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Rashida Samji, Arvindhbai Bakorbhai Patel (aka Arvin Patel) and Samji & Assoc. Holdings Inc.

Securities Act, RSBC 1996, c. 418

Application

Panel	Brent W. Aitken	Vice Chair
	David J. Smith	Commissioner
	Shelley C. Williams	Commissioner

Hearing February 17, 2012

Date of decision February 20, 2012

Appearing

Sean K. Boyle For Arvin Patel
Laura Cundari

Kristine Mactaggart Wright For the Executive Director
Joyce Johner

Decision

- ¶ 1 On January 31, 2012 the Chair of the Commission issued an investigation order under section 142(1) of the *Securities Act*, RSBC 1996, c. 418. Commission staff filed an affidavit in support of its application for the investigation order describing activities of Rashida Samji, Samji & Assoc. Holdings Inc. and Arvindhbai Bakorbhai Patel (aka Arvin Patel) that may contravene the Act. We refer to these activities as the suspected illegal distribution.
- ¶ 2 On January 31, 2012 the Chair of the Commission made an order under section 151(2) of the *Securities Act*, RSBC 1996, c. 418, freezing five accounts at four financial institutions. One of the accounts, in the name of Patel, is the subject of this application. The other accounts were in the names of Samji or Samji Holdings, or both.
- ¶ 3 Paragraph 6 of the freeze order freezes the Patel account, an account at a branch of Coast Capital Savings.
- ¶ 4 On February 2, 2012 the Chair of the Commission gave notices under section 151(5) to the Land Titles Office for registration against the titles of five

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condominium properties that Patel owns, either solely or jointly with his son. A notice under section 151(5) is similar to a caveat.

- ¶ 5 On February 3, 2012 the Chair of the Commission issued an amended investigation order under section 142(1).
- ¶ 6 On February 14, 2012 Patel applied under section 171 to have the freeze order and the section 151(5) notices revoked, or alternatively, the freeze order varied to allow Patel access to the Coast Capital account to pay his living expenses and to retain counsel.
- ¶ 7 At the hearing, the executive director produced evidence that Patel also has two retirement accounts at Coast Capital and a brokerage account at Mackie Research Capital Corporation. The executive director applied for freeze orders against these accounts.
- ¶ 8 The matter is at an early stage of investigation. No notice of hearing has been issued.
- ¶ 9 We order:
1. under section 171 of the Act, considering that it would not be prejudicial to the public interest to do so, that
 - (a) paragraph 6 of the freeze order is revoked, and
 - (b) paragraph 7 of the freeze order is revoked to the extent it applies to the Coast Capital accountupon Patel's filing an undertaking with the Commission that:
 - (c) he will use not less than \$50,000 of the funds in the Coast Capital account to retain legal counsel in connection with the suspected illegal distribution,
 - (d) he will keep in good standing the mortgages on the properties subject to the section 151(5) notices,
 - (e) he will keep current all strata fees and assessments relating to the properties subject to the section 151(5) notices,
 - (f) he will deposit into the Coast Capital account all rents he receives from the properties subject to the section 151(5) notices; and

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2. Under section 151(1) of the Act, considering it to be in the public interest to do so, that:
 - (a) Coast Capital Savings, branch transit number 19610-809, hold any funds, securities, exchange contracts or other property that it may have on deposit, under control or for safekeeping in the name of Arvindbhai B. Patel (aka Arvin Patel) in account numbers 6060346 (locked-in retirement account) and 6124658 (RRSP account), provided that Patel may trade securities in those accounts,
 - (b) Mackie Research Capital Corporation hold any funds, securities, exchange contracts or other property that it may have on deposit, under control or for safekeeping in the name of Arvindbhai B. Patel (aka Arvin Patel) in account numbers 31G9H1B and 31G9H1A, provided that Patel may trade securities in those accounts, and
 - (c) Patel refrain from withdrawing any funds, securities, exchange contracts or other property described in paragraphs 2(a) and (b) of these orders.
- ¶ 10 We direct the parties to appear before a panel of the Commission on April 2, 2012 at 10:00, at which appearance:
1. Patel will provide evidence that he is in compliance with the undertaking described in paragraph 1 of these orders,
 2. Patel will provide an accounting of the funds deposited to and withdrawn from the Coast Capital account, and
 3. the executive director will update the panel as to the investigation as it relates

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to Patel with particular reference to the public interest in maintaining the freeze order and the orders in paragraph 2 of these orders.

¶ 11 Patel may apply at any time under section 171 for further revocations or variations of the freeze order and the orders in this decision.

¶ 12 Our reasons will follow.

¶ 13 February 20, 2012

¶ 14 **For the Commission**

Brent W. Aitken
Vice Chair

David J. Smith
Commissioner

Shelley C. Williams
Commissioner