



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

- and -

**IN THE MATTER OF
NEIL SURESH CHANDRAN, ENERGY TV INC.,
CHANDRAN HOLDING MEDIA, INC., also known as
CHANDRAN HOLDINGS & MEDIA INC.,
and NEIL SURESH CHANDRAN doing business as CHANDRAN MEDIA**

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

Staff of the Ontario Securities Commission (“Staff”) allege:

I. OVERVIEW

1. Neil Suresh Chandran (“Chandran”), Energy TV Inc. (“TV”), Chandran Holding Media, Inc., also known as Chandran Holdings & Media Inc. (“Holdings”), and Chandran doing business as Chandra Media (“Chandran Media”) (collectively, the “Respondents”) are subject to an order made by the Alberta Securities Commission (the “ASC”) dated May 19, 2015 (the “ASC Order”) that imposes sanctions, conditions, restrictions or requirements upon them.
2. In its decision dated May 19, 2015 (the “ASC Decision”), a panel of the ASC (the “ASC Panel”) found that each of the Respondents engaged in unregistered trading and illegal distribution of securities, and breached filing requirements of National Instrument 45-106 – *Prospectus and Registration Exemptions* (“NI 45-106”).

3. The ASC Panel further found that TV and Holdings made prohibited representations to investors with respect to TV securities, and that Chandran authorized, permitted or acquiesced in the breaches of Alberta securities laws by each of TV, Holdings and Chandran Media.
4. Staff are seeking an inter-jurisdictional enforcement order reciprocating the ASC Order, pursuant to paragraphs 4 and 5 of subsection 127(10) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”).
5. The conduct for which the Respondents were sanctioned took place between approximately March 1, 2007 and June 30, 2009 (the “Material Time”).
6. At the time of the ASC proceedings, Chandran was a resident of Calgary, Alberta. During the Material Time, Chandran was the guiding mind of, and authorized, permitted or acquiesced in the conduct of TV, Holdings and Chandran Media.
7. TV was incorporated in Alberta in 2006. During the Material Time, TV raised capital for, and was engaged in, the media production business (specifically television, video and web-based products) from offices in Calgary, Vancouver, Toronto, Las Vegas and Los Angeles. Chandran was the founder, president, and sole director and shareholder of TV. TV has never been a reporting issuer in Alberta, has never been registered with the ASC and has never filed a prospectus with the ASC.
8. Holdings was incorporated in Nevada in 2007. During the Material Time, Holdings also raised capital for, and was engaged in, similar media production business as TV’s, and carried on business from offices in Calgary and Las Vegas. Chandran was president and a director of Holdings. Holdings has never been a reporting issuer in Alberta, has never been registered with the ASC and has never filed a prospectus with the ASC.
9. Chandran used the Chandran Media name to carry on business in Alberta raising capital for television, video and web-based products. Chandran Media was never a reporting issuer in Alberta, has never been registered with the ASC and has never filed a prospectus with the ASC.

10. During the Material Time, the Respondents raised approximately \$30 million from at least 210 investors. Funds were raised by selling shares (presumably of either or both of TV and Holdings) or entering into arrangements identified variously as loan agreements (either TV or Chandran Media apparently as borrower) or (the following all apparently involving TV) as “Factoring,” “Production Partner,” “Managed Licensee” or “Event Sponsorship” agreements or “Episodic Production Debentures.” Different terms attached to each, but seemingly very attractive returns were a common feature: for example, certain of the “Production Partner” agreements were to deliver “returns of between 800% [and] 1000% within a year”; 30-day to 3-month loan agreements offered returns of 50% to 20 times the amount invested; “Managed Licensee” agreements were to pay returns of 720% to 1,320% over 39- to 51-month terms; and the debentures were to pay an annual return of 100%.
11. Exemptions were not available for most of the trades in TV, Holdings and Chandran Media securities. TV filed reports of exempt distribution under section 6.1 of NI 45-106, but only in respect of \$5,353,650 of its distributions. Holdings and Chandran Media filed no such reports.
12. During the Material Time, TV and Holdings also entered into “Letters of Acknowledgement and Intent to Transfer/Sell” agreements with many investors, whereby TV and Holdings acknowledged the amounts outstanding to investors, and made prohibited representations that the investors would be refunded the purchase price they paid for TV securities.

