

2012 BCSECCOM 107

Notice of Hearing

Rashida Samji, Rashida Samji Notary Corporation and Samji & Assoc. Holdings Inc.

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

- ¶ 1 The British Columbia Securities Commission (Commission) will hold a hearing (Hearing) at which the Executive Director will tender evidence, make submissions and apply for orders against Rashida Samji (Samji), Rashida Samji Notary Corporation (Notary Corp.) and Samji & Assoc. Holdings Inc. (Samji & Assoc.) (collectively the Respondents) under sections 161, 162 and 174 of the *Securities Act*, RSBC 1996, c. 418, based on the following facts:

Background

1. Samji, a resident of Vancouver, BC, became a notary public in 1988. In 1995 she began running her notary practice through her Notary Corp. In 2006, she became a roving notary whose practice was limited to maintaining the practice of other notaries while they were sick or on vacation.
2. The Society of Notaries Public of British Columbia (Notary Society) suspended Samji from practicing on February 7, 2012. On February 8, the Notary Society obtained a court order appointing a custodian over Samji's practice. Samji subsequently submitted her resignation on March 6, 2012.
3. Samji is the sole director and officer of the two corporate respondents, Notary Corp. and Samji & Assoc., who are both BC companies.

Misconduct

Ponzi scheme

4. Between at least 2003 and the end of January 2012, Samji offered a 'secure investment' to approximately 218 investors who gave her about \$83 million to participate in this investment.
5. Samji told investors that:
 - (a) their money would be kept safe in her notary trust account, which was monitored and audited by the Notary Society, and would not be paid out to any party;
 - (b) based on the funds in her trust account she would provide a comfort letter to a BC winery, Mark Anthony Group Inc. (Mark Anthony) and other wineries, which would enable them to use the investor funds, without

2012 BCSECCOM 107

accessing them, as collateral for loans in foreign countries where they conducted their wine business; and

- (c) the wineries would pay a fee to Samji for the investor putting their funds “in trust” as this saved the wineries from utilizing their own funds. Samji would pass these fees onto investors in the form of a fee payment of 12-30% per year.

6. The above statements were all false:

- (a) the money was not kept safe in a notary trust account monitored and audited by the Notary Society. As a roving notary, she chose not to have a trust account. Instead, she deposited investor money into her personal bank accounts in the name of Notary Corp and Samji & Assoc. These accounts were not monitored or audited by the Notary Society who did not know they existed;
- (b) she provided no letters of comfort to Mark Anthony or any other wineries. Mark Anthony had no knowledge that she was claiming to have this business relationship with them; and
- (c) the money investors received back from Samji did not come from wineries. Instead, Samji paid existing investors money from new investors under the guise of investment fees.

7. Since about 2003, there have been approximately \$63 million in payments from Samji to investors.

False mortgage

- 8. In 2001, Samji took \$300,000 from at least one investor (Mortgagee) purportedly as a personal mortgage to the principal of Mark Anthony for his residence in Vancouver (Mortgagor).
- 9. Samji gave the Mortgagee false documents to create the appearance of a legitimate mortgage:
 - Samji created a Form B mortgage document by cutting and pasting a legitimate land title office filing number from a document that had been previously filed and also by forging the signature of the Mortgagor.

2012 BCSECCOM 107

- Samji created five fake letters from the Mortgagor to the Mortgagee purporting to renew the false mortgage between 2002 and 2011. She forged the signature of the Mortgagor and his agent.
 - Samji created a fake land title search purporting to show the false mortgage as a charge on the Mortgagor's property.
10. Samji did not provide the \$300,000 to the Mortgagor who had no knowledge of the transaction. No mortgage actually existed or was ever registered in the land titles registry.

Fraud

11. By engaging in the misconduct described above, the Respondents perpetrated a fraud against investors, contrary to section 57(b) of the Act.
12. Samji as the sole director and officer of Notary Corp. and Samji & Assoc. authorized, permitted or acquiesced in Notary Corp.'s and Samji & Assoc.'s contravention of section 57 of the Act and, therefore also contravened the same provisions under section 168.2 of the Act.

Public interest

- ¶ 2 It is in the public interest that the Commission issue orders under sections 161 and 162 of the Act.

Hearing Process

- ¶ 3 The Respondents or their counsel are required to attend at the 12th Floor Hearing Room, 701 West Georgia Street, Vancouver, British Columbia, on **Tuesday, May 1, 2012, at 9:00 am** if they wish to be heard before the Commission sets a date for the Hearing. Relevant information gathered by Commission Staff in the investigation of this matter will be disclosed to the Respondent upon request to the Executive Director.
- ¶ 4 At the Hearing, the Respondents may be represented by counsel, make submissions and tender evidence. The Respondents are requested to advise the Commission of their intention to attend the Hearing by informing the Secretary to the Commission at PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver, BC V7Y 1L2 phone: (604) 899-6500; email: commsec@bcsc.bc.ca.

2012 BCSECCOM 107

- ¶ 5 If the Respondents or their counsel do not appear at the Hearing, the Executive Director will apply to have questions of liability and sanction heard at the same time. Determinations adverse to the Respondents may be made in their absence.
- ¶ 6 April 5, 2012.
- Paul Bourque, Q.C.
- ¶ 7 Paul C. Bourque, Q.C.
Executive Director