

ALBERTA SECURITIES COMMISSION

Citation: **Re Modi, 2020 ABASC 62**

Docket: ENF-011243

Date: **20200512**

SETTLEMENT AGREEMENT AND UNDERTAKING

Jay Rasik Modi, Arti Rajeev Singh, also known as Arti Rajeev Modi, Rajeev Jagdish Singh, 982 Media House Inc., 1611385 Alberta Ltd., OmniArch Capital Group Inc., OmniArch Ventures Inc., also known as New Wave Ventures Inc., LendingArch Financial Inc., OmniArch Global Bond Corp., also known as OmniArch Global Secured Corporation, also known as Calasset Bond Corp., 1505106 Alberta Ltd., and 1502631 Alberta Ltd.

Regulatory Message

Section 92(4.1) of the *Act* provides in part that no person or company shall make statements that the person or company knows, or reasonably ought to know, are misleading or untrue in a material respect, or fail to state a fact necessary to make a statement not misleading and which would reasonably be expected to have a significant effect on the market price or value of a security. The fundamental purposes of the *Act* are to protect investors and foster a fair and efficient capital market that warrants investor confidence. The opportunity for investors to make reasonably informed investment decisions is essential to these objectives.

Accurate disclosure of an issuer's intended use of investment funds is among the most important information an investor can and should be given. Members of the public must be able to rely on the information they are given. Misrepresentations to investors are incompatible with basic objectives of securities regulation and may lead to ill-informed investment decisions, unanticipated risks as well as actual financial harm.

Agreed Facts

Introduction

1. Staff of the Alberta Securities Commission (respectively, **Staff** and the **Commission**) conducted an investigation into, among other things, allegations that Jay Rasik Modi (**Jay Modi**), Arti Rajeev Singh, also known as Arti Rajeev Modi (**Arti Modi**), Rajeev Jagdish Singh (**Singh**), 982 Media House Inc. (**982 Media**), 1611385 Alberta Ltd., OmniArch Capital Group Inc. (**OmniArch Capital Group**), OmniArch Ventures Inc., also known as New Wave Ventures Inc. (**OmniArch Ventures**), LendingArch Financial Inc. (**LendingArch**), OmniArch Global Bond Corp., also known as OmniArch Global Secured

Corporation, also known as Calasset Bond Corp. (**OmniArch Global**), 1505106 Alberta Ltd. and 1502631 Alberta Ltd. (collectively, the **Respondents**) breached Alberta securities laws contrary to the *Securities Act*, RSA 2000, c S-4 (*Act*).

2. The investigation confirmed, and the Respondents admit that they breached those sections of the *Act* referred to in this Settlement Agreement and Undertaking (**Agreement**), and that they acted contrary to the public interest.
3. Solely for securities regulatory purposes in Alberta and elsewhere, and as the basis for the settlement and undertakings referred to in paragraphs 73 through 77 hereof, and for no other use or purpose, the Respondents agree to the facts and consequences set out in this Agreement.
4. Terms used in this Agreement have the same meaning as provided in the Alberta securities laws, a defined term in the *Act*.

Parties and Related Entities

5. OmniArch Capital Corporation (**OmniArch**) was incorporated in Alberta on November 20, 2009, and maintained its registered office in Calgary, Alberta. It was incorporated by Jay Modi, Arti Modi and Singh for the purpose of soliciting, accumulating and utilizing investment funds for indirect investment into downgraded and discounted Residential Mortgage Backed Securities (**RMBS**) in the United States. RMBS are asset-backed bond securities that represent a claim on the cash flows from a pool of underlying residential mortgages.
 - 5.1 OmniArch is also known as 1502770 Alberta Ltd.
 - 5.2 On November 28, 2017, OmniArch's control was transferred to a new board of directors approved by investors.
6. Jay Modi and Arti Modi are siblings.
7. Arti Modi and Singh are married.
8. The directors of OmniArch included Jay Modi, Arti Modi and Singh. Its shareholders were 1502631 Alberta Ltd. and 1505106 Alberta Ltd., specifically:
 - 8.1 1502631 Alberta Ltd. held approximately 67 per cent of the shares of OmniArch; and
 - 8.2 1505106 Alberta Ltd. held approximately 33 per cent of the shares of OmniArch.
9. 1502631 Alberta Ltd. was incorporated in Alberta on November 19, 2009, and maintained its registered office in Calgary, Alberta. Jay Modi and Arti Modi were its directors and each owned 50 per cent of its shares.

