



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED**

- and -

**IN THE MATTER OF
JOSEPH CAZA and SALIM KANJI**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

The Respondents

1. Joseph Caza (“Caza”) is a resident of Thornhill, Ontario. On or about January 1, 1996, Caza became a director of Realcash Bancorp Inc. (“Realcash”), and on or about January 20, 1998, Caza became the President of Realcash. Caza has never been registered with the Commission in any capacity, nor employed in any capacity as, or on behalf of, a market participant.
2. Salim Kanji (“Kanji”) is a resident of Scarborough, Ontario. On or about June 30, 1996, Kanji became a director of Realcash and on or about January 20, 1998, Kanji became the Vice-President of Realcash. Kanji has never been registered with the Commission in any capacity, nor employed in any capacity as, or on behalf of, a market participant.
3. In the period May 2009 to November 2010 (the “Material Time”), in addition to his role as President, Caza was a director, owner and the directing mind of Realcash. During the Material Time, in addition to his role as Vice-President, Kanji was a director and owner of Realcash.

4. Barham Investment Services Inc. (“Barham”) was incorporated in Ontario on June 11, 1993. On June 27, 1996, Barham changed its name to Realcash. Realcash has never been registered with the Commission in any capacity.
5. On December 20, 2010, Realcash filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

Realcash Security

6. The business of Realcash involved the provision of commission advances to real estate agents and/or agencies. Funding for these advances was obtained from investors, who were paid an interest rate determined by Realcash or one of its principals. The investor was on occasion provided with a promissory note as evidence of the indebtedness. This arrangement is referred to herein as the “Realcash Security.”
7. Realcash Security investors typically received monthly interest payments, but played no role in the generation of profits and/or the accrual of interest. The Realcash Security was a “security” as defined in clauses (e), (g), and/or (n) of section 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “*Securities Act*”).
8. Throughout the Material Time, Caza operated the Realcash business, including meeting with investors and initiating and managing Realcash’s arrangements with real estate agents and agencies.
9. During the Material Time, Kanji referred family and friends to Realcash, and on occasion, delivered interest cheques to Realcash Security investors.
10. During the Material Time, a total of more than \$2.8 million was raised from investors in the Realcash Security and more than \$3.2 million was paid to Realcash Security investors. Notwithstanding this, many investors did not receive full repayment of their capital.

Unregistered Trading and Unlawful Distribution

11. The respondents each traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so and without an exemption from the dealer registration requirement, contrary to section 25(1)(a) of the *Securities Act* as that section existed at the time the conduct at issue commenced, and contrary to section 25(1) of the *Securities Act* as subsequently amended on September 28, 2009.
12. The respondents' activities in respect of the Realcash Security constituted trades in securities which were distributions, for which no preliminary prospectus or prospectus was filed or receipted by the Director, contrary to section 53 of the *Securities Act*.

DATED at Toronto this 22nd day of March, 2012.