

ALBERTA SECURITIES COMMISSION
SETTLEMENT AGREEMENT AND UNDERTAKING

Citation: Ghani, Re, 2010 ABASC 321

Date: 20100716
Docket: ENF-004599

Securities Act, R.S.A. 2000, c. S-4, as amended (Act)

Ali Ghani

Introduction

1. The staff of the Alberta Securities Commission (respectively, “Staff” and “Commission”) conducted an investigation into allegations that Balzac Commercial Campus Ltd. (formerly Prism Investments Ltd.) (“BCCL”) and Ali Ghani (“Ghani”) breached Alberta securities laws regarding prohibited representations, and acted contrary to the public interest.
2. The investigation confirmed, and Ghani admits, that he was solely responsible for breaches of the section of the *Act* referred to in this Settlement Agreement and Undertaking (“Agreement”), and that he acted contrary to the public interest.
3. Solely for securities regulatory purposes in Alberta and elsewhere, and as the basis for the settlement and undertakings referred to in paragraph 17 of this Agreement, Ghani agrees to the facts and consequences set out in this Agreement.
4. Terms used in this Agreement have the same meaning as provided in Alberta securities laws, a defined term in the *Act*.

Parties

5. BCCL is an Alberta corporation. Prior to a name change on December 15, 2009, BCCL was known as Prism Investments Ltd.
6. Ghani is a resident of Calgary, and was at all material times a Director of numerous corporations, all containing the word “Prism” in their name. Ghani is a director of BCCL. Ghani was an Officer of BCCL until May 7, 2010.

Circumstances

Uptown Advertisement

7. The November 2009 – January 2010 Uptown Magazine, distributed as an insert in the November 14, 2009, edition of the Calgary Herald newspaper, contained a full page advertisement (the “Ad”). The Ad also appeared on the Uptown Magazine website.

8. The Ad, headed Prism Investments, described four securities investment opportunities – Prism Place, Heritage Hills Plaza, Balzac Commercial Campus, and Bella Vista Condos – and made the following statements in respect of some or all of the opportunities:
- Fully Secure & High Return Investment;
 - 60% Return on investment over 3 years;
 - Investments strictly regulated and monitored by Alberta Securities Commission
 - Fully secure and safe;
 - Projected Rate of Return over 100%; and
 - Investment regulated by Alberta Securities Commission.

Website Advertising - PRISM PLACE

9. In February 2010, a website entitled Prism Investments, with the URL www.prisminvestments.com (the “Website”) offered investment opportunities in PRISM PLACE, a purported new office development in downtown Calgary Alberta. The Website contained the following statements in respect of the PRISM PLACE investment:
- This is a safe, secure, low-risk, high-yielding short-term development investment with a defined time line and a company with a track record of treating investors fairly and compensating them well;
 - Investors will be further secured and feel fully confident when investing with PRISM Investments by signing an Offering Memorandum;
 - The concept is similar to a money-back guarantee offered by a store on a product you buy. If for any reason you are not fully confident in your investment at PRISM PLACE, you will receive a full refund of your invested amount. This guarantee covers a period of one year from your signing of the subscription agreement and the transfer of funds;
 - A medium term, fully secure investment;
 - In the first option, the investment will provide a 60% RETURN ON INVESTMENT over a three year period. At the end of the PRISM PLACE’s three-year development period, the complete principal amount with the accumulated, non-compounding interest will be paid to the investors;
 - Investors will enjoy a true fixed return of their investments without any concerns of projections or profit margins; and
 - Investors will be fully protected when they sign an Offering Memorandum with the development company;

Representations by Prism Place Agent

10. On February 4, 2010, a Manitoba Securities Commission investigator, posing as an investor, contacted the Alberta area code telephone number provided in an advertisement on the Kijiji Winnipeg website titled “Investors Needed 100k to 5,000,000”. An individual identifying himself as Stephen Biscette (“Biscette”) answered the call, and made the following statements to the investigator:
- the investment being offered was for Prism Place in Calgary;
 - the company was BCCL, with a website www.prisminvestments.com (i.e. the Website);
 - investments were backed by a company guarantee, supported by \$250 million in assets, which in turn was backed by a personal guarantee;
 - the Alberta Securities Commission would send him a certificate of investment, saying he was a preferred shareholder in Prism Place; and
 - the company had been doing developments for 10 years and offering investments on their developments for over 6 years.