10. 1505106 Alberta Ltd. was incorporated in Alberta on December 2, 2009, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Singh.
11. Jay Modi was the chief executive officer, president and a director of OmniArch.
12. Arti Modi was a director of OmniArch, and served as its president and chief executive officer in 2015.
13. Singh was the secretary and a director of OmniArch.
14. Each of 982 Media, 1611385 Alberta Ltd., OmniArch Capital Group and OmniArch Ventures received Related Party Loans (as defined hereafter) from OmniArch.
15. 982 Media was incorporated in Alberta on May 25, 2015, and maintained its registered office in Calgary, Alberta. Its directors were Jay Modi and Arti Modi. Its shareholders were 1891974 Alberta Ltd. and 1891978 Alberta Ltd., specifically:
 - 15.1 1891974 Alberta Ltd. held 41.5 per cent of the shares of 982 Media; and
 - 15.2 1891978 Alberta Ltd. held 58.5 per cent of the shares of 982 Media.
16. 982 Media is a film and media finance company. Arti Modi was its president.
17. 1891974 Alberta Ltd. was incorporated in Alberta on April 22 2015, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Arti Modi.
18. 1891978 Alberta Ltd. was incorporated in Alberta on April 22, 2015, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Jay Modi.
19. 1611385 Alberta Ltd. was incorporated in Alberta on June 7, 2011, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Jay Modi. 1611385 Alberta Ltd. was a personal holding company for Jay Modi.
20. OmniArch Capital Group was incorporated in Alberta on November 21, 2007, and maintained its registered office in Calgary, Alberta. Its sole director was Jay Modi and its shareholders were Jay Modi and Arti Modi, specifically:
 - 20.1 Jay Modi held approximately 67 per cent of the shares of OmniArch Capital Group; and
 - 20.2 Arti Modi held approximately 33 per cent of the shares of OmniArch Capital Group.
21. OmniArch Capital Group was created to acquire and rezone a parcel of land in Sylvan Lake, Alberta.
22. OmniArch Ventures was incorporated in Alberta on March 28, 2014, and maintained its registered office in Calgary, Alberta. Its directors were Jay Modi and Arti Modi. Its

shareholders were 1888904 Alberta Ltd. and 1888905 Alberta Ltd., which each owned 50 per cent of its shares.

23. OmniArch Ventures was created to raise funds to develop projects/businesses in the Fintech sector. It loaned money to LendingArch and OmniArch Global as described below.
24. 1888904 Alberta Ltd. was incorporated in Alberta on April 8, 2015, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Arti Modi.
25. 1888905 Alberta Ltd. was incorporated in Alberta on April 8, 2015, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Jay Modi.
26. LendingArch was incorporated in Alberta on July 24, 2015, and maintained its registered office in Calgary, Alberta. LendingArch's directors included Jay Modi, Arti Modi and Singh. It was owned and controlled, directly and indirectly, by Jay Modi, Arti Modi, Minal Modi, Rasik Modi and Singh.
27. LendingArch is an online business which refers borrowers to lenders for a fee.
28. OmniArch Global was incorporated in Alberta on May 5, 2015, and maintained its registered office in Calgary, Alberta. Its directors were Jay Modi and Arti Modi. Its sole shareholder was 1891976 Alberta Ltd.
29. OmniArch Global was a business that raised funds in reliance on private placement exemptions to invest in fixed income securities.
30. 1891976 Alberta Ltd. was incorporated in Alberta on April 22, 2015, and maintained its registered office in Calgary, Alberta. Its sole director and shareholder was Jay Modi.

