

Reciprocal Order

Chitra Chandran

Section 161 of the *Securities Act*, RSBC 1996, c. 418

- [1] This is an order under sections 161(1) and 161(6)(c) of the *Securities Act*, RSBC 1996, c. 418.
- [2] Section 161(6) facilitates cooperation between the Commission and other securities regulatory authorities, self-regulatory bodies and exchanges. The executive director of the Commission has applied for an order reciprocating in British Columbia certain of the sanctions imposed by the Alberta Securities Commission (ASC) on September 26, 2014, against Chitra Chandran (Chandran) in *Re Platinum Equities Inc.*, 2014 ABASC 376.
- [3] We find that the executive director provided the respondent notice of the application. Although Chandran was provided the opportunity to be heard, she did not participate in the hearing.
- [4] The Commission makes reciprocal orders under section 161(6) when such an order will, in the public interest, protect investors and the capital markets in British Columbia. Although the order in British Columbia is based on findings and sanctions in another jurisdiction, the Commission must be able to regulate a cross-border securities industry with highly mobile funds, people and information.
- [5] Among other things, the ASC found that Chandran was a director, officer or senior manager of a company and related entities that raised over \$58,000,000 from investors involving various real estate projects. While Chandran's role with the company and related entities raising money from investors was more limited than that of her brother, the ASC found that she was responsible for recruiting, training and managing salespeople. All but one of the projects failed, most of the investors lost their money and the ASC found that Chandran and the company or related entities of which she was a director, officer or senior manager had perpetrated a fraud, misled investors and engaged in illegal trades and distributions. One of the subsidiary companies used to perpetrate the fraud was based in British Columbia.
- [6] The ASC orders are effective until the later of (i) September 26, 2024, and (ii) the date on which all monetary orders under sections 199 of the *Alberta Securities Act* for which Chandran is responsible have been paid to the ASC. The executive director has applied to reciprocate the ASC orders in British Columbia until September 26, 2024.
- [7] To prevent Chandran from engaging in similar conduct in British Columbia, we find that it is in the public interest to order that

- a) under section 161(1)(d)(i), Chandran resign any position she holds as a director or officer of any issuer registrant;
- b) Chandran is prohibited until September 26, 2024:
 - i. under section 161(1)(b)(ii), from trading in or purchasing any securities or derivatives;
 - ii. under section 161(1)(c), from relying on any exemptions set out in this Act, the regulations or a decision;
 - iii. under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant; and
 - iv. under section 161(1)(d)(iv), from advising or otherwise acting in a management or consultative capacity in connection with activities in the securities or derivatives market.

January 25, 2021

For the Commission

Gordon Johnson
Vice Chair

Deborah Abbey
Commissioner