Admissions by Ghani

11. For the purposes of resolving this matter, Ghani admits the following:
- That he is the sole Director and Officer of Prism Place Development Ltd. (“PPD Ltd.”);
 - That only Ghani was involved in the publishing of the Ad, as well as the Website; and
 - That Biscette, in making the representations regarding Prism Place and BCCL, was acting solely as agent of Ghani and not on behalf of, or as agent or employee of BCCL.

Breaches

12. As a result of the conduct outlined above, Ghani admits that he breached or was responsible for the breaches of sub-section 92(4.1) of the *Act* by making prohibited representations, in that:

As to the Ad:

- the investments are not secure, and entailed risks which were not identified or referred to in the Ad;
- the investments are not regulated by the Commission;
- the 60% return on investment is an unsubstantiated estimate, based on undisclosed assumptions and conclusions;
- the investments are not “safe”, and entail risks which were not identified or referred to in the Ad; and

- the rate of return of over 100% is an unsubstantiated estimate, based on undisclosed assumptions and conclusions.

As to the Website:

- the investments are not safe and secure, and entail risks not identified or referred to prominently or at all on the Website;
- an Offering Memorandum does not secure an investment, and its signing does not protect investors; and
- the 60% return on investment is an unsubstantiated estimate, based on undisclosed assumptions and conclusions.

As to the Representations by the Prism Place Agent

- The corporation promoting Prism Place, be it BCCL or otherwise, did not have \$250 million in unencumbered assets at the time;
- the Alberta Securities Commission is not involved with the offering of securities and does not send share certificates of or on behalf of any issuers to investors; and
- BCCL did not have the experience stated, having been incorporated in 2007.

13. Ghani further admits that in failing to state facts that were required or necessary to make the Ad, the Website and the Biscette representations not misleading, he also acted contrary to the public interest.

Other Circumstances Relevant to Settlement

14. Ghani states:

- That, as far as Ghani is aware, no investor invested funds in PPD Ltd., or any other entity controlled by Ghani, to finance the project referred to as “Prism Place” in the Ad and on the Website as a result of the representations contained in the Ad or on the Website or as made by Biscette.
- That no investor in PPD Ltd. or “Prism Place” has made any complaint to Ghani or, as far as he is aware, to any entity he controls, or has commenced any legal proceedings against Ghani or any entity that he controls, respecting the representations made in the Ad or on the Website or by Biscette.

15. Ghani has not been previously sanctioned by the Commission and cooperated with Staff throughout the investigation.

16. This Agreement has saved the Commission the time and expense associated with a contested hearing under the *Act*.

Settlement Payments and Undertakings

17. Based on these facts and admissions, Ghani agrees to pay to the Commission the sum of \$35,000 in settlement of the allegations against him and the sum of \$2,500 towards the costs of the investigation.

All Allegations Against BCCL are Withdrawn

18. Staff hereby withdraw all allegations made against BCCL contained in the Amended Notice of Hearing.

Administration

19. Ghani acknowledges that he has sought and obtained independent legal advice and that he has voluntarily made the admissions in this Agreement.

20. Ghani waives any right existing under the *Act*, or otherwise, to a hearing, review, judicial review, or appeal of this matter.

21. Ghani acknowledges that this Agreement may be referred to in any other proceedings under the *Act*, and in securities regulatory proceedings in other jurisdictions.

22. The Agreement resolves all issues involving the misrepresentations in the Ad, on the Website, and made by Biscette as described above and contained in the Amended Notice of Hearing, and Staff will take no further steps against Ghani or BCCL in relation thereto.

23. The Agreement may be executed in counterpart.

Signed at Calgary, Alberta this 15 day of July, 2010 in the presence of:)

WITNESS NAME _____)

WITNESS NAME _____)

“Original Signed By” _____)

SIGNATURE _____)

“Original Signed By” _____)

ALI GHANI)

) ALBERTA SECURITIES COMMISSION)

Calgary, Alberta, this 16 day of July, 2010)

) “Original Signed By” _____)

) John P. Petch)

) Director, Enforcement)