Circumstances

Funds Raised and Use of Funds

31. Between 2010 and 2015, OmniArch raised about \$127 million through nine offering memoranda. OmniArch's last offering memorandum (**OM**) was issued on May 9, 2014, pursuant to which it raised \$45,525,520.
32. Each of the offering memoranda (**OMs**) was signed by Jay Modi, Arti Modi and Singh, and each contained a certificate stating that "[t]his Offering Memorandum does not contain any misrepresentations."
33. OmniArch raised these funds by distributing three classes of bonds: A, B and C. Each class paid interest at 10 per cent per annum, but had different terms. The maximum term of the bonds was five years.
34. The bonds distributed by OmniArch were securities as defined in the *Act*.

35. About \$110 million of the funds raised from investors was paid through a series of corporations controlled by Arti Modi, Jay Modi and Singh (the **OmniArch Corporations**) to American RMBS Equity Fund IV LP (**Equity Fund IV LP**) to invest in RMBS.
36. Equity Fund IV LP was a limited partnership that was registered in the state of Delaware on January 21, 2010. It was created by OmniArch, in conjunction with fund managers, Mark Bishop and Craig Chang from the United States, to manage the RMBS portfolio. The general partner for Equity Fund IV LP was ABS Investment Group, LLC (**ABSIG**).
37. ABSIG was the general partner of Equity Fund IV LP. It was incorporated in California, USA on February 13, 2008.
38. \$59,599,441 was paid back to OmniArch in returns, which included:
 - 38.1 \$41,710,744 was paid to bondholders (investors);
 - 38.2 a net of \$9,954,273 was paid out in Related Party Loans (as defined hereafter) to companies owned and controlled by Jay Modi, Arti Modi and Singh; and
 - 38.3 \$4,326,390 was paid out in dividends and distributions to 1611385 Alberta Ltd. 1505106 Alberta Ltd. and 1502631 Alberta Ltd. (together the **Numbercos**). As described above, these companies were owned and controlled by Jay Modi, Arti Modi and Singh.

Related Party Loans

39. The OmniArch OMs dated January 24, 2014, and May 9, 2014, each stated that the net proceeds raised from the offerings, and any excess cash flows, would be used to acquire downgraded and discounted RMBS bonds.
40. Between December 31, 2014, and June 10, 2016, contrary to the business purposes stated in OmniArch's OMs, rather than using all excess cash flows paid by Equity Fund IV LP to OmniArch to purchase RMBS bonds or pay returns to investors, Jay Modi and Arti Modi caused OmniArch to transfer:
 - 40.1 \$778,456 to 982 Media between July 10, 2015, and May 30, 2016;
 - 40.2 \$2,575,571 to 1611385 Alberta Ltd. between December 31, 2014, and May 30, 2016;
 - 40.3 \$405,978 to OmniArch Capital Group between February 17, 2016, and June 10, 2016; and
 - 40.4 \$6,270,301 to OmniArch Ventures between July 10, 2015, and June 10, 2016.

(Together the **Related Party Loans** or **RPLs**).

41. Of the \$6,270,301 in RPLs paid by OmniArch to OmniArch Ventures, \$4,097,155 was loaned to LendingArch and \$1,363,474 was loaned to OmniArch Global.
42. In exchange for the RPLs, 62 promissory notes were issued to OmniArch:
 - 42.1 12 notes were issued by 982 Media;
 - 42.2 10 notes were issued by 1611385 Alberta Ltd.;
 - 42.3 3 notes were issued by OmniArch Capital Group; and
 - 42.4 37 notes were issued by OmniArch Ventures.
43. The promissory notes were prepared by OmniArch's controller and accountant at the direction of Jay Modi. Jay Modi signed the promissory notes on behalf of OmniArch in all instances, and in some cases also signed on behalf of the related parties. Arti Modi signed 15 promissory notes on behalf of related parties.
44. Singh was not aware of the Related Party Loans; however, by virtue of the fact that he was a director and significant shareholder of OmniArch, a founder and director of LendingArch, and the spouse of Arti Modi, he ought to have known about the Related Party Loans.
45. None of the funds lent pursuant to the Related Party Loans were used by the related party recipients to invest in RMBS.
46. The Related Party Loans were lent on terms that were more favourable than the terms on bonds issued to OmniArch investors. Specifically, the Related Party Loans paid interest at a rate of 6 per cent (instead of 10 per cent), and were for terms of 10 years (instead of 5 years).
47. The Related Party Loans were made in amounts, pursuant to terms, and in circumstances that were in contravention of the terms and representations contained in the OmniArch OMs dated January 24, 2014, and May 9, 2014.

