized to be made without notice and without an opportunity to be heard pursuant to subsection 17(2.1) of the *Act*.

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

“Alan J. Lenczner”

Alan J. Lenczner