II. THE ASC PROCEEDINGS

Statement of Admissions and Joint Recommendation as to Sanction

13. Prior to the commencement of the ASC proceedings, the Respondents and ASC Staff entered into a Statement of Admissions and Joint Recommendation as to Sanction (the “Statement”). The Respondents each made admissions in the Statement concerning the respective allegations against them, and further admitted that their conduct was contrary to the public interest.

The ASC Decision

14. The ASC Panel found the following, consistent with the admissions of the Respondents contained within the Statement:
- a. each of the Respondents engaged in unregistered trading and illegal distributions, sections 75(1)(a) and 110 of the ASA;
 - b. each of TV, Holdings and Chandran Media failed to file reports of exempt distribution, contrary to section 6.1 of NI 45-106;
 - c. TV and Holdings made prohibited representations to investors, contrary to section 92(1)(b) of the ASA;
 - d. Chandran authorized, permitted or acquiesced in the conduct of TV, Holdings and Chandran Media; and
 - e. the Respondents' conduct was contrary the public interest.

The ASC Order

15. The ASC Order imposed the following sanctions, conditions, restrictions or requirements upon the Respondents:
- a. against Chandran:
 - i. under sections 198(1)(b) and (c) of the ASA, Chandran must cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently, except that the ASC Order does not preclude him from trading in or purchasing securities through a registrant (who has first been given copies of the ASC Order and the Statement) in registered retirement savings plans, registered retirement income funds, registered education savings plans or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or in comparable plans, funds or accounts under United States income tax laws,

operated in each case for the benefit of himself or one or more members of his immediate family;

- ii. under sections 198(1)(d) and (e) of the ASA, Chandran must resign all positions he holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, permanently;
 - iii. under section 198(1)(e.1) of the ASA, Chandran is prohibited from advising in securities or derivatives, permanently;
 - iv. under section 198(1)(e.3) of the ASA, Chandran is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently; and
 - v. under section 199 of the ASA, Chandran must pay to the ASC an administrative penalty of \$400,000;
- b. against TV, Holdings and Chandran Media:
- i. under section 198(1)(a) of the ASA, all trading in or purchasing of securities of any of TV, Holdings and Chandran Media must cease, permanently;
 - ii. under sections 198(1)(b) and (c) of the ASA, TV, Holdings and Chandran Media must each cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to them, permanently; and
 - iii. under sections 198(1)(e.2) and (e.3) of the ASA, TV, Holdings and Chandran Media are each prohibited from becoming or acting as a registrant, investment fund manager or promoter, and from acting in a management or consultative capacity in connection with activities in the securities market, permanently; and

- c. under section 202 of the ASA, the Respondents must pay to the ASC, jointly and severally, \$60,000 of the costs of the ASC's investigation and hearing.

III. JURISDICTION OF THE ONTARIO SECURITIES COMMISSION

16. The Respondents are subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements upon them.
17. Pursuant to paragraphs 4 and 5 of subsection 127(10) of the Act, an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements on a person or company, or an agreement with a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, to be made subject to sanctions, conditions, restrictions or requirements on a person or company may form the basis for an order in the public interest made under subsection 127(1) of the Act.
18. Staff allege that it is in the public interest to make an order against the Respondents.
19. Staff reserve the right to amend these allegations and to make such further and other allegations as Staff deem fit and the Commission may permit.
20. Staff request that this application be heard by way of a written hearing pursuant to Rules 2.6 and 11 of the *Ontario Securities Commission Rules of Procedure*, (2014) 37 OSCB 4168.

DATED at Toronto, this 16th day of November, 2015.