Dividends and Distributions

48. Between 2013 and 2015, Jay Modi, Arti Modi and Singh authorized OmniArch to pay dividends and distributions to their Numbercos as follows:
 - 48.1 1505106 AB Ltd. received \$1,273,482. It was owned by Singh;
 - 48.2 1502631 AB Ltd. received \$2,559,382. It was owned 50:50 by Jay Modi and Arti Modi. They each received \$1,279,691; and
 - 48.3 1611385 AB Ltd. received \$185,072. It was owned by Jay Modi.

OmniArch's Fund Managers, Jay Modi's Experience and Singh's Compensation

49. Clause 2.3 of OmniArch's OMs dated January 24, 2014, May 9, 2014, and August 26, 2013, stated that the:

OmniArch Group of Companies and American RMBS Fund management teams and their fund managers have a long standing history and experience within national and international business management, raising and management of investor funds and multi-sector business development...The Corporation's [OmniArch's] fund managers have participated in the fundraising for four (4) other funds...American RMBS Fund is the fourth of five funds managed by the Corporation's fund managers for the purpose of purchasing RMBS at a discount."

50. Statements to this effect were repeated numerous times in promotional literature circulated to investors by OmniArch.
51. Contrary to clause 2.3 of OmniArch's OMs dated January 24, 2014, May 9, 2014, and August 26, 2013, OmniArch did not have any in-house fund managers. Neither Jay Modi nor Arti Modi had any professional designations or formal education or training in finance, investing, securities, bonds, dealing, advising, portfolio management, investment fund management or RMBS.
52. Jay Modi is described in clause 3.2 of OmniArch's OMs dated January 24, 2014, and May 9, 2014, as providing:

strategic leadership and guidance over all aspects of the firm's operations including investments and management and disposition of the assets acquired...Mr. Modi has experience and successes in the structure [sic], growth and management of both domestic and international business operations and hosts [sic] significant experience within key aspects of the finance sector particularly within private equity, investment banking and mergers and acquisitions.

53. Contrary to clause 3.2 of OmniArch's OMs dated January 24, 2014, and May 9, 2014, Jay Modi had a high school education, and prior to starting OmniArch, his business experience in the securities and investment management industries was limited.
54. Section 3.1 of OmniArch's OMs dated January 24, 2014, May 9, 2014, and August 26, 2013, all contained statements to the effect that:

[d]uring the year ended December 31, 2013, Mr. Singh did not receive any compensation from the Corporation or the Limited Partnership. As of the date of this OM, Mr. Singh has not received any salary, bonus or similar employment compensation and it is not anticipated that he will receive any compensation in the next fiscal year from the Corporation or the Limited Partnership.

55. Contrary to section 3.1 of OmniArch's OM dated January 24, 2014, May 9, 2014, and August 26, 2013, from 2013 to 2015, Singh's company, 1505106 Alberta Ltd., was paid \$1,273,482 in dividends and distributions by OmniArch (**Singh's Compensation**). Although the distributions and dividends were disclosed in the financial statements appended to the OMs after they were declared, the statements in section 3.1 of the OM were not corrected.
56. Singh also owned 50 per cent of the shares in 1891973 Alberta Ltd., which owned 26.4 per cent of the shares of LendingArch, which received \$4,097,155 from OmniArch Ventures after 2014.
57. From 2013 to 2015, Singh, 1505106 Alberta Ltd. and 1891973 Alberta Ltd. provided only nominal consideration, work or services to OmniArch.

CCAA Proceedings

58. On July 15, 2016, OmniArch and the OmniArch Corporations sought and obtained protection pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (**CCAA**). In the course of the CCAA proceedings, Ernst & Young Inc., as Monitor, discovered irregularities in the financial affairs of the US entities.
59. On April 5, 2017, Jay Modi on behalf of OmniArch commenced an action against Equity Fund IV LP, ABSIG, ABSIG's principals and others (the **US Entities**), claiming, among other things, fraud and breach of contract alleging the depletion of investors' money by selling bonds at undervalue and purchasing bonds at over value. One of ABSIG's principals immediately settled and some recovery was obtained. Default judgement was entered against the other principal of ABSIG.
60. On November 28, 2017, following a vote where a Plan of Compromise and Arrangement between OmniArch and its Creditors was approved (**Plan**), the Court of Queen's Bench of Alberta sanctioned the Plan. The Plan included, *inter alia*, the following terms designed to offset the RPLs:
 - 60.1 control of OmniArch was transferred to a new board of directors approved by investors. The only shares of OmniArch outstanding post-Plan were new OmniArch shares issued to former investors;
 - 60.2 investors' claims were converted into shares in OmniArch;
 - 60.3 the transfer to OmniArch by OmniArch Ventures of shares of LendingArch (**Transferred Shares**), which were valued at \$7.5 million;
 - 60.4 the repayment to OmniArch by OmniArch Ventures of \$2.5 million, which was secured by personal guarantees given by Jay Modi and Arti Modi (**Repayment**);
 - 60.5 the claim against the US entities was retained by OmniArch;

- 60.6 Jay Modi and Arti Modi guaranteed the payment of \$2.5 million by OmniArch Ventures to OmniArch over a term of five years; and
- 60.7 the Alberta Court of Queen's Bench declared the indebtedness owing pursuant to the RPLs was satisfied by the provisions of the Plan.

Admitted Breaches of Alberta Securities Laws (Admitted Breaches)

61. As a result of the conduct outlined above, each of Jay Modi, Arti Modi, Singh, 1502631 Alberta Ltd. and 1505106 Alberta Ltd. admits that they breached section 92(4.1) of the *Act* by authorizing, permitting, or acquiescing in OmniArch's failure to disclose the RPLs to investors, or at all, and that the failure to disclose the RPLs would reasonably be expected to have a significant effect on the market price or value of OmniArch's securities.
62. As a result of the conduct outlined above, each of Jay Modi, Arti Modi, Singh, 1502631 Alberta Ltd. and 1505106 Alberta Ltd. admits that they breached section 92(4.1) of the *Act* by authorizing, permitting, or acquiescing in the making of statements by OmniArch that were either misleading, or that omitted facts necessary to make those statements not misleading, in OmniArch's OMs that would reasonably be expected to have a significant effect on the market price or value of OmniArch's securities about:
- 62.1 OmniArch's fund managers and Jay Modi's experience; and
- 62.2 Singh's Compensation.
63. Under the direction of Jay Modi, Arti Modi or Singh, each of LendingArch, 982 Media, 1611385 Alberta Ltd., OmniArch Capital Group, OmniArch Ventures and OmniArch Global received, directly or indirectly funds from the RPLs, and acquiesced in the failure to disclose the RPLs to investors, contrary to section 92(4.1) of the *Act*.

Circumstances Relevant to Settlement

64. Of the \$2,575,571 loaned to 1611385 Alberta Ltd. by OmniArch, \$150,000 was repaid in 2016.
65. Of the \$6,270,301 loaned to OmniArch Ventures by OmniArch, \$386,248 was repaid in 2016.
66. Of the \$778,456 loaned to 982 Media by OmniArch, \$39,785 was repaid in 2016.
67. As of the date of this Agreement, OmniArch Ventures has paid \$1 million of the \$2.5 million owing to OmniArch as part of the Plan.
68. Jay Modi, Arti Modi and Singh each resigned as directors of OmniArch as part of the CCAA proceedings and the RPLs were disclosed to investors and the ASC at the beginning of those proceedings.

69. On May 19, 2017, a panel of the Commission issued an interim order against OmniArch, Jay Modi, Arti Modi, Singh and another party directing that:
- 69.1 all trading in securities of OmniArch must cease;
 - 69.2 OmniArch must cease trading in all securities and all exemptions contained in Alberta securities laws do not apply to OmniArch;
 - 69.3 Jay Modi, Arti Modi, and Singh (collectively, the **Individual Respondents**) must cease trading in all securities and all exemptions contained in Alberta securities laws do not apply to the Individual Respondents except that the Individual Respondents are not precluded from trading in securities through a registrant who has first been given a copy of this order in one or more accounts maintained with that registrant; and
 - 69.4 each Individual Respondent must resign all positions any of them holds as a director or officer or both of LendingArch and is prohibited from becoming or acting as a director or officer or both of LendingArch.
70. The Respondents have no other sanctioning history with the Commission.
71. Jay Modi, Arti Modi and Singh cooperated in Staff's investigation, and made the admissions described herein.
72. This Agreement has saved the Commission the time and expense associated with a contested hearing under the *Act*.

Settlement and Undertakings

73. Based on the Agreed Facts and Admitted Breaches, Jay Modi agrees and undertakes to the Executive Director of the Commission:
- 73.1 For a period of 20 years:
 - 73.1.1 to cease trading in or purchasing securities or derivatives, except where all of the following conditions are met:
 - 73.1.1.1 trades are made through a registrant who has first been given a copy of this Agreement; and
 - 73.1.1.2 trades are made in a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF), a tax-free savings account (TFSA) (as defined in the *Income Tax Act*, R.S.C. 1985, c. 1, as amended); of which Jay Modi has sole beneficial ownership;
 - 73.1.2 all of the exemptions contained in Alberta securities laws do not apply to him;

- 73.1.3 to resign all positions he holds as a director or officer of any issuer;
 - 73.1.4 to not become or act as a director or officer (or both) of any issuer or other person or company that is authorized to issue securities;
 - 73.1.5 not to engage in investor relations activities, advise in securities or derivatives, not to become or act as a registrant, investment fund manager or promoter, and not to act in a management or consultative capacity in connection with activities in the securities market;
- 73.2 Jay Modi agrees to pay to the Commission on execution of this Agreement, a monetary settlement of \$500,000 inclusive of costs.
74. Based on the Agreed Facts and Admitted Breaches, Arti Modi agrees and undertakes to the Executive Director of the Commission:
- 74.1 For a period of 10 years:
 - 74.1.1 to cease trading in or purchasing securities or derivatives, except where all of the following conditions are met:
 - 74.1.1.1 trades are made through a registrant who has first been given a copy of this Agreement; and
 - 74.1.1.2 trades are made in a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF), a tax-free savings account (TFSA) (as defined in the *Income Tax Act*, R.S.C. 1985, c. 1, as amended); of which Arti Modi has sole beneficial ownership;
 - 74.1.2 all of the exemptions contained in Alberta securities laws do not apply to her;
 - 74.1.3 to resign all positions she holds as a director or officer of any issuer;
 - 74.1.4 not to become or act as a director or officer (or both) of any issuer or other person or company that is authorized to issue securities;
 - 74.1.5 not to engage in investor relations activities, advise in securities or derivatives, not to become or act as a registrant, investment fund manager or promoter, and not to act in a management or consultative capacity in connection with activities in the securities market;
 - 74.2 Arti Modi agrees to pay to the Commission on execution of this Agreement, a monetary settlement of \$180,000 inclusive of costs.
75. Based on the Agreed Facts and Admitted Breaches, Singh agrees and undertakes to the Executive Director of the Commission:

- 75.1 For a period of three years:
- 75.1.1 to cease trading in or purchasing securities or derivatives, except where all of the following conditions are met:
 - 75.1.1.1 trades are made through a registrant who has first been given a copy of this Agreement; and
 - 75.1.1.2 trades are made in a registered retirement savings plan (RRSP), a registered retirement income fund (RRIF), a tax-free savings account (TFSA) (as defined in the *Income Tax Act*, R.S.C. 1985, c. 1, as amended) of which Singh has sole beneficial ownership;
 - 75.1.2 all of the exemptions contained in Alberta securities laws do not apply to him;
 - 75.1.3 to resign all positions he holds as a director or officer of any issuer – with the exception he can act in those capacities with respect to Fuelled Energy Marketing Inc. (or any of its subsidiaries or successor entities);
 - 75.1.4 not to become or act as a director or officer (or both) of any issuer or other person or company that is authorized to issue securities - with the exception that he can act in those capacities with respect to Fuelled Energy Marketing Inc. (or any of its subsidiaries or successor entities) provided that Fuelled Energy Marketing Inc. does not issue or propose to issue securities or exchange contracts to the public except as stock options to its employees in respect of equity based compensation;
 - 75.1.5 not to engage in investor relations activities, advise in securities or derivatives, not to become or act as a registrant, investment fund manager or promoter, and not to act in a management or consultative capacity in connection with activities in the securities market;
- 75.2 Singh agrees to pay to the Commission on execution of this Agreement, a monetary settlement of \$115,000 inclusive of costs.
76. Based on the Agreed Facts and Admitted Breaches, 982 Media, 1611385 Alberta Ltd., OmniArch Capital Group, OmniArch Ventures, OmniArch Global, 1505106 Alberta Ltd. and 1502631 Alberta Ltd. agree and undertake to the Executive Director of the Commission to permanently:
- 76.1 cease trading in or purchasing securities or derivatives, and acknowledge that all of the exemptions contained in Alberta securities laws do not apply to them except that OmniArch Ventures shall be permitted to trade its existing shares of LendingArch provided that the net proceeds of any such trade are utilized first to satisfy any remaining required Repayment, and second used to satisfy any remaining monetary settlement amount owing by Jay Modi to the Commission;

- 76.2 not act as an issuer or registrant; and
 - 76.3 not engage in investor relations activities, advise in securities or derivatives, to not become or act as a registrant, investment fund manager or promoter, and to not act in a management or consultative capacity in connection with activities in the securities market.
77. Based on the Agreed Facts and Admitted Breaches, LendingArch agrees and undertakes to the Executive Director of the Commission to permanently:
- 77.1 cease trading in or purchasing securities or derivatives, and acknowledges that all of the capital raising exemptions contained in Alberta securities laws do not apply to it, except that LendingArch may trade or use capital raising exemptions through a registrant that has first been provided with a copy of this agreement;
 - 77.2 not act as a registrant or investment fund manager; and
 - 77.3 other than in compliance with 77.1, not engage in investor relations activities, advise in securities or derivatives, to not become or act as a registrant, investment fund manager or promoter, and to not act in a management or consultative capacity in connection with activities in the securities market.

Administration

78. Jay Modi, Arti Modi, Singh, 1502631 Alberta Ltd., 1505106 Alberta Ltd., 982 Media, 1611385 Alberta Ltd., OmniArch Capital Group, OmniArch Ventures, LendingArch and OmniArch Global each acknowledge that they have sought and received independent legal advice and that they have each voluntarily made the admissions herein.
79. Jay Modi, Arti Modi, Singh, 1502631 Alberta Ltd., 1505106 Alberta Ltd., 982 Media, 1611385 Alberta Ltd., OmniArch Capital Group, OmniArch Ventures, LendingArch and OmniArch Global waive any rights existing under the *Act*, or otherwise, to a judicial review or appeal of this matter.
80. The Respondents waive any right existing under the *Act*, or otherwise, to a hearing, review, judicial review or appeal of this matter.
81. The Respondents acknowledge and agree that the Commission may enforce this Agreement in the Court of Queen's Bench or in any other court of competent jurisdiction.
82. The Respondents understand and acknowledge that this Agreement may form the basis for securities-related orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow for provisions of a settlement agreement made in this matter to be given parallel effect in those other jurisdictions automatically, without further notice to them. The Respondents understand and acknowledge that they should contact the securities regulator of any other jurisdiction in which they may intend to engage in any securities-related activities.

- 83. Execution and fulfillment of the terms of this Agreement by the Respondents resolve all issues involving the Respondents relating to the conduct described above, and Staff will take no further steps against them arising from these facts.
- 84. This Agreement may be executed in counterpart.

Signed by the duly authorized signatory of)
982 Media House Inc. at Calgary, Alberta) 982 Media House Inc.
this 8 day of May, 2020, in the presence)
of:)
)
WITNESS NAME)
WITNESS NAME)
) Per: “Original signed by”
“Original signed by”)
SIGNATURE) Print Name: Jay Modi

Signed by the duly authorized signatory of)
1611385 Alberta Ltd. at Calgary, Alberta) 1611385 Alberta Ltd.
this 8 day of May, 2020, in the presence)
of:)
)
WITNESS NAME)
WITNESS NAME)
) Per: “Original signed by”
“Original signed by”)
SIGNATURE) Print Name: Jay Modi

Signed by the duly authorized signatory of)
OmniArch Capital Group Inc. at Calgary,) OmniArch Capital Group Inc.
Alberta this 8 day of May, 2020, in the)
presence of:)
)
WITNESS NAME)
WITNESS NAME)
) Per: “Original signed by”
“Original signed by”)
SIGNATURE) Print Name: Jay Modi

Signed by the duly authorized signatory of)
OmniArch Ventures Inc., also known as)
New Wave Ventures Inc. at Calgary,)
Alberta this 8 day of May, 2020, in the)
presence of:)

) OmniArch Ventures Inc., also known as New
) Wave Ventures Inc.

WITNESS NAME)

WITNESS NAME)

) Per: "Original signed by"

"Original signed by")

SIGNATURE)

) Print Name: Jay Modi

Signed by the duly authorized signatory of)
LendingArch Financial Inc. at Calgary,)
Alberta this 8 day of May, 2020, in the)
presence of:)

) LendingArch Financial Inc.

WITNESS NAME)

WITNESS NAME)

) Per: "Original signed by"

"Original signed by")

SIGNATURE)

) Print Name: Paul Hadzoglou

Signed by the duly authorized signatory of)
OmniArch Global Bond Corp., also)
known as OmniArch Global Secured)
Corporation, also known as Calasset Bond)
Corp. at Calgary, Alberta this 8 day of)
May, 2020, in the presence of:)

) OmniArch Global Bond Corp., also known as
) OmniArch Global Secured Corporation, also
) known as Calasset Bond Corp.

WITNESS NAME)

WITNESS NAME)

) Per: "Original signed by"

"Original signed by")

SIGNATURE)

) Print Name: Jay Modi

Signed by the duly authorized signatory of)
1505106 Alberta Ltd. at Calgary, Alberta)
this 8 day of May, 2020, in the presence)
of:)

1505106 Alberta Ltd.

WITNESS NAME)

WITNESS NAME)

Per: "Original signed by"

"Original signed by")
SIGNATURE)

Print Name: Rajeev Singh

Signed by the duly authorized signatory of)
1502631 Alberta Ltd. a at Calgary,)
Alberta this 8 day of May, 2020, in the)
presence of:)

1502631 Alberta Ltd.

WITNESS NAME)

WITNESS NAME)

Per: "Original signed by"

"Original signed by")
SIGNATURE)

Print Name: Jay Modi

Signed by Jay Rasik Modi at Calgary,)
Alberta this 8 day of May, 2020, in the)
presence of:)

WITNESS NAME)

WITNESS NAME)

"Original signed by")
SIGNATURE)

"Original signed by"

Jay Rasik Modi

Signed by Arti Rajeev Singh, also known)
as Arti Rajeev Modi at Calgary, Alberta)
this 8 day of May, 2020, in the presence)
of:)

WITNESS NAME)

WITNESS NAME)

"Original signed by")
SIGNATURE)

"Original signed by"

Arti Rajeev Singh, also known as Arti Rajeev
Modi

Signed by Rajeev Jagdish Singh at)
Calgary, Alberta this 8 day of May, 2020,)
in the presence of:)

_____))
WITNESS NAME)
_____))
WITNESS NAME)

_____))
“Original signed by”)
SIGNATURE)

_____))
“Original signed by”)
Rajeev Jagdish Singh)

) ALBERTA SECURITIES COMMISSION)
))

Calgary, Alberta, 11 May 2020)

) *“Original signed by”*)
_____))
) David C. Linder, Q.C.)
) Executive Director)